Neighborhood Transformations

The Implementation of Philadelphia’s Community Development Policy

City of Philadelphia
Office of Housing and Community Development
John Kromer, Director
CITY OF PHILADELPHIA

OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT
1234 Market Street
17th Floor
Philadelphia, PA 19107

February 1997

This publication shows how a well-organized community development policy supported by systematic public investment can improve the physical environment and quality of life in urban neighborhoods and produce long-term economic benefit to the cities where they are located. In particular, this publication demonstrates how limited public investment in older neighborhoods can produce lasting results and create a foundation for future private reinvestment.

During the years since the inception of the City of Philadelphia's Community Development Block Grant (CDBG) program in 1974, the City has been called upon to use community development resources to address many needs: completing the implementation of urban renewal plans launched in the 1960s; supporting the development of vacant land and buildings; addressing the affordable housing needs of low- and moderate-income Philadelphia residents; assisting people with specialized housing and service needs; and encouraging the retention and creation of jobs.

Today the City's program is also increasingly oriented to two key economic development goals:

- Helping people move out of poverty into the middle class; and
- Demonstrating to residents of the city and region that conditions in Philadelphia neighborhoods are beginning to improve and that the city's neighborhoods are becoming more desirable, attractive living places.

Years from now the present time will be viewed as a period in which continued evidence of economic disinvestment in Philadelphia neighborhoods (brought on by the dramatic shrinkage of the city's manufacturing economy after 1950) was accompanied by the first indications of economic recovery in the city's residential communities. This publication describes a policy and associated implementation activities that, if sustained, can stimulate more positive changes and eventual long-term reinvestment in Philadelphia neighborhoods.

Due to limitations of space, it was not possible to include in this publication the CDBG-funded activities of the City's Commerce Department and economic development agencies, as well as a significant number of other housing program and service activities. All of these activities, documented in the CDBG Consolidated Plan published by the Office of Housing and Community Development (OHCD), are critical elements in the City's overall neighborhood reinvestment approach.

I look forward to working with readers of this publication to advance the continued implementation of Philadelphia's community development policy.

John Kromer
Director
Neighborhood Transformations

Table of Contents

PART ONE:
A 20th-Century Catastrophe ................................................................. 5

PART TWO:
Philadelphia's Neighborhood Economy ............................................. 21

PART THREE:
From Industrial-Age Powerhouse to 21st-Century Hometown .............. 29

PART FOUR:
Night and Day ..................................................................................... 37

PART FIVE:
How We Succeed ................................................................................. 48
  Strategy ............................................................................................. 50
  Design ............................................................................................... 62
  Ownership ......................................................................................... 74
  Readiness ......................................................................................... 82
  Enterprise ......................................................................................... 92
  Respect ............................................................................................ 100

PART SIX:
Time of Opportunity ............................................................................ 109
PART ONE:
A 20th-Century Catastrophe

The ruin of the former Quaker Lace factory, 4th and Lehigh, 1994.
A 20TH-CENTURY CATASTROPHE

Philadelphia neighborhoods today are struggling to recover from an economic crisis of catastrophic proportions. The primary cause of this crisis is an extraordinary, once-in-a-lifetime phenomenon: the ending of the industrial age and the associated withdrawal of economic assets--people, businesses and jobs--from older urban areas. This transformation has had a devastating effect on neighborhoods across the city and has had a more severe impact on the economy of many Philadelphia neighborhoods than on the economy of the city or the surrounding region as a whole. Problems such as drug abuse, crime, abandoned housing and family instability, while powerful threats to neighborhood well-being, are symptoms, not causes, of this wide-ranging crisis in the Philadelphia neighborhood economy.
A century ago, a substantial amount of the nation's wealth was generated by growing industrial neighborhoods located in large cities in the eastern United States—and much of this wealth was generated by activity in the industrial neighborhoods of Philadelphia.

In the late 1890s, Philadelphia was the 3rd largest city in the United States, with a population of 1,293,697. The city was well positioned geographically to take advantage of the growing influence of railroads in the national economy of the late 19th century and to continue to use river transportation and port facilities to excellent advantage. Iron and steel manufacturing was a key growth sector of the economy, and the Baldwin Locomotive Works and William Cramp and Sons Ship and Engine Building Company were among the world's leading industrial producers. Philadelphia experienced unprecedented growth in the textile industry and became the nation's leading textile producer during this period. The Philadelphia economy also included substantial activity in the manufacturing and production of an array of other products, from carpets to chemicals, from saw blades to umbrellas.

Vicinity of 4th and Berks Streets, 1895
Philadelphia's industrial growth during the late 19th century was accompanied by rapid population growth, both occurring together in neighborhoods combining industrial and residential land uses located in close proximity. Philadelphia had many acres of river- and rail-accessible land available for industrial development in the vicinity of the Delaware and Schuylkill rivers and within North, Northwest, South and West Philadelphia. Crowded working-class neighborhoods grew up around these industrial sites. The more densely populated the surrounding neighborhood, the more effectively the demand for large numbers of readily available unskilled workers could be met.

Large industrial firms were anchors for many Philadelphia neighborhoods in the last century. These firms were the primary economic assets of many Philadelphia communities, providing a solid foundation for associated residential, retail and institutional development in these neighborhoods. In many areas of the city, a key industrial employer or group of factories held the central position in the neighborhood economy. Neighborhood-based industrial firms and neighborhood residents were closely linked because of their economic dependence on one another. During these years in which Philadelphia maintained its status as an industrial powerhouse, the Philadelphia neighborhood economy contributed substantially to the economy of the city, region and nation. Economic activity in Philadelphia neighborhoods directly influenced the economic well-being of the United States.

Grays Ferry Chemical Works

Stetson Hat Factory and adjacent neighborhood
Selected Pre-1950

Industrial Firms
Disston and Sons, Keystone Saw Works
Northeast Philadelphia
S.S. White Dental Works
Center City
Morse Elevator Works
Fishtown
Atwater Kent Radio Plant
Northwest Philadelphia
John Bromley and Sons [carpet mill]
Kensington
Chambers Brothers Machine Works and Foundry
West Philadelphia
Frankford Arsenal
Northeast Philadelphia
John Wyeth Chemical Works
South Philadelphia
Quaker City Dye Works
North Philadelphia
American Cigar Company
South Philadelphia

Selected Post-1990

Industrial Relocations/Expansions
Nycomed R & D, Inc. [Diagnostic Imaging]
Chester County
Cephalon, Inc. [Biotechnology]
Chester County
GMT Microelectronics, Inc. [Semiconductor Mfg.]
Montgomery County
Wendt Dunnigton [Industrial Equipment]
Chester County
Le-Jo Enterprises, Inc. [Restaurant Equipment Mfg.]
Chester County
Boiron-Borneman, Inc. [Pharmaceuticals]
Bucks County
Rhone-Poulene Rorer [Petroleum By-Products]
Delaware County
Germantown, USA [Extracts and Syrups]
Delaware County
Ateece, Inc. [Maker of Mrs. T’s Pierogies]
Montgomery County
Epsilon Corporation [Plastic Extrusion/Resins Co.]
Delaware County

In the Philadelphia of the 1990s, the neighborhood is no longer the place where most community residents can find job opportunities. Many large industrial employers have left neighborhoods such as North Central Philadelphia, Kensington and Lower Germantown. Economic advantages that these neighborhoods possessed a century ago—including geographic proximity to attractive development sites, availability of unskilled, low-cost labor and access to river and rail transportation—are no longer present or are no longer competitive advantages. Many sites in Greater Philadelphia are better situated or easier to develop than property located in the city’s older neighborhoods. In addition, more of the new jobs offered by the major employers in today’s economy require a high school education, often followed by advanced education or training. Older transportation modes have been superseded by modern communications networks and delivery systems that provide a more efficient means of moving information and products.

Concerns over security, neighborhood appearance and quality of public services can influence employers not to locate in older Philadelphia communities. The poor or limited educational background of many residents, sometimes combined with language and cultural barriers, can influence employers not to hire people who currently live in such communities, regardless of where the job opportunities are located.
Not all Philadelphia neighborhoods had the factory-dominated “mill town” structure of North Central Philadelphia—but all Philadelphia neighborhoods experienced direct or indirect effects of disinvestment in the years after 1950. The decline of manufacturing had a significant effect on areas of West, Southwest and South Philadelphia where major industrial firms were located. Factory closings, retail decline, population loss and declining quality of life also affected middle- and upper-class neighborhoods where industrial and retail business owners, managers and technical workers and the lawyers, accountants and other professionals associated with large Philadelphia-based businesses had previously made their homes.

Above: Midvale Steel Plant and adjacent neighborhood, 1895; Inset: Midvale site, 1996
The crisis of neighborhood disinvestment is particularly hard to deal with because, before this generation, Philadelphia had never experienced a period of prolonged population decline and employment loss. The massive post-1950 disinvestment had not been anticipated prior to 1950, and the widespread, long-term nature of this cycle of disinvestment was not widely recognized by the general public until the 1980s and 1990s. From the 17th century until the 1950s, the condition of Philadelphia's economy was one of stability or growth (with few exceptions). Prior to 1950, population growth was Philadelphia's characteristic demographic trend. Even as recently as the post-World War II period, extensive new housing construction in outlying areas of Northeast, Northwest and South Philadelphia seemed to indicate future decades of population growth—not the massive loss of residents that began after 1950.

This situation is also made more difficult by the recognition that Philadelphia will never return to the economic conditions of the preceding century, during which neighborhood-based employment remained at a high level and the strong link between neighborhood residents and neighborhood-based businesses generated economic value to the city and nation.

Because economic disinvestment is the overriding problem affecting Philadelphia neighborhoods, any neighborhood-related public policy, government program or initiative proposed by business, institutional or community interests needs to be evaluated in terms of the extent to which it responds to this key issue.

Attempts to address this problem have been frustrating for supporters of Philadelphia neighborhoods, because 20th-century disinvestment is not a temporary setback or market "correction," but an unprecedented, fundamental change in economic structure and social organization that cannot be resolved through traditional approaches based on past experience.
No Reliable Plan

The absence of related past experience or a reliable, proven plan for the future makes it harder for people interested in Philadelphia neighborhoods to agree on the best approach for evaluating a neighborhood’s economic potential and establishing priorities for community and government action to attempt to realize this potential.

The economic environment of neighborhoods is fundamentally different from that of Philadelphia’s downtown or the Greater Philadelphia region. For this reason, reinvestment strategies for neighborhoods need to have a different orientation than plans for Center City and the region. For example, while the overall reinvestment strategy for Center City is reasonably well-defined (emphasizing maintenance of an attractive, safe downtown area, promotion of this area to the convention/visitor market, development of additional hotel rooms to attract a larger portion of this market, effective marketing of first-class office space, supporting existing retailers and related activities), most neighborhoods do not have a similarly well-defined reinvestment strategy.

Further, because neighborhood conditions vary widely, it is not possible to create a “generic” reinvestment approach that works for all neighborhoods.

In North Central Philadelphia, a reinvestment strategy would need to address vacant property issues, employment/training needs and accessibility to human service resources. In contrast, a reinvestment strategy for portions of West Philadelphia might instead focus on promoting the sales housing market, identifying short-term vacant houses for moderate rehabilitation and initiating code-enforcement actions against investor-owned apartment buildings. Establishing a neighborhood strategy that addresses specific conditions and proposes action appropriate to these conditions requires a substantial commitment of time, labor and professional expertise not always readily available to supporters of reinvestment activity in a particular community.

Above: Germantown Avenue south of Chelten
Left: Market Street East, Center City
The need for variation in reinvestment strategies based on varying neighborhood conditions can be understood by examining differences in a street such as Germantown Avenue, which runs through many neighborhoods. A stabilization and improvement strategy for that portion of Germantown Avenue belonging to Chestnut Hill...

...would need to differ significantly from a reinvestment strategy for Germantown Avenue in Mount Airy...
...Nicetown...

...or Eastern North Philadelphia.
Complex Issues

In 1951, the Philadelphia Home Rule Charter, approved through a voter referendum, established City government departments—including Streets, Recreation, Public Property and others—but did not provide for a Housing Department or Office of Emergency Shelter and Services (formerly known as the Office of Services to the Homeless and Adults). In 1951, Philadelphia was not experiencing any significant problem with abandoned, vacant houses and neglected vacant lots. In 1951, homelessness did not exist on a scale or level of complexity remotely approaching homelessness as it is known in the 1990s. Under the social policies of the 1950s, a substantial portion of today’s street and shelter population would have been held in institutions. Neighborhood-based housing and services for mentally ill people, people with AIDS or “dually diagnosed” individuals (e.g., recovering drug or alcohol abusers who also have AIDS) did not exist as significant issues in 1951 or, to the extent that they existed, did not have to be addressed in a neighborhood context. A few decades later, all Philadelphians can claim some familiarity with these human service issues.
For the most part these issues are complicated and resistant to direct, straightforward solutions. For example, the problem of homelessness in Philadelphia cannot be solved simply by giving every homeless person or family a house to live in. Nearly all homeless people also require a significant level of service support—ranging from case management for drug or alcohol recovery to job training and placement services—in order to prepare themselves to become self-sufficient enough to make their way in today’s economy. Complex social problems such as homelessness cannot be resolved quickly without a combination of sufficient government/institutional funding, a reliable case management/service delivery network and capable real estate developers and property managers.

<table>
<thead>
<tr>
<th></th>
<th>Grant</th>
<th>Local Match</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prevention (10%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevention Specialists</td>
<td>$200,000</td>
<td>(In Kind)</td>
</tr>
<tr>
<td>Prevention Centers</td>
<td>600,000</td>
<td>($1,200,000)</td>
</tr>
<tr>
<td></td>
<td>$800,000</td>
<td></td>
</tr>
<tr>
<td><strong>Supported Housing (60%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Housing</td>
<td>$3,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>3-Yr. Rental Assistance</td>
<td>1,300,000</td>
<td>(390,000)</td>
</tr>
<tr>
<td>Capacity Building</td>
<td>500,000</td>
<td>225,000</td>
</tr>
<tr>
<td></td>
<td>$4,800,000</td>
<td>5,615,000</td>
</tr>
<tr>
<td><strong>Support Services (25%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Training</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Case Management</td>
<td>750,000</td>
<td>375,000</td>
</tr>
<tr>
<td>Supportive Services</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td></td>
<td>$2,000,000</td>
<td>$1,625,000</td>
</tr>
</tbody>
</table>

Excerpt from Philadelphia Homeless Initiative Cities Proposal, 1994
Limited Resources

Many of the people who left Philadelphia after 1950 were middle- and upper-class individuals and families who generated substantial income and property tax revenues to the City. An increasing number of the people who remain in Philadelphia are low- and very low-income individuals and families, many of whom require subsidized support services such as health care, child care and specialized counseling or therapy. From 1970 to 1990, the population of Philadelphia declined from 1,948,609 to 1,585,577 while the number of Philadelphia residents below poverty level increased from 15 percent to 20 percent.

This simultaneous loss of taxpaying population combined with increased demand for services that must be funded from the City's tax base creates a double disadvantage for Philadelphia, a disadvantage that is compounded by recent federal and state cutbacks in aid to low-income people.

The federal Community Development Block Grant (CDBG) program provides the City with a substantial amount of discretion in determining how Block Grant funding is to be allocated to address City affordable housing, development and service activities; activities such as housing construction and rehabilitation, housing counseling and other housing-related services, employment/training programs and capital investment in business development and expansion. However, two important limitations of the CDBG program are the requirement that program funding not be used to support City services—services such as public education, health care, crime prevention and operation of recreational facilities—and that all program funding be spent to benefit low- and moderate-income people (people with incomes at 80 percent of median or lower). These requirements mean that CDBG funding cannot be used to fund public service needs that have emerged in recent decades or to support housing programs or financial incentives designed to attract middle-class people to the city or keep them here.
It's Not Over

By now there is widespread public awareness of the decline of manufacturing and the end of the industrial era, much of it based on the personal experience and observations of Philadelphia residents. Although the major events in this cycle of history have already taken place—events such as the closing of major industrial firms located in the city and the abandonment of the neighborhoods they anchored—this phase of history has not yet come to an end or been totally superseded by another. Some factory closing will continue during the remaining years of this decade, based on the economic changes that began a half-century ago. Some older neighborhoods will continue to lose population because of the loss of manufacturing jobs. These communities will also experience housing abandonment and the weakening or disintegration of neighborhood retail areas. Just as the rise of manufacturing and associated economic benefits emerged over a series of decades, the decline of manufacturing and the loss of these benefits is also occurring over a painfully drawn-out period.
PART TWO:
Philadelphia's Neighborhood Economy
PHILADELPHIA'S NEIGHBORHOOD ECONOMY

Because recovery from a cycle of disinvestment is the most important issue facing Philadelphia neighborhoods during the remainder of this decade and the early years of the 21st century, the Philadelphia neighborhood economy—the preservation, development and improvement of physical assets and human resources in our neighborhoods—needs to be a central concern for all Philadelphians.

The primary physical assets belonging to Philadelphia neighborhoods are houses and apartments, grouped in residential blocks or within multi-unit buildings. Houses and apartments are the most basic elements of the neighborhood economy. The development, improvement, preservation and long-term viability of these living units—and their relationship to local businesses, institutions and public facilities—are key economic development issues for all Philadelphia neighborhoods.
The primary human resources belonging to Philadelphia neighborhoods are individuals and families who live and work there. These individuals and families are current, past and prospective contributors to the region’s workforce. They also lead, manage and support the neighborhood’s businesses, institutions and service organizations.
Philadelphia neighborhoods are part of the **Greater Philadelphia regional economy** and of the city's economy within this region. More than ever before in Philadelphia's history, Philadelphia neighborhoods are fundamentally influenced by the condition of the regional and local economies and by changes in these economies.

The Greater Philadelphia regional economy, within the Philadelphia Metropolitan Statistical Area, includes an estimated 4.9 million people living in the city and the surrounding seven-county region, the fourth-largest such region in the United States. In 1990, the Services, Finance, Insurance and Real Estate (F.I.R.E.) and Government employment categories represented more than half the region's employment: 1,467,173 of 2,693,879 workers. Many of these workers are employed within an established base of government agencies, academic and medical institutions located in the city and suburbs. Manufacturing accounted for 13.4 percent of the region's total employment. This employment is dispersed among a variety of businesses, including specialties such as chemicals, medical devices, transportation equipment, printing and publishing. According to the Delaware Valley Regional Planning Commission (DVRPC) **DIRECTION 2000** long-range plan, the combined Services, F.I.R.E. and Government sectors will continue to be the primary elements in the region's employment base. DVRPC projects that these sectors will account for 53.9 percent of the region's employment in the year 2020.
Greater Philadelphia First's 1995 publication, *An Economic Development Strategy for the Greater Philadelphia Region* documented key areas of employment growth within the past decade and identified five "industry clusters" most likely to generate jobs and income growth during the coming years:

- health care services and products;
- finance, insurance and other information-intensive services;
- professional services;
- hospitality; and
- precision manufacturing.
The Philadelphia city economy contains some elements of the regional economy but has distinctive characteristics of its own. One of the most significant trends in the Philadelphia economy is the progressive decline in manufacturing jobs and the growth of service-sector jobs over the past half-century. In 1950, Philadelphia's economy included 290,600 workers in manufacturing, representing 35 percent of all employment; by 1990, the city economy had only 88,500 workers in manufacturing, and this sector represented 13 percent of all employment. Service employment rose from 192,000 to 530,000 during this period, increasing as a percentage of all Philadelphia employment from 23 percent in 1950 to 81 percent in 1990. Health care and educational institutions, government, finance and professional services firms continue to play a significant role as Philadelphia employers. However, the overall city economy has lost 176,000 jobs since 1950.

One of the positive events in the recent history of the Philadelphia economy is the stabilization and improvement of the City government's fiscal condition. Following a period of years in which government operations were supported through deficit financing, the City reached the brink of bankruptcy in 1991 after failing to sell short-term bonds in 1990. In 1992 the Rendell Administration launched a comprehensive fiscal reform strategy. The implementation of this strategy resulted in balanced budgets in Fiscal 1993, 1994, 1995 and 1996, when the City achieved surpluses of $3.1 million, $15.3 million, $80.5 million and $118.0 million, respectively.
The economy of downtown Philadelphia—the Center City business district and residential areas located along and within city blocks north and south of Market Street—has produced substantial economic benefits for Philadelphia neighborhood residents during recent years. The opening of the Pennsylvania Convention Center in 1993 and the opening of the 1,200-room Philadelphia Marriott Hotel in 1995 significantly increased Philadelphia's capability to attract convention/visitor business, to the benefit of the Philadelphia economy. These facilities and other investment in the downtown area generated many permanent jobs for Philadelphia neighborhood residents.

Center City's residential population increased by five percent between 1980 and 1990. The median sales price for single-family housing in Center City increased 37.5 percent (from $110,000 to $151,200) between 1981 and 1991.
The Philadelphia neighborhood economy, although belonging to and strongly influenced by the regional, city and downtown economies, has a distinct identity and a different array of problems and opportunities. As described above, the overriding issue for the Philadelphia neighborhood economy is reversing a decades-long pattern of disinvestment. Although the Philadelphia neighborhood economy is linked to the economy of the region, city and downtown in important ways, this pattern of disinvestment has had a disproportionately more severe effect on the city’s neighborhoods than on the downtown area or the region.

The prospects for future long-term reinvestment in Philadelphia’s overall economy depend in large part on the condition and quality of Philadelphia neighborhoods. To the extent that Philadelphia neighborhoods are viewed as safe, attractive, desirable places to live in or visit, reinvestment potential will increase during the coming years. Constructive public policy and the intelligent use of funds available to Philadelphia now can help stabilize neighborhoods and increase reinvestment potential, to the benefit of the city as a whole.
PART THREE:
From Industrial-Age Powerhouse to 21st-Century Hometown

Left: Atwater Kent Radio Plant, 1928

Above: New homeowners, West Poplar, 1996
FROM INDUSTRIAL-AGE POWERHOUSE TO 21ST-CENTURY HOMETOWN

To succeed in the 21st-century economy, Philadelphia needs to position itself to take advantage of opportunities to attract and retain businesses engaged in activities with growth and job-creating potential, with special emphasis on the five areas of potential economic opportunity identified in the Greater Philadelphia First Economic Development Strategy for the Greater Philadelphia Region: health care services and products; finance, insurance and other information-intensive services; professional services; hospitality; and precision manufacturing.

Philadelphia as a city needs to do as much as possible to encourage businesses in these areas of potential growth to locate or expand within city boundaries and to prepare city residents to compete for jobs in these growth sectors.

In order to attract and keep key employers and to maintain a stable, taxpaying residential population, Philadelphia has to demonstrate that City government, institutions, businesses and civic interests are making progress in addressing significant problems—problems such as crime, unemployment, the quality of public schools and the physical appearance of the streets and public spaces. But Philadelphia also has to present a variety of positive features to major employers and taxpaying families, features such as quality office space and a safe, clean, attractive downtown business district; conference and meeting space with accessible hotel accommodations and nearby visitor attractions; exceptional restaurants and nighttime or weekend entertainment; unique cultural and historic points of interest; appealing, well-maintained parks and open space; and attractive, desirable residential neighborhoods.
In the 21st century, Philadelphia has to present its neighborhoods as places where an individual or family can feel comfortable renting or buying a place to live; where residents of an apartment building, a block or a community can find it easy to get acquainted with one another and to get together to complete a task or respond to a problem; where children can play, learn and grow in a safe, interesting, environment; and where older people can remain as long-term residents, benefiting from supportive neighbors and from easy access to retail and service facilities.
Philadelphia neighborhoods need to be viewed—and can be effectively presented—as a new kind of “hometown,” bringing traditional values of community and mutual support into the 21st century.
Philadelphia has two outstanding examples of how residential neighborhoods supported by public investment can provide great economic benefit to the City. The development of the Society Hill neighborhood, through the implementation of a comprehensive urban renewal plan affecting every property in the area, created an upper-income residential community in close proximity to Philadelphia's downtown. This neighborhood has generated substantial tax benefits for Philadelphia as a whole, created a primary customer base for food stores, restaurants and an array of retail businesses and provided an attractive alternative to suburban living. The development of Society Hill also created a new civic and political constituency of residents supporting the renewal and improvement of the adjacent downtown business district.
During the same period, federal urban renewal funding supported the development of 635 units of sales housing in a 12-block area within Lower North Philadelphia east of Broad Street to create the Yorktown community. Yorktown has remained an affordable, attractive, family-oriented neighborhood since the 1960s, even though some other nearby areas of North Philadelphia have experienced increased physical deterioration and social problems during these years.

Above: Yorktown
Right: Yorktown housing styles
The Society Hill example shows that, under certain conditions, a large investment of public capital to support the development of a residential neighborhood can produce substantial long-term economic benefit to the city. The Yorktown experience demonstrates that well-planned, attractively designed large-scale housing ventures organized and developed in coordination with community members can remain viable for decades, even during a period of economic instability within the larger neighborhood area.

Philadelphia no longer has access to sufficient federal or local funding to support development on the scale of Society Hill or Yorktown. However, these two examples are important because they illustrate the beginning of a new kind of relationship between Philadelphia neighborhoods and the city’s economy—a relationship different from that which existed when residential neighborhoods also served as sites for factories, rail- and port-related facilities and warehouses. In this new relationship, neighborhoods are valued as attractive, interesting living places—no longer primarily as job centers—and government and private investment in neighborhoods increases this value to generate economic benefit for both neighborhoods and the city at large.

In pursuing this new relationship, supporters of Philadelphia neighborhoods need to identify the capital and program investment opportunities most likely to succeed in increasing the value of neighborhoods and generating associated citywide economic benefits.
PART FOUR: Night and Day

Because the neighborhood economy is multi-faceted, foreseeing trends or predicting outcomes can be difficult—or impossible. Prior to 1950, no one foresaw the massive economic transformation that was soon to have an overwhelming effect on Philadelphia neighborhoods. From 1950 until the 1970s relatively few people understood the pervasive, long-term nature of the cycle of disinvestment, even as this cycle was taking hold in the city’s neighborhoods. Broad public awareness of the seriousness of this crisis has occurred only within the past decade. No dramatic event marked the economic turning point in the history of Philadelphia neighborhoods, when economic success in the industrial age began to turn to economic decline in the post-industrial era.

In the same way, it is not possible to identify precisely a point at which recent decades of economic decline in Philadelphia neighborhoods are going to be superseded by trends leading toward reinvestment and economic viability. Indicators of future economic success are emerging in some Philadelphia neighborhoods now, co-existing in the same environment that contains well-known evidence of past economic decline and failure. These positive signs give us a glimpse into the future, showing how today’s problems can be resolved and how the successful neighborhood of the 21st century will differ from its historical predecessors.
Disinvestment has produced "For Sale" signs in Philadelphia neighborhoods across the city. A period of sustained population decline produces a double disadvantage: more houses for sale, accompanied by a shrinking base of potential homebuyers. This situation increases the prospect that more houses will remain vacant and eventually deteriorate and become abandoned.

At the same time, an exciting new trend of home purchases by first-time buyers in Philadelphia neighborhoods is offsetting this problem and creating a significant new element in the neighborhood economy. Declining mortgage interest rates and the availability of homebuyer assistance programs — of which the City's housing counseling and settlement assistance grant program is the most influential — have made it possible for thousands of former renters to become first-time homebuyers. Demand generated by this growing market segment supported by the City's program caused a one-percent increase in Philadelphia sales housing activity in 1995, a year in which sales were down in every suburban county, in some cases by as much as six percent.

As rents continue to rise while mortgage rates remain well below ten percent, homeownership in Philadelphia means greater housing affordability for many renters now living both within and outside the city. A family renting a 3-bedroom apartment or house in the Kensington area pays from $375 to $450 rent per month, excluding utilities. In the current economy, this family could own a house of comparable size (priced at $27,000 to $35,000) and meet a monthly mortgage payment of $225 to $330, respectively.
An additional bright spot: during the coming years houses in upper-middle and upper-income Philadelphia neighborhoods are going to be more widely recognized as competitive with comparably-priced houses in the suburbs, despite the tax and insurance disadvantages associated with Philadelphia sales housing. City neighborhoods can provide many examples of houses priced at the top of the market that are larger, more attractive and more accessible to work, quality shopping and cultural/entertainment attractions than their suburban counterparts.

Housing counseling at Northwest Counseling Services

New homeowner Phyllis Thomas (right) at People's Emergency Center Partnership Homes grand opening.

New homeowner counseled by United Hands Community Land Trust.
Population loss has resulted in the decline of many retail stores and neighborhood commercial corridors that once served as community mainstays. The gradual reduction in the number of consumers living nearby, accompanied by the growth of accessible suburban shopping centers, has resulted in the closing of stores and the deterioration of neighborhood shopping districts.

During recent years, however, new retail development opportunities have emerged that more directly address the diverse consumer demand generated by Philadelphia’s present-day population. The development of retail centers such as Hoa Binh Plaza at 16th Street and Washington Avenue, and the retenanting of the Front and Kensington corridor by businesses oriented to Asian consumers reflect the increasingly strong buying power of this growing segment of the city’s population. The emergence and success of African-American-owned businesses representing products as diverse as baked goods and sporting apparel are based on strong support from African-American consumers, supplemented by the interest of many other shoppers. Community-oriented, minority-owned enterprises that now play a key role in promoting neighborhood businesses and services through the print and broadcast media could not have existed in earlier decades.
Above: Adelaide's Bakery,
50th St. and Baltimore Ave.;
Left: Pump Dog Performance Gear,
3rd and South Streets

Hoa Binh Plaza,
16th St. and Washington Ave.
The past years of decline and loss have destroyed or severely damaged the social and economic structure of many neighborhoods—that combination of residents, workplace, retail centers and local institutions that gives a neighborhood its distinctive character and makes it a desirable place. The highly visible physical deterioration and social need in many neighborhoods today are evidence of how long-term economic decline has destroyed or fragmented neighborhood cohesiveness and community structure.

One of the most positive trends in Philadelphia's recent history is the grassroots response to this core problem: the emergence of community development corporations (CDCs) in many neighborhoods—community-owned or governed organizations committed to mobilizing resources to improve the physical environment and address social needs. The growth of the CDC movement is directly related to growing public awareness of the pervasive effects of disinvestment on Philadelphia neighborhoods and of the need to organize community interests to deal with this crisis. Some of the most productive CDCs in Philadelphia are based in those neighborhoods that have suffered most from the cycle of disinvestment.

Several CDCs—including Greater Germantown Housing Development Corporation (GGHDC), Women’s Community Revitalization Project (WCRP) and the Community Development Corporation of Frankford Group Ministries (CDC/FGM) have succeeded in integrating development plans, human services programs and the delivery of public services to a level never previously achieved in the neighborhoods they represent. Other CDCs have spearheaded new initiatives, such as the ambitious plan being undertaken by New Kensington CDC in coordination with City agencies, Philadelphia Green and the Neighborhood Gardens Association to supervise the acquisition, conveyance and improvement of dozens of vacant lots scattered across the community.
Philadelphia has a much broader base of funding support for CDCs than many other cities. The CDBG program provides substantial funding to subsidize bricks-and-mortar physical development costs and associated planning and pre-development activities. Philadelphia's Local Initiatives Support Corporation (LISC), the local branch of a national funder of CDC activities, makes available pre-development, interim and permanent financing to support CDC development ventures. LISC also provides some grant funding for new activities such as the Community Building Initiative (CBI), designed to help CDCs pursue opportunities to strengthen the employment base and workforce of the neighborhoods they represent. Philadelphia LISC also administers funding provided through the National Community Development Initiative (NCDI), a collaborative of 10 national funders created to accelerate the growth of CDCs. Between 1991 and 1996, NCDI committed a $9.4 million to CDC neighborhood revitalization ventures in Philadelphia.

The Delaware Valley Community Reinvestment Fund (DVCRF), a non-profit financial intermediary with assets of $40 million, has played a critical role in nearly every significant CDC development financing transaction in the last decade. The Philadelphia Association of Community Development Corporations (PACDC), a CDC trade association, is an invaluable source of organizing support, technical assistance and new resources, such as the Association's Geographic Information System (GIS) computer mapping workstation.

Two non-profit organizations, the Philadelphia Development Partnership (PDP) and the Community Development Institute (CDI), assist emerging CDCs with board and staff training, technical assistance and support for neighborhood planning activities.
Philadelphia Neighborhood Development Collaborative:
Funders and Recipients

The Ford Foundation
The Philadelphia Foundation
Philadelphia Development Partnership
Philadelphia Local Initiatives Support Corp.
Fund for Urban Neighborhood Development
The William Penn Foundation
CoreStates Bank
Although most CDCs are volunteer organizations with no operating budget, office or staff, 19 established CDCs receive substantial funding support from two key groups of funders: the Philadelphia Neighborhood Development Collaborative (PNDC), a group of foundation supporters of CDCs, and the Philadelphia Plan, consisting of businesses that receive state tax credits associated with a commitment they make to provide funding over a ten-year period to CDCs with which they are individually linked. Established in 1994 based on an approach created by Mayor Rendell and former Governor Robert F. Casey, the Philadelphia Plan is now generating $3 million annually to provide core operating support for Philadelphia-based CDCs.

In addition, through its Fund for Urban Neighborhood Development (FUND), the Pew Charitable Trusts has created a four-year, $6.5 million Targeted Neighborhood Initiative to support geographically focused development and service activities by four CDCs: APM, CDC/FGM, GGHDC and WCRP.

The expansion and strengthening of Philadelphia’s CDC movement shows that supporters of the city’s neighborhoods are serious about joining forces to deal with the results of past disinvestment and to pursue future opportunities to promote economic stabilization and growth.
Vacant houses and lots are the most visible evidence of the negative history of Philadelphia neighborhoods during the past decades of disinvestment. Neighborhoods across the city are home to 27,000 vacant houses, most of which are so badly deteriorated that the cost of rehabilitation exceeds $100,000 per house. Because the emergence of vacant houses is linked to population decline, the prospect of continued population loss during the coming years carries the threat of even more vacant houses appearing in our neighborhoods.

To combat this threat, a City-designed strategy combining prevention, preservation and demolition is guiding well over 10,000 houses each year in a positive direction.

- **To prevent** future vacancies, CDBG funding supports the major systems repair and weatherization of 9,000 to 12,000 owner-occupied houses annually. As another equally important prevention measure, OHCD-funded housing counseling agencies qualify more than 2,000 homebuyers annually for mortgage financing, enabling these families to buy many houses that otherwise would have remained unsold and exposed to vandalism or deterioration.

- **To preserve** recently-vacated houses that can be rehabilitated quickly at a reasonable cost, the City is making available rehabilitation financing to community development corporations and private developers on a year-round basis. In 1995-96 two programs, the Homeownership Rehabilitation Program and the Philadelphia Bankers Development Initiative, have delivered this financing to private and non-profit developers working in a variety of neighborhoods. The non-profit Resources for Human Development (RHD) has completed or is packaging or rehabilitating 65 houses in locations around the city using both of the
City's financing programs and plans to rehabilitate 100 houses annually in the future. The West Philadelphia Partnership Community Development Corporation (CDC) has succeeded in using the moderate-rehabilitation financing programs as a way of increasing the participation of small neighborhood-based subcontractors in CDC rehabilitation ventures.

- Two thirds or more of Philadelphia's existing vacant-house inventory is so badly deteriorated that demolition and re-use of the resulting vacant lots is the only appropriate action. Mayor Rendell and City Council have supported annual increases in the Department of Licenses and Inspections demolition budget, to the point where L&I now has the capability to demolish as many as 1,500 residential properties annually. L&I staff work closely with City development agencies and community-based organizations to make sure that demolition activities are coordinated with other community planning and development actions.

Although vacant houses are a serious problem for any older urban area that has suffered population loss, Philadelphia's comprehensive approach to this problem is already paying off, as more hazardous or nuisance properties are being removed and more previously unoccupied houses are being filled with new resident-owners than ever before.
PART FIVE: How We Succeed

Philadelphia's reinvestment approach is designed to help neighborhoods create a structure for economic success in the 21st century. The City provides support for capital investment or service activities that directly benefit neighborhood residents and, as important, are intended to change the way that people think about Philadelphia neighborhoods—to influence people to view our neighborhoods as places of interest and opportunity.

Playground area, Jardines de Borinquen

Moderate rehabilitation on Smedley Street
STRATEGY

Because many neighborhoods have undergone fundamental changes in land use, physical conditions and demographics within a period of a few decades, the Office of Housing and Community Development often encourages community organizations to devote attention to developing strategic plans for reinvestment. OHCD-supported neighborhood strategic plans are usually completed within several months and involve neighborhood surveys, community meetings and extensive "brainstorming" sessions, leading to the publication of a community-supported approach to reinvestment. The neighborhood strategic plan contains a detailed description of existing conditions, an assessment of community needs in terms of physical improvements and human services support, an identification of neighborhood priorities for improvement and a proposed plan of action combining available community resources with outside assistance from government and the private sector to support implementation of the strategy over a period of years.

OHCD-supported neighborhood strategic plans are different from conventional neighborhood plans and studies in that they are:

- supported by a grassroots community organizing process to get neighborhood residents involved in identifying neighborhood needs and considering how best to address these needs using available resources;

- based on a more comprehensive needs assessment—encompassing both physical improvements and human services—than most planning studies; and

- guided by an awareness that stimulating reinvestment requires a succession of activities during a number of years, generating incremental improvements over an extended period.
Participants in West Philadelphia neighborhood strategic planning session
Asociacion de Puertorriqueños en Marcha

A neighborhood strategic plan adopted by the Asociacion de Puertorriqueños en Marcha (APM) community development corporation in 1993 has guided APM affordable housing production and economic development plans for the Eastern North Philadelphia service area of this organization.

The APM neighborhood is part of the North Central Philadelphia area that has been hardest hit by the disinvestment of recent decades; the neighborhood contains vacant industrial buildings and many vacant houses and lots. For this reason, APM's strategy involves acquiring and developing vacant land for new construction as well as a “rethinking” of development goals for the Germantown Avenue corridor which diagonally bisects the APM area.

Germantown Avenue in Eastern North Philadelphia was formerly both an extended neighborhood retail district and the location for many industrial buildings. Because the retail demand generated by the area's reduced population can no longer support the level of commercial development that existed decades ago, APM's plan calls for new retail development to be consolidated at the Gateway Plaza site (Germantown and Berks), where a small retail center anchored by a food store is to be located. Other Germantown Avenue sites and nearby blocks once occupied by factories are being developed for new construction rental and sales housing.
Hogar de Esperanza transitional housing

Gateway Plaza development site

Jardines de Borinquen I and II
Greater Germantown Housing Development Corporation

By contrast, the neighborhood strategic plan published by the Greater Germantown Housing Development Corp. (GGHDC) covers a much larger geographic area (containing three sub-areas: Southwest Germantown, Wister and Chelten/Chew) with a much stronger residential, institutional and retail base. Accordingly, GGHDC’s strategy is less oriented to housing production through new construction and more focused on strengthening existing community resources (e.g., increasing communication among community organizations, increasing the involvement of academic and health care institutions in the neighborhood), addressing negative conditions (e.g., vacancy and deterioration on Wayne Avenue and Germantown Avenue commercial corridors) and in improving public facilities and public schools within the neighborhood.
### GGHDC Neighborhood Strategic Plan

#### Penn Area Neighborhood
- **Community Organization**
  - Identify Development Advisory Committee
  - Organize Sub-area Interests: Chew/Chelten
  - Organize Sub-area Interests: Penn/Ashmead

- **Community Safety**
  - Create Lowerstick, Chew/Chelten

- **Housing Development**
  - Address Settlement Issues: Penn/Ashmead
  - Acquire Vacant Houses for Rehabilitation
  - Facilitate Private Rehabilitation
  - Rehabilitation by GGHDC
    - Motion/Heliotrope Area
    - Encourage PHDC's HomeStart Program
    - Explore Future Tax-crad Rental Housing
    - Encourage Market Rate Housing, Large Lots
    - Explore Limited PHA Housing
    - Improve Vacant Lots

#### Economic Development
- Develop Joint Program, Chew/Chelten
- PDC Assistance, Belfield Avenue
- Mixed Use Development, Belfield Ave.

---

#### Map K

**General Land Use**
- Institutions
- Commercial
- Industrial
- Park and Recreation
- Residential
Frankford Group Ministry

The Community Development Corporation of Frankford Group Ministry (CDC/FGM) manages physical development activities associated with the Frankford Plan, a wide-ranging neighborhood strategy that addresses an array of issues, from transportation to public education. The Frankford Plan, completed prior to OHCD funding of other neighborhood strategies, established a direction for CDC/FGM development activities, including a retail improvement plan (now supported through the Neighborhood Main Street Initiative co-sponsored by LISC and the National Trust for Historic Preservation) and associated activities such as neighborhood beautification programs.

Frankford Avenue
Main Street Target Area

Frankford Plan Excerpt

COMMERCIAL DISTRICT

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Intended Beneficiary</th>
<th>Responsible Entity</th>
<th>Potential Resources</th>
<th>Estimated Cost</th>
<th>Schedule for Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a Main Street Program</td>
<td>+ Initiate a Main Street Program on Frankford Avenue</td>
<td>+ Frankford Avenue businesses</td>
<td>+ FUN CDC &lt;br&gt; + FrankfordStyle</td>
<td>+ PNC Bank &lt;br&gt; + FUN CDC &lt;br&gt; + National Trust for Historic Preservation &lt;br&gt; + Other successful Main Street Programs in the City</td>
<td>+ $50,000 and higher</td>
</tr>
<tr>
<td></td>
<td>+ Utilize students at the American Institute of Design (AID) to design renovated or restored facades</td>
<td>+ Frankford Avenue businesses</td>
<td>+ American Institute of Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop a Unified Business Association Strategy</td>
<td>+ Develop a unified business association strategy</td>
<td>+ Frankford businesses</td>
<td>+ Frankford Business Association &lt;br&gt; + Bridge and Pratt Merchants and Professionals Association</td>
<td>+ No cost if work is designated as part of their curricula assignments</td>
<td>+ Develop plan: June-August 1993 &lt;br&gt; + Integrate unified strategy: September 1993</td>
</tr>
</tbody>
</table>
Moderate rehabilitation,
Griscom Street
Neighborhood Farmers Markets/
Public Markets

Because many Philadelphia communities have undergone great structural changes and are still struggling to redefine and re-establish their economic base, some development opportunities that appear to offer potential benefits need to be scrutinized carefully to determine associated risks and rewards.

The potential community development benefits of neighborhood farmers markets led OHCD and the Philadelphia Department of Commerce to co-sponsor a 1995-96 study, “The Future of Public Markets in Philadelphia,” in order to assess the opportunities and dangers facing neighborhood organizations interested in planning and developing farmers markets or “market hall” fresh food retail centers as part of an overall neighborhood retail development strategy. Project consultants, Project for Public Spaces, Inc./Public Market Collaborative, evaluated existing examples of such markets in Philadelphia, provided information and commentary on basic planning and organizational issues associated with development of new markets of this type and furnished detailed information about market floor plans and operating procedures.

West Philadelphia Firehouse Farmers Market
Adaptive Re-Use Strategies

Development options for older vacant or under-used property in a neighborhood can also be a focus of strategic planning activities. OHCD and Philadelphia LISC are jointly funding a small grant to the non-profit Mount Airy Village Development Corp. (MAVDC). The grant will enable MAVDC to complete architectural work to support the first phase of a plan to convert and re-use the privately owned Sedgwick Theater building, a former movie theater located on Germantown Avenue in the Mount Airy Business District. The architectural work will support plans to develop the spacious interior lobby area of the theater building as flexible space for art exhibitions, meetings and social events. The current use of the lobby frontage of the building for these activities is already drawing substantial public interest. OHCD and LISC anticipate that completion of pre-development planning and subsequent improvement of the lobby area will increase the use and profitability of this space and enhance the development potential of the remaining theater interior.
Urban Renewal Designations

Because vacant land acquisition and disposition is a key element of many neighborhood strategies, City housing agencies have been working together to improve the process for acquiring and conveying real estate through local government action. One innovative approach being advanced in a number of neighborhoods is the certification of areas targeted in neighborhood strategic plans as urban renewal areas in order to make it easier for the Philadelphia Redevelopment Authority (RDA) to use eminent domain powers to acquire real estate. Urban renewal certifications must be authorized by the City Planning Commission prior to presentation to City Council, and Planning Commission staff have played a key role in helping City housing agencies and community organizations complete research and prepare documentation needed for successful presentation of urban renewal certification proposals. A proposed certification in the New Kensington area, being undertaken as part of a program to acquire and convey small vacant lots for improvement as open space by adjacent property owners, is expected to result in the transfer of dozens of small lots for future improvement as side yards, gardens and parking areas.

Above: Excerpt from City Planning Commission blight certification documentation for New Kensington.
Above: Computer-generated map of New Kensington vacant lots
DESIGN

Population loss and the decay and demolition of older structures have produced only one positive result: the opportunity to rebuild residential areas based on land-use plans and building designs that are more relevant for the future than the conditions which existed before.

Although the factory-town neighborhoods of 19th- and early 20th-century Philadelphia provided jobs for community members, the quality of life in most of these neighborhoods was deplorable. Neighborhood characteristics of earlier times included overcrowded, noisy blocks, minimal open space, few or no public facilities and pervasive air pollution generated by nearby industries. Because of population decline, 21st-century Philadelphia will not need to house nearly as many people within the city limits as in the “boom” years of the early 20th century. New housing in neighborhoods can be built at much lower density. Older narrow “back” streets can be closed to create larger house lots, and some existing streets can be made more attractive through reconstruction or widening and the development of landscaping or attractive, secure open space. Narrow rowhouses can be replaced by detached and semidetached houses with driveways and generous rear or side yards. New housing and a stable residential population can provide a stronger consumer base for nearby retail commercial centers or generate enough buying power to support some new retail development.

All of these improvements can be designed using the existing street grid as a framework. The traditional layout of Philadelphia streets already provides an accessible, pedestrian-oriented network that is valued by neighborhood planners and developers.

This situation has an interesting relationship to the principles of the “new urbanism” movement in community planning and design. New urbanists criticize the fragmented, car-dependent design of many metropolitan areas (mostly suburban areas) that grew rapidly after 1950. New urbanists advocate for the redesign of these areas and the planning of new communities, based on a design approach that emphasizes interconnected, pedestrian-friendly street grids; a level of housing density that makes it easier for people to get acquainted with their neighbors on the block or in the community; and accessible retail and service facilities located in “town center” clusters that are convenient and can serve as places for people to meet and interact. It is ironic that, as Philadelphia urban planner Joanne Barnes Jackson has pointed out, many features of new-urbanist remedies prescribed for suburbs or metropolitan regions of the American West or South already exist in the neighborhoods of older eastern cities such as Philadelphia. Suburban re-engineering plans based on new-urbanist principles call for high capital investment to support activities such as the reconfiguration of streets, development of pedestrian infrastructure and creation of public open space—all to create a neighborhood environment similar to that which already exists in many Philadelphia communities.

During the next decades Philadelphia has to deal with two fundamental design and planning issues that are not being fully addressed in new-urbanist thinking or practice to date.

- Determining how best to apply good design principles in an older neighborhood environment containing a mix of existing conditions—not only vacant houses and lots, but also owner- and renter-occupied housing that should be preserved, not demolished for new construction.

- Finding the most effective way to design significant changes in the physical environment of a neighborhood, without access to the substantial level of public funding that made possible large-scale renewal projects such as Society Hill and Yorktown during the 1960s.

Despite the difficulty of addressing these two issues, Philadelphia has been able to produce some creative, exciting designs for 21st-century urban neighborhoods as an important element of the City’s community development approach.
Left: West Poplar, 1895.

Below: Completed West Poplar Townhouses
Home In North Philadelphia

Affordable housing, planning and development activity in the Lower North Central Philadelphia area since 1993 has been guided by OHCD's Home In North Philadelphia policy, adopted by Mayor Rendell and City Council as part of the CDBG Plan for Fiscal 1994 and subsequent years. This policy calls for Lower North Philadelphia to be designated a priority area for public investment in affordable housing, in light of the area's strategic importance, history of successful development activities since the 1960s and commitments made to community members to address deteriorated conditions in the area. The Home In North Philadelphia policy calls for substantially reduced density levels for new housing development and proposes a strategy of building out the area from existing "centers of strength"—the completed development of past decades that can serve as an anchor for 1990s development plans.
STEP 3: REDUCE Density, EXPAND Target Areas

- Reduce housing density for future sales housing development in Lower North Philadelphia in order to generate more benefit per acre.

- Design site plans and building prototypes for sales housing to include driveways and open space where practical and desirable.

- After assuring that HUD Nehemiah funding resources will produce enough sales housing to fill out existing target areas, seek HUD authorization to expand Nehemiah boundaries in order to fully use the HUD subsidy (and associated pledges of CDBG funds) to produce results over a broader area.
Poplar Sales Housing

The Poplar Enterprise Development Corp. (PEDC), a development organization representing the interests of the West Poplar Neighborhood Advisory Committee and the national Enterprise Foundation, is producing 205 units of new sales housing in Lower North Philadelphia just south of the Yorktown community. Because much of the development area had been cleared as a result of past years of abandonment, deterioration and demolition, a large-scale new construction approach was possible in this neighborhood.

After extensive dialogue involving community residents, development team members and City agencies (all represented on a project development team convened by the RDA), the design approach adopted for Poplar included the following characteristics:

- **Reduced density**, from 45 units per acre that had existed in 1950 to 13 units per acre.

- **Larger lot and house sizes**, with lots averaging from 1,200 to 1,800 square feet (in contrast to previously existing 800- to 1,200-square-foot lots) and houses averaging from 1,260 to 1,320 square feet, (contrasting with traditional two-story row houses that customarily average 950 to 1,150 square feet).

- **Attractive exterior design** with distinctive elevations and front entrances.

- **Some street reconfiguration** to create more attractive streetscapes and to accommodate the siting of the new housing. Cui-de-sac designs, although currently out of favor among many planners, were chosen for smaller streets in Poplar because they had proven successful in creating an attractive, secure environment for small streets in the nearby Yorktown neighborhood.
The rapid sell-out of the first-phase Poplar townhouses and the strong public interest in future Poplar development plans indicate that well-designed housing in Lower North Philadelphia and elsewhere can become the housing of choice for many future Philadelphia homebuyers.
Francisville Housing Competition

In 1995 OHCD and The Foundation for Architecture co-sponsored an architectural design competition as a way of challenging architects in the region to come up with creative ways of addressing difficult design problems in older Philadelphia neighborhoods. The subject of the competition was a collection of parcels in the Francisville neighborhood consisting of both vacant houses and lots, many sharing the same city block as occupied houses, businesses and institutions.

Many of the entries submitted by architects from the Greater Philadelphia region proposed imaginative solutions to the issues of density, street frontage, private and public open space and safety.

Judging at Francisville Housing Competition.

Composite photo of a Francisville streetscape.
The winning entry, by a design team led by Elliot J. Rothschild, AIA, NCARB for Cassway-Albert Ltd., proposed a new house type with an L-shaped floor plan. The Cassway-Albert design rotates the traditional Philadelphia row house 90 degrees, so that the long, party-wall side of the “L” is placed along the street frontage. This positioning of the structure increases light, ventilation and front and rear views to an extent not possible in the traditional crowded rowhouse environment of the last century. Front porches at the street and second-story levels provide shaded, secure outdoor space. If these L-shaped structures are grouped in fours, the placement of the houses merges the rear yards into an inner courtyard that is separated from the street and provides an attractive setting where adjacent neighbors can meet.

Cassway-Albert design competition entry.

The Cassway-Albert proposal is currently being evaluated as a possible design approach for a number of North Philadelphia development sites.
Another Francisville Housing Competition award winner, an unconventional design by Wesley Wei Architects, proposed an imaginative approach to new construction involving an elevated house built on pilings. This approach creates flexible space at street level that can used for parking, a terrace or another use preferred by the owner. The design also minimizes excavation and foundation construction expenses—often high-cost development budget items—and offers a structure that lends itself well to energy-efficient construction.

Wesley Wei Architects' design competition entry.
Cecil B. Moore Housing

In the Cecil B. Moore area of Philadelphia’s Empowerment Zone, an ambitious 297-unit sales housing development plan created by the community-based National Temple Non-Profit Corp. is being designed for late-1990s implementation. The Cecil B. Moore venture, organized by an RDA-managed project development team, involves a combination of new housing construction and rehabilitation of existing vacant houses. Team participants, including community members active in the leadership of the North Philadelphia Empowerment Zone program, are focusing first on the western section of the target area where low-density new construction and housing rehabilitation is planned to produce new sales units to complement economic development plans for Cecil B. Moore Avenue and other sites in the Empowerment Zone. The initial phase of the Cecil B. Moore venture is to be developed by a community-governed Local Development Corporation (LDC), managed and staffed by the Philadelphia Housing Development Corp. (PHDC).
Ludlow Village

A plan combining sales housing development and the rehabilitation of scattered-site public housing is being advanced in the Ludlow community within Lower North Philadelphia by the Ludlow Community Association, with a PHDC-staffed LDC as developer. In the initial phases of the Ludlow plan, lower-density housing construction is being combined with the closing of a small alley-like street to provide more rear yard space for the new houses. North Franklin Street, a key street in the community, is being widened and a landscaped median is being constructed.

CDBG-supported rental and sales housing development in other areas of the City combines the new development standards of the Home In North Philadelphia policy with conservation and adaptive re-use plans for existing housing and strategically located vacant buildings.
OWNERSHIP

In the economy of many Philadelphia neighborhoods, the most important physical assets are single-family, owner-occupied houses. The condition of these single-family houses—including rowhouses, twins and detached houses—is a key indicator of a neighborhood’s economic well-being. In a stable neighborhood, these houses are occupied and maintained in good condition. Neighborhoods that are beginning to experience economic stress following a prior history of stability are characterized by a weak sales housing market, accompanied by owner-occupied, single-family houses beginning to show signs of deterioration and by the appearance of vacant houses on residential blocks that previously had been fully occupied. A neighborhood experiencing the worst effects of disinvestment is one where the sales housing market is very depressed (with relatively little mortgage lending activity), where many owner-occupied, single-family houses are in need of repair (some with serious structural or major systems repair needs) and where many long-term vacant houses requiring substantial rehabilitation exist throughout the community.

The widespread development of row houses in working-class neighborhoods during Philadelphia’s industrial age, combined with the development of “streetcar suburbs” and other residential middle-class neighborhoods within the city beginning a century ago, has given Philadelphia a very large inventory of single-family houses. Cities such as New York which had less land available for residential development emphasized rental housing in apartments priced for a wide variety of income levels.

Because Philadelphia has such a large supply of single-family houses, sales prices in Philadelphia neighborhoods have remained consistently lower than single-family sales prices in many other urban areas.

During the 1990s, as private rent levels continued to increase while mortgage interest rates declined or remained stable at a level below 10 percent, an increasing number of Philadelphia renters became interested in buying their own homes. Many low- and moderate-income families found that mortgage payments on a newly purchased home in their community could be significantly lower than the monthly rent expense of apartments available in the same neighborhood. As a result, neighborhood-based housing counseling agencies specializing in pre-purchase counseling for first-time homebuyers began to experience a strong, steady demand for their services—a continuous demand that has kept these counseling agencies working at capacity since 1993 when OHCD substantially increased funding support for neighborhood-based housing counseling.

Philadelphia’s community development policy is designed to help neighborhoods strengthen and protect single-family houses as a valued economic asset by supporting activities that:

- promote the sales housing market through counseling and settlement assistance grants to first-time homebuyers;
- help homeowners, especially elderly people, remain in the community by completing basic systems repairs and weatherization improvements;
- make available development subsidy funding to enable community organizations and private developers to rehabilitate and sell short-term vacant houses that can be brought back into the market within a relatively short time at a relatively low per-unit cost; and
- offer low-interest home improvement financing for owners who want to modernize, expand or improve their houses.
Mother Dabney Square, developed by Strawberry Mansion Housing Coalition/Philadelphia Housing Development Corp. Local Development Corp., Inc.
Basic Systems Repair and Weatherization Programs

With CDBG funding support supplemented by weatherization funds available through the Commonwealth of Pennsylvania, PHDC manages the largest home repair program of its kind in the United States. The Basic Systems Repair Program repaired more than 11,000 houses in CDBG Year 21 (Fiscal 96). PHDC's approach involves the use of a telephone hotline to receive requests for assistance, expedited processing of client income verification and the use of a pre-qualified group of contractors available to respond quickly to emergencies.
Heater Hotline/
Energy Coordinating Agency

A heater repair/replacement program developed by the non-profit Institute for Human Development under the leadership of the Rev. Frank V. Kensill, is being managed by another capable non-profit organization, Energy Coordinating Agency of Philadelphia (ECA). This program, known as Heater Hotline, and designed to address emergency situations quickly and effectively, completed work on 3,237 owner-occupied houses in Fiscal 1996. This high-performance program emphasizes adaptation of existing heating systems where feasible, rather than the more expensive total-replacement approach routinely followed by many private heating contractors.
Housing Counseling Capacity-Building

Philadelphia's housing counseling program, now the largest of its kind in the United States, was responsible for bringing 2,263 first-time homebuyers to the Philadelphia sales housing market in 1995.

To help counseling agencies keep pace with increasing demand for their services, Fannie Mae's Philadelphia Regional Office contributed Desktop Home Counselor computer software to all City-funded counseling offices. The installation of this software is being followed by the development of a computer network linking these agencies with one another and with OHCD.

To help housing counselors increase their effectiveness as participants in the Philadelphia sales market, OHCD asked the Temple University Real Estate Institute in 1995 to design a special curriculum for housing counselors interested in obtaining training leading to real estate licensure. A total of 48 counselors in City-funded agencies have already completed or are completing course work to fulfill requirements for licensure.
Moderate Rehabilitation Financing

As described in Part Four, two financing programs to support the rehabilitation of short-term vacan-
houses have proven their value in neighborhoods across Philadelphia. Results to date show the usefulness of these financing programs as a component of community development corporation development portfolios for both established and emerging organizations.

Right: RDA Homeownership Rehabilitation Program (HRP) staff. Below: HRP developers (units provided in parentheses), 1995-96.
Home Improvement Loan Financing

In 1996, the RDA received an award from the U.S. Department of Housing and Urban Development (HUD) recognizing the RDA's outstanding performance as a national leader in the delivery of Federal Housing Administration-insured Title I home improvement loans, through the Philadelphia Home Improvement Loan (PHIL) program. In this program, the RDA uses CDBG funding to reduce interest rates on home improvement loans made available through participating lending institutions. Homeowners may borrow up to $15,000 at rates as low as 3 percent with no equity requirement.

During recent years PNC Bank has led the program, generating more than half the loans settled in some years. The close relationship between the PHIL financing program and local banks is a critical element of Philadelphia's homeownership and housing preservation approach. CoreStates Bank, another PHIL participant, has done more than any other lender to effectively coordinate rehabilitation financing with development subsidy available through RDA's Homeownership Rehabilitation Program.

Left to right: Joseph Ramsay, RDA; Marlene Rossi, CoreStates Bank; Tyrone Holland, PNC Bank.
Philadelphia Home Improvement Loan Program
Production Summary
July 1995 through June 1996

- PNC Bank: $1,837,596
  - 120 loans
- Other Participating Banks: $1,269,612
  - 86 loans
READINESS

Helping Philadelphia residents ready themselves to obtain fulfilling jobs in today's Greater Philadelphia economy requires a combination of education, training, counseling and support services and on-site work experience.

Philadelphia has many neighborhood-based employment/training programs that have proven their effectiveness in helping community residents prepare themselves for job opportunities in today's workforce. However, most of these programs do not have enough funding to enable them to assist more people or to develop new program initiatives. In addition, although Philadelphia's Private Industry Council (PIC) still has access to substantial funding to support employment and training activities, regulatory restrictions associated with this funding can make it difficult or impossible to use these resources to address the combined education/service/on-site experience needs of many Philadelphia residents.

To address this situation, CDBG funds are used to support neighborhood-based activities that:

- are directed by an organization with an established record of performance in training and placing community residents in permanent jobs;

- provide additional resources to enable such an organization to increase overall productivity, develop a new program or create a new area of specialization.
Job-readiness counseling at Center for Human Advancement, 4601 Market Street.
Communities In Schools

The goal of preparing school-age young people to be ready to respond to opportunities in the Greater Philadelphia economy was the underlying basis for OHCD's decision to establish a year-round relationship with Communities in Schools (CIS), a non-profit organization under contract with the School District of Philadelphia. OHCD and CIS began co-sponsoring summer jobs programs in 1995. In the 1996 program, 164 young people were placed in jobs at City housing agencies and community-based organizations.

At the end of each summer, students with exceptional records of performance in their summer jobs are offered part-time after-school internships at OHCD and selected non-profit organizations to provide an ongoing work experience and to help build skills.

Interns at OHCD have provided administrative support for the Director's Office and the Public Information, Auditing, Employment and Training and Fiscal units. Some interns have developed proficiency in the use of WordPerfect, Lotus and computer graphics software. Others have completed field surveys and data entry for YouthMapping, a data base/computer mapping program used to identify and consolidate information about neighborhood resources. Student interns keep journals as a way of recording their experiences and improving their writing skills, and all interns participate in biweekly group training sessions with a CIS supervisor. When needed, OHCD and CIS work together to provide tutoring support for any interns who may need help in a particular subject during the course of the school year.

The overall focus of the joint OHCD/CIS program is to provide students with a positive work experience guided by responsible on-site supervision and to establish closer relationships between CDBG-funded public agencies and non-profit organizations and young people in Philadelphia neighborhoods.

Participants in OHCD internship program
Superintendent David Hornbeck with participants in Youth Mapping project
Campus Boulevard Corporation

The Campus Boulevard Corporation (CBC) is receiving CDBG funding to research emerging jobs in the health-care industry and to make changes in its training programs in order to adjust to current fluctuations in the health care market.

These activities have an important bearing on CBC’s role as a non-profit job training “broker” for a coalition of health care and educational institutions in Northwest Philadelphia, including the Albert Einstein Healthcare Network, La Salle University and others. What makes CBC’s approach different from other employment/training programs is the high level of CBC member institution staff who participate in interviewing residents to select potential trainees, deliver training presentations, make available internship positions (often leading to jobs) within their institutions and provide ongoing information about how to relate CBC training to their institutions’ immediate and long-term employment needs.

More than 80 percent of the trainees in CBC’s first program year were placed in jobs paying an average of $8.60 an hour with a full benefits package. Several trainees in the current second program year have already received job offers.
Neighborhood Benefit Strategy

Because job readiness has to be linked to job opportunities, Philadelphia recognizes the importance of using public policy and local government funding commitments to give neighborhood residents the best possible access to local employment opportunities. The CDBG program in itself is a powerful economic development resource; development financing provided through the CDBG budget generates substantial employment, contracts and purchases—valued at up to $100 million annually.

To ensure that as much of this value as possible is directed to the Philadelphia neighborhood economy, OHCD drafted a Mayoral Executive Order on Neighborhood Benefit Strategy, issued by Mayor Rendell on January 31, 1995. The Executive Order calls on every developer of a CDBG-financed affordable housing or economic development venture to work with City agencies and neighborhood interests to achieve a goal of returning at least half the economic value of the venture to the immediate neighborhood and surrounding communities in the form of jobs, contracts and purchases involving neighborhood residents and local businesses.

Philadelphia’s Neighborhood Benefit Strategy policy has served as a national model for other cities interested in making the most of opportunities to use public resources to generate jobs and other economic value for neighborhoods. Although this policy does not involve racial/ethnic targeting, set-asides or quotas, its primary result is to create more economic opportunities for minorities because of the demographic characteristics of many CDBG-eligible neighborhoods. In this way, Philadelphia’s policy has produced a desirable social result without experiencing the court challenges that other affirmative-action measures have encountered.
Maintenance Mechanic Training Initiative

PHDC has created an employment/training approach offering opportunities for direct participation in the workforce that repairs and maintains CDBG-financed housing and PHDC-owned rental properties. Formerly unemployed Maintenance Mechanic trainees receive classroom instruction and skills development training at PHDC's North Philadelphia-based maintenance facility. This site is large and well-equipped enough to make it possible for trainees to complete a range of exercises, from learning how to handle construction equipment to framing out an entire model house. Late phases of training involve the completion of property maintenance tasks in PHDC-managed apartment sites. PHDC job developers seek to place graduates in permanent property maintenance or construction trades jobs associated with CDBG-financed development being implemented by PHDC in its role as developer, construction manager and managing agency for CDBG-funded repair and weatherization programs.
YouthBuild Philadelphia

YouthBuild Philadelphia provides education and job training to out-of-school young adults through a combination of on-site training and classroom instruction. The training component, supervised by qualified construction staff, helps participants learn the skills involved in rebuilding abandoned houses. The education component, coordinated with the School District of Philadelphia, enables participants to receive high school diplomas at the end of the program.

A special feature of the YouthBuild Philadelphia approach is the extensive support services offered by counselors who provide individual and group counseling sessions and workshops to strengthen job readiness and life skills. The YouthBuild approach moves beyond remedial instruction to engage participants in the process of learning and achieving, with the goal of providing young people with the full array of social, interpersonal and literacy skills necessary for long-term success.

Work on housing rehabilitation activities helps YouthBuild participants develop construction skills and gives them an understanding of universal work requirements: dependability, punctuality, following instructions, task completion and preparedness. Throughout the program, emphasis is placed on participants’ job readiness.

In its graduate and placement phase, the YouthBuild program provides participants with information about jobs and education opportunities, counseling on job readiness and professional responsibility, and post-placement monitoring to help ensure success on the job or to assist in consideration of college or continuing education programs. Staff help YouthBuild participants successfully cross the bridge from a training program to a world of full-time employment.

In its four years of operation YouthBuild Philadelphia has delivered impressive results. Nearly 70 percent of participants completed the program, with an average attendance rate of 83 percent. Program participants have rebuilt 18 vacant houses. Of the 1995 YouthBuild graduates, 73 percent are now in full-time employment or are enrolled at institutes of continuing education; of the 1996 graduates, 85 percent have been placed in this manner.
Center For Human Advancement

Capital investment in the rehabilitation and upgrading of the Center for Human Advancement (CHA), the former Urban Education Foundation located at 4601 Market St., has strengthened this community-based resource as a center for education, employment and training.

The CHA facility houses a wide variety of educational services focused on advancing the skills of community residents who have varied education and training needs. CHA houses the only non-residential Job Corps Center in the United States (the third highest-performing of more than 100 such centers nationwide). Job Corps participants remain in this program for a period of up to two years. Other programs housed at CHA range from Cheyney University's master's degree program in education to after-school enrichment programs for Southeast Asian immigrant elementary school children.

CHA also supports a number of activities that connect community residents with educational opportunities, including the College Access Center, the Youth Advocate Program, Motivational Educational Entertainment (a community education media project) and Workforce 2000. CHA plans to create a Challenger Learning Center to expand science education and enrichment in the community.

In addition CHA offers a range of supportive services, from the well-baby WIC program to the Wissahickon Hospice's services. All of these activities are designed to help community residents take advantage of opportunities to complete or improve their education and to obtain support services to improve their lives in the community.

As the effects of "welfare reform" begin to be felt at the neighborhood level, the leadership of CHA believes that community residents will have a much better chance of making successful connections with the world of work through obtaining assistance in a coordinated service/education facility such as CHA rather than at dispersed education and employment/training program sites.
NIA Center

The CDBG program provided a portion of the capital funding needed to complete the development of a day care facility at the NIA Center, a new community asset created by Ogontz Avenue Revitalization Corp. (OARC), in partnership with Community College of Philadelphia and the Private Industry Council, at the site of the former Rowan School in the West Oak Lane community.

The core of NIA Center is the Enterprise Technical School, a skills upgrading center which includes a computer lab. The school, which can serve up to 250 participants each year, helps community residents better their academic skills with ABE and GED classes. Other programs offered on-site by Community College and PIC link residents with higher education opportunities and better paying jobs.

The Center provides a comprehensive day-care program and family support services, coordinated with programs of the School District.
ENTERPRISE

Because the combination of disinvestment and reduced government funding support has shrunk the resource base for investment in Philadelphia neighborhoods, high priority in the City's policy is given to supporting activities that leverage new funding for or create new economic assets in our neighborhoods.

Most of the City's accomplishments in this area of activity have been achieved through neighborhood economic development activities of the Philadelphia Commerce Department, Philadelphia Commercial Development Corporation (PCDC) and Philadelphia Industrial Development Corporation (PIDC). However, some housing-related investment and enterprise have become increasingly significant in recent years as illustrated by two key activities involving City housing agencies.

Artists' Village rental housing, 17th and Bainbridge Streets
Right: Representatives of Artists' Village co-developer, South of South Neighborhood Association (SOSNA).
Capital Investment for Rental Housing Production

The primary financing resource available to support private capital investment in residential neighborhoods is the federal Low Income Housing Tax Credit. Tax-credit financing, awarded through statewide competitions managed by the Pennsylvania Housing Finance Agency (PHFA), enables rental housing developers to offer outside investors the opportunity to obtain significant federal tax benefits by contributing equity to affordable rental development ventures. Tax-credit related equity investment, which routinely covers more than half of all development costs, can be used to finance either new construction or the rehabilitation of vacant structures.

In its role as the City's housing finance agency, the RDA has developed a powerful capability to secure for Philadelphia the level of tax-credit financing needed to support an ambitious rental housing production program. Affordable rental production is critically important for many Philadelphia neighborhoods because rental housing addresses the needs of many lower-income individuals and families who do not have the means to buy their own homes or the ability to obtain "market rate" housing in decent condition.

The RDA, in coordination with OHCD, designs Requests For Proposals (RFPs) which offer private, non-profit and community development corporation developers the opportunity to submit proposals requesting CDBG development subsidy financing to leverage tax-credit financing. Following the selection of rental ventures resulting from the RFP process, RDA staff work closely with developers to modify their financing plans as needed to reduce City subsidy and to make their ventures as competitive as possible in upcoming PHFA tax-credit financing cycles. RDA underwriting staff have developed close working relationships with their PHFA counterparts in Harrisburg and have learned how best to position Philadelphia rental ventures for competition in tax-credit financing rounds.

Through these RDA-managed activities Philadelphia has obtained more recent tax credit financing for rental production than all other areas of Pennsylvania combined. In 1995, the RDA secured $7,899,950 in tax credit awards for Philadelphia ventures. This amount represents 52.5 percent of all tax-credit financing available statewide.
Tax-credit financing, combined with CDBG-development subsidy, has helped Philadelphia’s most capable private developers take on more difficult housing production ventures and expand their rental inventory to achieve greater economies of scale in property management. Tax-credit rental financing has also been a key element in constructive joint ventures between for-profit developers and community-based organizations.
Tax-credit financed rental production is an important element of OHCD-supported neighborhood strategies. Rental development can be the appropriate goal for strategically located vacant land and long-term vacant buildings. Tax-credit financed rental housing is the best resource to provide support for neighborhood residents in greatest economic need, such as women with young children.

Adolfina Villanueva, 7th and Somerset Streets

Los Balcones, Front and Norris Streets
Tax-credit financing can generate a sufficient level of capital investment to restore historically significant buildings for low- and moderate-income occupancy, or to create new housing that can be linked with associated retail or institutional development.
Because substantial capital investment is also required to support special-needs housing development, nearly all special-needs rental production in Philadelphia has involved a combination of tax-credit and CDBG financing.

In these ways tax-credit financed rental development supports neighborhood enterprise, enabling neighborhood residents and their supporters to advance strategic goals, improve the physical environment and address housing affordability needs. The City will continue to support the RDA’s leadership in securing tax-credit financing and will advocate for congressional authorization of the tax credit on a permanent basis.
Capehart Rental Assistance Fund

Plans for the re-use of the Philadelphia Naval Shipyard have created an opportunity to organize a new community development resource for Philadelphia. The opportunity is associated with the Capehart residential tract, a small neighborhood consisting of 400 detached, single-family houses adjacent to but removed from the shipyard facilities. The Capehart houses, now vacant but secured within a fenced area, served as living quarters for government personnel.

Federal legislation mandates that homeless housing proposals be given first consideration in planning for the disposition of federally owned facilities such as the naval base. Both City agencies and homeless housing advocates —many of whom participated in the review of Capehart tract development options organized by the Homeless Program Committee of the Greater Philadelphia Urban Affairs Coalition (GPUAC)—wanted the disposition of the Capehart houses to provide substantial benefit to homeless people. Unfortunately, however, the tract is not well-suited for special-needs housing development. Unlike most housing for formerly homeless people, the Capehart houses are not located in close proximity to facilities that provide support services (such as child care, health care, education and training), and the houses are not as accessible to public transportation as most other transitional and permanent affordable housing sites.

In light of these circumstances, City and GPUAC representatives decided instead to support an innovative approach designed by OHCD. The OHCD-recommended approach called for the selection of an established private developer to develop the entire tract for "market rate" sales housing. The selected developer would promote the Capehart's attractive location and suburban-like environment to prospective buyers drawn from Philadelphia and the region; no income eligibility restrictions would apply. The net proceeds of the Capehart sale would be used to capitalize a new asset—an endowment fund to finance a new Philadelphia program of rental assistance support for formerly homeless people. The fund would be a permanent resource which would generate rental assistance payments over a sufficient period to support transitional and permanent affordable housing ventures by organizations such as Project H.O.M.E. and People's Emergency Center at any location in the city. The fund could also support shorter-term transitional assistance similar to the City-funded rental assistance currently administered by the Tenants' Rental Assistance Corporation.

The Capehart plan is designed to create a new resource for Philadelphia that can support neighborhood enterprise in affordable housing development in a creative way.
RESPECT

Determining how to use available resources to address the needs of people unable to support themselves without substantial outside assistance is often regarded as a humanitarian issue—but it is also a key economic development issue.

In today’s urban economy, many people require a combination of housing and specialized services—not only homeless people, but also people with physical disabilities, mental illness or mental retardation, people with AIDS and people struggling with drug or alcohol dependency—as well as low- and very low-income families and elderly people. In earlier years of this century, some of these people would have been confined in isolated institutions or contained within fringe areas of the city or in dangerously substandard buildings such as the boarding houses that were once common in Center City and in neighborhoods outside the downtown area. In today’s society, the isolation and containment of poor people and people with specialized housing and service needs is illegal, and most people agree that a return to past practices would be inappropriate and wrong.

Experience from recent decades has shown that most people with “special needs” of the types described above can live in and benefit from a residential neighborhood environment and can do so without becoming a threatening presence in this environment. A substantial number of people in these “special

needs” categories currently live in upper-income urban and suburban neighborhoods. Money to pay the high cost of appropriate managed care or to support family caregiving sometimes constitutes the only difference between supported special needs residents blending into better-off neighborhoods of the region and government-dependent special needs “problems” in the urban centers and lower-income communities of the region.

Homeless people and others will not have an opportunity to move away from a state of dependency if they are simply given food, housing or money by well-meaning individuals or organizations. For individuals and families with few or no resources, affordable housing and an array of on-site or nearby services are needed in order to make possible a transition from dependency to self-reliance. The limited amount of government and charitable funding available to support this combination of housing and services has always been a serious problem—and this problem is being made critical by recent federal and state assistance reductions unaccompanied by needed regulatory reform to enable housing and service providers to do more with less funding support.

Other public agencies outside the CDBG program have responsibility for managing special-needs emergency and transitional facilities that are harder to blend into a neighborhood environment, facilities such as homeless shelters, drug/alcohol treatment centers and halfway houses for former prisoners or juvenile offenders. The City’s CDBG program supports that category of special-needs housing for people best able to live in a neighborhood setting and benefit from being neighborhood residents. The overriding goal of the City’s community development policy as it relates to special needs housing is to support the integration of special needs housing with conventional housing and to create a relationship of mutual respect and mutual support between residents of all City-supported housing and other members of the community.
Special Needs Set-Aside

In 1993 OHCD established a policy of requiring every developer receiving subsidy funds for rental housing ventures to make available at least 20 percent of the units developed for special needs individuals and households. The result of this policy has been a greater integration of "conventional" and special needs renters in attractive, well-managed rental housing located in neighborhoods around the City.

<table>
<thead>
<tr>
<th>Project Name</th>
<th># Units Set Aside</th>
</tr>
</thead>
<tbody>
<tr>
<td>800 South 55th Street</td>
<td>4 Homeless</td>
</tr>
<tr>
<td>Artists' Village</td>
<td>8 Persons with HIV/AIDS or Physically Disabled</td>
</tr>
<tr>
<td>Clover Affordable Housing</td>
<td>2 Persons with HIV/AIDS, Homeless, Elderly or</td>
</tr>
<tr>
<td></td>
<td>Physically Disabled</td>
</tr>
<tr>
<td>Edgewood Manor II</td>
<td>11 Homeless or Elderly</td>
</tr>
<tr>
<td>Grays Ferry Apartments</td>
<td>22 Physically Disabled</td>
</tr>
<tr>
<td>Hestonville Apartments</td>
<td>5 Homeless</td>
</tr>
<tr>
<td>Jameson Court</td>
<td>14 Physically Disabled, Elderly or Homeless</td>
</tr>
<tr>
<td>Jardines de Borinquen I</td>
<td>9 Mentally Ill and Physically Disabled</td>
</tr>
<tr>
<td>Lehigh Park II</td>
<td>10 Homeless or Physically Disabled</td>
</tr>
<tr>
<td>Mansion Court II</td>
<td>4 Homeless or Physically Disabled</td>
</tr>
<tr>
<td>Ogontz III</td>
<td>3 Homeless</td>
</tr>
<tr>
<td>Port Richmond Model Home</td>
<td>7 Homeless or Physically Disabled</td>
</tr>
<tr>
<td>Tioga Gardens</td>
<td>7 Homeless or Physically Disabled</td>
</tr>
<tr>
<td>Union Residential</td>
<td>1 Elderly</td>
</tr>
</tbody>
</table>
Creation of New Supported Housing

Philadelphia has several outstanding homeless-housing developers and service providers, some of them nationally known for their expertise in delivering specialized services and developing housing in a neighborhood environment. The City has used program resources to enable these established homeless-housing sponsors to leverage other funding and develop more housing. People's Emergency Center has completed several housing ventures, with local neighborhood support, within the organization's West Philadelphia target area and has been honored with a commitment by Rena Rowan of Jones New York to raise $1.5 million to support the development of Rowan House, a transitional residence for single mothers and children. Project H.O.M.E. has completed more housing during this decade than any other homeless housing developer and is benefiting from a 10-year commitment of funding support from Crown Cork and Seal Co. through the Philadelphia Plan. These organizations and others are demonstrating that with appropriate support, formerly homeless people can return to live and work in today's economy and that supported housing for formerly homeless people can be an economic asset for Philadelphia neighborhoods.
Former HUD Secretary Henry G. Cisneros at opening of Project H.O.M.E.'s Karos House
Elderly Housing

City funding is used whenever possible to help elderly-housing developers bring in competitively awarded HUD Section 202 subsidies or Low Income Housing Tax Credits to finance new rental housing for senior citizens. All elderly housing is developed in neighborhoods, including Center City, with community support.
Public Housing Improvements

To support John F. White Jr.’s leadership of the Philadelphia Housing Authority (PHA), under the direction of Mayor Rendell and City Council President John F. Street as Chair and Vice Chair of the PHA Board, City program resources are used to help PHA rehabilitate more vacant public housing units or advance public housing modernization plans more effectively than would otherwise be possible under existing federal regulations governing local public housing systems.

Through an intergovernmental agreement executed by PHA and the City, PHDC has assisted PHA in rehabilitating vacant scattered-site public housing units located in areas where other CDBG-financed housing development is taking place. City funding has been used to pay for consultant services to support the organization of large-scale public housing modernization plans and replacement housing development strategies. These activities help bring Philadelphia the maximum benefit of federal public housing funds critically needed to assist the city’s lowest-income individuals and families. A 1996 PHA Board resolution changed Philadelphia’s public housing admissions policies to admit to public housing units both “Tier I” applicants—individuals and families in one or more of the special-needs groups described at the beginning of this section—as well as other “Tier II” applicants who need affordable housing but do not require specialized services or case management. City-supported public housing units re-occupied during the coming years will be socially and economically integrated as a result of this policy change.

Rental Assistance

Short-term rental assistance accompanied by case management is another valuable tool for integrating special-needs residents into Philadelphia neighborhoods. The Tenants' Rental Assistance Corporation (TRAC), an affiliate of Tenants' Action Group (TAG), pioneered Philadelphia’s rental assistance approach beginning in 1989. TRAC administers housing vouchers that help make a private “fair market” rental unit affordable for individuals and families ready to leave emergency shelter. Voucher recipients must participate in education, training or employment activities intended to increase their economic self-sufficiency, so that they can afford an unsubsidized rent when the term of the voucher expires. TRAC staff assist tenants in finding suitable housing and maintain ongoing communication to provide assistance and support.

PHA scattered-site houses rehabilitated by PHDC.
Housing for Persons With AIDS

Philadelphia has one of the nation's best-organized programs of housing and services for people with AIDS. OHCD administers the federal Housing Opportunities for Persons With AIDS (HOPWA) program for the entire nine-county Philadelphia metropolitan region. A network of neighborhood-based and citywide non-profit organizations develops housing (such as the recently completed expansion of Calcutta House [right] at 16th Street and Girard Avenue), provides rental assistance payments or short-term payments to prevent homelessness and delivers support services.
Dignity Housing

Dignity Housing created a program of housing development and support services for formerly homeless people that has become recognized as a national model. Dignity Housing's emphasis on working with each resident to fulfill a commitment to a specific program of education, training, employment and self-sufficiency is an important feature of Dignity's approach replicated by other homeless housing organizations. All of Dignity Housing's residential units are single-family houses or duplexes, rather than apartment buildings, and are located on viable residential blocks within Philadelphia neighborhoods. OHCD has supported the completion of a recent evaluation of Dignity Housing's real estate inventory, to be used as a guide to future capital investment and program funding decisions to be considered by Dignity Housing and the City agencies which support this organization.
PART SIX:
Time of Opportunity
PART SIX: TIME OF OPPORTUNITY

Between 1994 and 1996 a succession of events took place that could not have been foreseen 10 years earlier. Philadelphia achieved three more successive years of City budget surpluses, including a $118 million surplus for Fiscal 1996. Public financing of land acquisition and real estate development influenced decisions by several major employers to consolidate and expand in the city, resulting in the retention and creation of many jobs. Several businesses that had previously moved from Center City to the suburbs announced plans to bring some of their employees back to Center City, citing improvements in the downtown area (made possible in large part by the Center City District), positive changes in city government and the attractiveness of the downtown environment as a place where workers could more easily meet, communicate and share ideas than in a suburban office-campus setting.

The Art Museum's 1996 Cezanne exhibit attracted 777,810 people, far more than any other event in the museum's history; these visitors brought an estimated $122.6 million to the Philadelphia economy and millions of dollars more to other visitor attractions in the region. The newly opened Pennsylvania Convention Center was the site for hundreds of convention and conference events. Participants in a 1996 national conference of African-American journalists, a group very familiar with conditions in America's urban areas, were favorably impressed with recent positive changes in the city.
During 1995 sales of single-family houses in Philadelphia increased while single-family home sales declined in every suburban county. Dozens of attractively designed townhouses in the West Poplar neighborhood near the northern edge of Center City sold quickly to first-time homebuyers representing a range of income levels. A total of 21,000 owner-occupied houses were repaired during a two-year period through a re-energized City program managed by PHDC.

The successful implementation of Philadelphia's community development policy during the 1990s demonstrates that public funding delivered to neighborhoods as part of a well-organized reinvestment strategy can leverage other valuable resources and produce lasting benefits. Supporters of Philadelphia neighborhoods can help advance such a strategy during the coming years in a number of ways.
Issues for Advocates

Advocacy for neighborhood reinvestment should be guided by a recognition of three realities that will influence the economy of our residential communities for the foreseeable future.

First, Philadelphia and other urban areas need continued federal and state funding to sustain a base of capital investment and program delivery as a foundation for reinvestment. During Philadelphia's past years as a manufacturing powerhouse, the city delivered billions of dollars to the national economy, helping to make possible massive federal investment in agriculture, highway construction and infrastructure within previously undeveloped regions of the American West and South. Decades later, as these regions are enjoying economic success, Philadelphia needs and deserves a sustained commitment of public resources in order to support the rebuilding of our own neighborhood infrastructure and to prepare the way for economic stabilization and growth in the 21st century.

Second, government funding for cities—even if held at its current level or increased to the level available earlier in this decade—will not be nearly enough to support a Marshall Plan-style rebuilding of urban neighborhoods, or a 1960s-style large-scale urban renewal program such as that which produced Society Hill and Yorktown. Because the coming years will be a period of continued limitations in government support, neighborhood advocates must focus on advancing progress through development and service activities that involve a moderate level of government support to produce positive results.

Third, an array of legislative mandates and administrative requirements still prevent available public resources from being delivered efficiently and cost-effectively to urban neighborhoods. The 1994-96 Congressional drive to slash government funds to urban areas was not accompanied by serious consideration of legislative and administrative reforms to promote responsibility and increased discretion at the local government level. Future neighborhood advocacy should focus on improving the effectiveness of public programs that still provide substantial government funding in four key areas of activity: housing, community development, public housing, public education and employment/training.
PACDC Conference on "Nuts & Bolts" issues
Issues for Families

Families in Philadelphia neighborhoods today must confront and address problems that did not exist earlier in this century. Some of these problems, such as drugs, violence and other threats to the safety and well-being of children and young people, are now recognized as regional or national in scope rather than as "urban" issues only. Families in many neighborhoods are better positioned than their suburban counterparts to organize themselves and draw on traditional local resources such as churches, civic groups and community centers to address these problems. However, Philadelphia families need to focus on two overriding issues.

First, there is no question that jobs are scarce and that the loss of readily accessible neighborhood-based employment has caused genuine hardship for Philadelphia communities. However, unless parents take responsibility for ensuring that their children attend school every day, participate in constructive after-school activities and are held accountable for their children's conduct in the community, our young people will never succeed in today's economy.
Second, violence and the use of weapons by children and young people are the greatest threats to the future stability of our neighborhoods. Families and supporters of neighborhoods must take action to separate the next generation from weapons of destruction and create a new tradition of individual and mutual responsibility for the young people of the early 21st century.
Sixteen Challenges

As many of the activities described in this publication illustrate, the key to improvement in Philadelphia neighborhoods is not a new government program or a massive infusion of funding but a combination of focused, well-organized, moderate-scale investment and service activities that produce incremental benefits over a period of years. The following additional activities, if undertaken during the remainder of this decade, could bring substantial new value to Philadelphia neighborhoods. None of these activities depends on increased government funding, on the creation of a new government agency or program or on the completion of a feasibility study or consulting project.

- Supporters of community development corporations—including CDC funders and CDC governing boards—should find better ways to coordinate three key activities: encouraging the growth of “emerging” CDCs, including the majority of CDCs that operate on a volunteer basis without administrative funding; advancing the activities of established CDCs to help these “working” CDCs produce more; and anticipating and responding quickly to CDC organizational and capacity-building issues before they reach the crisis stage.

- Each year, every established CDC should complete at least one “market-rate” real estate development venture involving no public subsidy funding.

- Special-needs advocates in suburban areas, particularly those interested in suburban cities such as Chester, Upper Darby and Norristown, should invite Philadelphia-based special-needs housing developers and service providers to help them replicate Philadelphia’s successful transitional housing approach.

- Non-profit and community-based organizations should work to restore to Philadelphia a previously strong, currently dormant tradition of grassroots organizing and political advocacy over housing and neighborhood issues.
• Architecture, planning, public administration and economics departments in the region's liberal arts institutions should support course work that involves more students in learning about, evaluating and influencing real-world community development issues in Philadelphia.

• The college catalogue of every liberal arts institution in the region should contain a section describing the educational and life-experience benefits that students gain through becoming acquainted with Philadelphia downtown- and neighborhood-based events, programs, organizations and institutions.

• Charitable foundations should require institutional and non-profit grantees to demonstrate that they are engaging in coordinated and/or collaborative activities with community-based organizations active in the neighborhoods where the grantees or their foundation-supported activities are located.

• Neighborhood organizations should promote political action and voter participation by restoring to its former vitality an existing structure that is a community organizer's dream: the political ward and division system that exists in every neighborhood, connecting resident-elected committeepeople with the citywide political and electoral process.

Division boundaries, 22nd Ward, Mt. Airy
- The Congress for the New Urbanism and the Philadelphia-based Foundation for Architecture should co-sponsor a national conference in Philadelphia to debate the relevance of new-urbanist principles to planning and design issues affecting older urban areas, including the overriding issue of how best to plan and implement neighborhood development in an environment of limited capital funding.

- Following the outstanding example of Philadelphia Interfaith Action (PIA), more city and suburban religious congregations should combine their resources to address shared concerns about urban neighborhoods.

- Meanwhile, PIA should divert the organizational energy currently devoted to self-promotion toward a new goal never successfully achieved by PIA: building constructive long-term working partnerships with neighborhoods and government to address urban issues.

*PIA Townhouses, 46th and Market Streets*
• West Philadelphia academic and medical institutions should replicate the successful Campus Boulevard Corporation model for helping neighborhood residents prepare themselves for specific employment opportunities within these institutions—or instead prove that they can design and implement an even more effective approach than Campus Boulevard’s.

• Each Philadelphia newspaper should assign a reporter to cover the neighborhood economy as a primary responsibility. This assignment would extend far beyond current neighborhood events reporting to include critical evaluation of government policies, public and charitable funding programs, private and community organization development plans and the positive and/or negative results of completed community development activities.

• Public officials and community-based organizations should support a comprehensive evaluation of the extent to which neighborhood-oriented public programs may unintentionally support the continuation of existing patterns of racial segregation or physical isolation of lower-income people and should propose changes in community development funding policy as needed to address this issue.

• Fair-housing advocates who have called for changes in public programs as a means of promoting racial integration in Philadelphia neighborhoods should pursue opportunities to advance this goal now through existing rental assistance and housing counseling/homebuyer assistance programs. Since these programs are not “place-based” and can be associated with consumers and dwelling units anywhere in the city, they appear to be more effective resources to support integration than any of the new government funding incentives that fair-housing advocates have proposed to date.

The greatest challenge for all of us is to look beyond the hardships and frustrations of the present and recent past and to view the coming years as a time of unprecedented opportunity—the opportunity to create a new environment for long-term reinvestment in Philadelphia neighborhoods. The prospects for economic improvement in older urban areas are influenced by many factors beyond our control. However, neighborhood initiatives undertaken now with local government support can set the stage for future reinvestment, provide direct benefits to neighborhood residents and change negative perceptions about neighborhoods and the city. Supporters of Philadelphia neighborhoods should mobilize their financial resources, political strength and creative energy to build on the city’s existing community development structure and generate new benefits for Philadelphia during this time of opportunity.
Participants in biweekly Opportunities for Improvement housing agency meeting
Photograph and Illustration Credits

Photographs

Tiger Productions:
Cover, pages 10, 11, 13, 14, 15, 21 (top left and bottom right), 22 (right), 27, 29 (bottom), 31 (top), 33, 34 (top and left), 35, 38 (left), 39 (right and bottom), 40, 45, 46, 47, 48, 49 (right), 50, 51, 52, 53, 54, 56, 57, 59 (bottom), 61, 63, 64, 66, 67, 71, 73, 75, 78 (bottom), 80, 82-83, 84, 85, 89, 90, 92-93, 95, 96, 97, 98, 101, 103, 104, 105, 106, 107, 109, 113 116 and 118.

Mpozi Mshale Tolbert:
Pages 5, 32 (bottom right), 37 (left), 39 (top left), 41 (top right and top left), 42, 49 (left), 58, 76 (left, center, bottom), 77, 78 (top, right, center), 79, 86, 87, 88, 91, 93 (bottom), 94, 100, 102, 111 and 115.

Jessica Morgan:
Pages 22 (top and left), 31 (bottom), 38 (right), 41 (bottom right and bottom left) and 110.

Leon Robinson:
Pages 23, 32 (center right and bottom left), 37 (right) and 114.

Ed D'Angelo:
Pages 21 (top right), 60, 61 and 76 (top right).

Mike Trubich:
Pages 89 (top), 98 (top) and 101 (left).

Other photographs courtesy of:
Philadelphia Historical Commission-pages 9 (bottom), 19; Atwater Kent Museum-9 (center right), 29 (top left), 34 (center right); David and Betty Ann Fellner-59 (top); Foundation for Architecture-68.

Graphic Reproductions

Cover (Poplar site plans) Blackney Hayes Architects; page 8-Philadelphia Historical Commission; 11 (map)-Philadelphia Historical Commission; 24-Delaware Valley Regional Planning Commission; 25-Greater Philadelphia First; 53-(Gateway Plaza elevation) Agoos - Lovera Architects; 55-Greater Germantown Housing Development Corporation; 56 (bottom)-Frankford Group Ministries; 58 (bottom)-Project for Public Spaces, Inc./Public Market Collaborative; 60 (top)-Philadelphia City Planning Commission; 61 (top)-New Kensington Community Development Corporation; 63 (Poplar site plan)- Blackney Hayes Architects; 69-Cassway-Albert, Ltd.; 70-Wesley Wei Architects; 71 (top)-Philadelphia City Planning Commission; 72-Campbell Thomas & Co.; 99-Philadelphia City Planning Commission.

Information Sources For Graphics

Pages: 7-U.S. Census Bureau; 10 (Selected Relocations/Expansions)-Greater Philadelphia First; 11-U.S. Census Bureau; 12 (left)-Philadelphia Historical Commission; 12 (right)-Philadelphia City Planning Commission; 18 (top)-U.S. Census Bureau; 26 (top)-U.S. Census Bureau; 26 (bottom)-City of Philadelphia, Office of the Mayor; 27 (top)-Pennsylvania Convention Center Authority; 34 (bottom right)-Philadelphia Board of Revision of Taxes; 35 (bottom left)-Philadelphia Board of Revision of Taxes; 44-Philadelphia Neighborhood Development Collaborative; 45-Philadelphia Plan.

Design

Document design, layout and production: Lauren Braun

All other photos and graphics not credited above are by Office of Housing and Community Development.