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Neighborhoods in the Middle: ULI Philadelphia Report Addresses Naturally Occurring Affordable Housing

Small Landlords are a Necessary Piece of the Affordable Housing Puzzle in Philadelphia

PHILADELPHIA, PA, May 20, 2021 -- For more than a decade, the City of Philadelphia has enjoyed an increasing population and a strong housing market. While an asset to the city's economic health, this uptick puts pressure on affordable housing stock, encouraging property owners to increase rents or convert affordable units to market-rate units.

Naturally occurring affordable housing, or NOAH, is unsubsidized privately owned rental housing. With approximately 76,000 of these properties in Philadelphia, NOAH is most common in middle-market neighborhoods. Approximately 50% of the City's NOAH properties are vulnerable due to poor condition, displacement risk or strong market value, and in need of intervention.

Through a research and policy partnership between Philadelphia's Division of Housing Development Corporation (DHCD), ULI Philadelphia, and the ULI Terwilliger Center for Housing, ***Preserving Philadelphia's Naturally Occurring Affordable Housing***, a new National Study Visit report, was released today to address at-risk rental units in the city's middle neighborhoods.

To convene the panel, ULI turned to its members for local and national affordable housing experts. In place of traveling to Philadelphia during the pandemic, the City supplied the panel with a rich set of briefing materials, maps, and a virtual tour to provide a deeper dive into Kensington, Oxford Circle and Wynnefield, three Philadelphia neighborhoods that feature a significant portion of the City's NOAH stock. The panel also conducted interviews with over 30 local stakeholders.

Highlights of the report:

- Quality naturally occurring affordable housing is at risk in Philadelphia.
- Much of the city's NOAH inventory, e.g. small multi-family structures and single-family rowhouses, are owned by landlords with five properties or fewer.
- Classifying landlords as small business owners opens up new support and partnership opportunities.



- The City of Philadelphia is working to financially support landlords in their pursuit of repairs to affordable units.
- Partnerships with utilities and health care providers could potentially provide new avenues of outreach and funding.

“Philadelphia is on a strong path toward preserving its NOAH stock. The report is a blueprint not only for the city, but as a national model to improve and expand relationships with NOAH landlords. This report points to a sustainable path toward broader housing affordability throughout the City of Philadelphia,” said Laura Slutsky, Executive Director, ULI Philadelphia.

Building on findings of Philadelphia’s 2018 Housing Action Plan, ***Housing for Equity: An Action Plan for Philadelphia***, the NOAH report leveraged data collection, capacity-building, and financing and subsidy mechanisms to identify action items that the City has initiated to help preserve NOAH.

“This report provides data to show just how critical small landlords are in providing affordable housing,” said Anne Fadullon, Director of the City’s Department of Planning and Development. “A key takeaway is that we need to provide the same level of support for small landlords that we provide for other types of businesses, while also aiding tenants and working to prevent evictions. We are investing in our programs for small landlords, while building new approaches and partnerships – internally and externally; public and private – based on the data provided in this report. We are grateful to ULI Philadelphia and Stepwise Analytics for their partnership in this project.”

The report recommends that the City increase and further target its focus, tools, and attention on neighborhoods on the cusp of, but not yet experiencing, markets where affordable housing options are nonexistent. By prioritizing these neighborhoods, the City will get ahead of upward market pressures and can work with landlords before those pressures become too great to maintain affordability.

The national report panel participants are:

- **Mike Pitchford (Chair)**, Former President & CEO, Community Preservation and Development Corporation, Washington, DC
- **Karen Blanchard**, AIA, LEED AP BD+C, Principal, SITIO architecture + urbanism, Philadelphia, PA
- **Rodger Brown**, Managing Director, Real Estate Development, Preservation of Affordable Housing, Inc., Boston, MA
- **Jim Burnett**, Executive Director, West Philadelphia Financial Skills Initiative, Philadelphia, PA
- **Anne Segrest McCulloch**, President & CEO, Housing Partnership Equity Trust, Washington, DC
- **Tracey Nguyen**, Principal, Baker Tilly Virchow Krause, Philadelphia, PA



- **Philip Payne**, Chair, Lotus Campaign, Charlotte, NC
- **Jonathan Weiss**, President, Equinox Property Group, Philadelphia, PA

Stakeholder participants:

- AmeriHealth
- Cecil Baker & Partners
- Children's Hospital of Philadelphia
- City of Philadelphia Department of Planning & Development
- City of Philadelphia Department of Licenses & Inspection
- Community First Fund
- Community Legal Services
- Community Preservation Corporation
- Drexel Urban Health
- Econsult Solutions
- Esperanza
- Federal Reserve Bank of Philadelphia
- Frankel Enterprises
- Frankford CDC
- Green Building United
- HAPCO
- Impact Services
- Jumpstart
- LISC Philadelphia
- Mdesigns
- Philadelphia Energy Authority
- Philadelphia Housing Development Corporation
- Philadelphia Tenants Union
- PNC Bank
- PolicyMap
- Public Interest Law Center
- Reinvestment Fund
- Rigby Housing
- Shift Capital
- Tenant Union Representative Network
- The Pew Charitable Trusts
- University of Pennsylvania

About ULI Philadelphia

The Urban Land Institute is a nonprofit education and research institute whose mission is to shape the future of the built environment for transformative impact in communities worldwide. Established in 1936, ULI today has more than 45,000 members around the world representing the entire spectrum of land-use and development disciplines including developers, builders, property owners, investors, architects, public officials, planners, attorneys, engineers, academics and others engaged in the land-use field. The Philadelphia District Council encompasses about 900 members throughout Eastern and Central Pennsylvania, Delaware, and the southern half of New Jersey. For more information, visit philadelphia.uli.org.

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