



The Opportunity

[Home for Good](#) presents an opportunity in Philadelphia to address barriers to property rehabilitation, maintain ownership of quality and productive properties across generations, and add affordable rental housing that is available and needed.

One of the key [challenges](#) to Philadelphia’s shortage of affordable rental units is the **limited availability of quality housing stock**. Property owners who seek assistance for repairs through Philadelphia’s [Basic Systems Repair Program](#) (BSRP) are more likely to be lower-income, older, and Black compared to the city’s overall demographics reflecting a higher amount of deferred maintenance and repair needs among Black, and particularly low-income, communities in Philadelphia.¹ While the city has programs like BSRP, there remains a need for additional capital to decrease the prevalence of poor quality properties that are Black-owned and/or in predominantly Black communities in the city, properties that also have been or have the potential to be passed down to owners’ heirs.

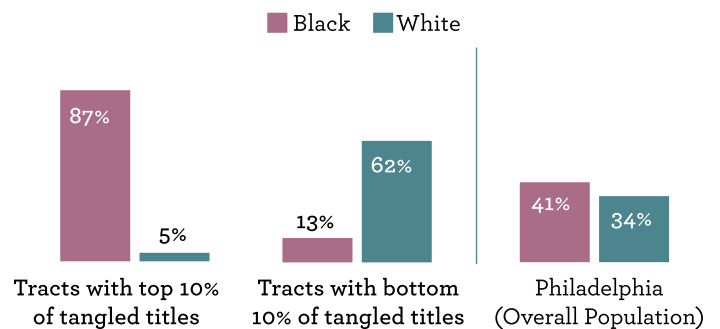
The city also has a **large number of the properties with tangled titles (heirs properties) in predominantly Black areas**, a characteristic that jeopardizes the potential wealth that heirs will see from the property, the ability to preserve affordable housing, and

the maintenance of quality housing. Without funding to make repairs needed to return properties to use, inheritors or heirs have an increased risk of losing these properties to [investors](#). 15 percent of homes purchased in Philadelphia in 2021 were purchased by investors, with higher proportions of investor sales happening in North and West Philadelphia.

Heirs properties that remain vacant long enough to become blighted may also become candidates to be acquired through Act 135, an effort intended to support community members in acquiring and rehabilitating blighted properties, resulting in a shift in ownership. Properties acquired through Act 135 [are disproportionately in communities that are at risk of or actively experiencing gentrification](#) and are majority Black or nonwhite.

Lastly, Philadelphia has a **greater demand for affordable housing** compared to other cities given its disproportionately high number of extremely low-income renters (at or below 30 percent average median income (AMI)). The city experienced a 61 percent decrease in the number of units with monthly rent under \$1,000 between 2012 and 2022.² Home for Good offers an opportunity to increase housing available to renters who have [struggled to find affordable housing with vouchers](#), especially given Philadelphia’s persistent deficit of affordable and available rental units.

Demographics in Census Tracts with Tangled Titles*



1 How Safe Is Owner-Occupied Housing? An Exploration of Philadelphia’s Basic Service Repair Program. Jamaal Green and Vincent Reina, University of Pennsylvania’s Department of City and Regional Planning. January 2023.

2 ACS 2012 1-Year Estimates and 2022 1-Year Estimates. B25056 Contract Rent.

* Source: [Pew Charitable Trust](#) (2021)

The City of Philadelphia is aware of and has begun to take action on these three challenges. Through grants to address the need for capital for renovations, a focus on decreasing the number of inactive heirs properties and preserving property retention, and a commitment to keeping rents as affordable as possible, Home for Good is an opportunity to add to the collaborative efforts that aim to keep Philadelphia affordable and increase economic equity for generations.

Example Neighborhoods

The Home for Good program supports Black and Latine property ownership, affordable housing, and wealth building through its model. The Philadelphia neighborhoods described below are examples where the intervention could be used to mitigate displacement caused by gentrification and aid in maintaining property for affordable rental housing.

The Home for Good process for neighborhood selection puts decision-making authority in the hands of a local steering committee, and that committee will be empaneled in Philadelphia should the city decide to move forward with piloting the Home for Good program. Additional, non-public data may be made available to the pilot program should Philadelphia move forward with the work. (A full list of the quantitative and qualitative data to be considered in making that decision is discussed in the Home for Good Concept Paper.) However, to illustrate the potential feasibility of the program in Philadelphia, we will focus here on North Philadelphia and South Philadelphia.

NORTH PHILADELPHIA

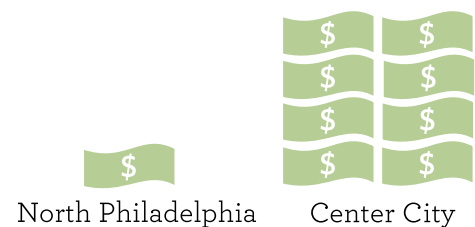
According to [Pew](#), the North neighborhoods have the most identified tangled titles, at 1,716, and with a median home value of \$40,100 as of 2019. This is followed by the Upper North area, where communities like West Oak Lane lie, which holds 1,465 tangled titled properties at a median value of \$107,100. Compare this with Center City that holds the lowest number of tangled titles (228) and the highest assessed median home value (\$348,300). The tracts that hold the lowest number of tangled titles, such as Center City, tend to have higher median household incomes, home values, and white residents. The inverse is true in tracts that have more tangled titles.

Communities that lie within the northern area such as Brewerytown, Francisville, Northern Liberties, Poplar and West Kensington have experienced increased economic development and, in turn, higher displacement. A majority of the area's population identifies as Black (50 percent) or Latine (31 percent) and lives within deeply segregated communities. Between 2000 and 2014 the home values of the Upper Northern Liberties neighborhood increased greatly, [making it unaffordable for most of its residents who lived there prior to 2000](#) (the neighborhood had a 4.49 score; anything over 3.0 on the index is considered unaffordable for the typical resident living there before gentrification).

North Philadelphia has over **7x** more tangled titles than Center City.



Center City's median home values are over **8x** higher than North Philadelphia.



SOUTH PHILADELPHIA

In the southern area of the city, Southwest Philadelphia holds the most tangled title properties at 1,427, with a median home value of \$72,600. This is followed by South Philadelphia, where Point Breeze is located, with 900 tangled titles and a median home value of \$155,300.

The mostly Black neighborhood of Point Breeze has experienced much tension with the economic developments of its neighbor Graduate Hospital. The fears of gentrification are not imagined as the tract experienced a [1,233% change in home sale price from 2000 to 2014](#). This fact is coupled with changing racial and educational demographics, where this neighborhood saw an increase of white residents and college educated residents. Three predominately Black tracts that gentrified in the Graduate Hospital neighborhood saw a 56 percent decrease in its Black residents between 2000 and 2014. A Home for Good intervention would allow South Philadelphia to slow displacement, maintain Black and Latine property ownership while increasing affordable rental housing options in the community.

South Philadelphia has over **4x** more tangled titles than Center City.



South Philadelphia

Center City

↓ 56%

The percent decrease of Black residents between 2000 and 2014 for three predominately Black tracts in South Philadelphia.

↑ 1,233%

Increase in home sale prices from 2000-2014.

Rental Rate Model: Maintaining Affordability, Retaining Ownership

Presented below are three scenarios for rental rates in the West Oak Lane (North) and Point Breeze (South) neighborhoods. With a shortage of 143,000 affordable and available rentals at or below 50 percent AMI and only 61 affordable and available rental units per 100 households at or below the threshold, the greatest need for affordable and available rental units in Philadelphia is [at or below 50 percent AMI](#). The scenarios demonstrate the rental rate models for 3-bedroom houses rented at 40 percent and 50 percent AMI and assume owners do not have a mortgage on the property and did not take out any additional loans to renovate the home.

Given the prevalence of tangled titles, Philadelphia might consider allowing Home for Good participants to use a portion of the grant funds for the process of untangling their title as a prerequisite for renovation grant funds is that the property is owned free and clear.

The lack of a mortgage significantly decreases the owner's costs thus allowing Home for Good to remain tenable for both the owner and the renter. Should the owner have remaining debt on the mortgage, the owner could choose to rent at a higher amount as long as the rent remains affordable at up to 80 percent AMI, a threshold at which there are [only 93 affordable and available rental units](#) per 100 households at or below the threshold. To ensure that the properties in the program continue to meet the greatest need in affordable housing, the Philadelphia Home for Good Steering Committee could decide to require owners to decrease rents so that they are affordable at or below 50 percent AMI if the mortgage is paid off during the program term.

INPUTS

	Scenario A - West Oak Lane	Scenario B - West Oak Lane	Scenario C Point Breeze	Scenario D Point Breeze
HFG Grant Amount	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Maximum percentage of FMR or AMI for participating tenants	40.00%	50.00%	40.00%	50.00%
Property's assessed value ³	\$155,000.00	\$155,000.00	\$200,000.00	\$200,000.00
Number of bedrooms	3BR	3BR	3BR	3BR
Property zip code	19138	19138	19145	19145

OWNER

TOTAL MONTHLY INCOME TO OWNER **\$1,563.67** **\$1,850.42** **\$1,563.67** **\$1,850.42**

Base Rental Income from Tenant **\$1,147.00** **\$1,433.75** **\$1,147.00** **\$1,433.75**

Area Median Income (AMI)⁴ \$114,700.00 \$114,700.00 \$114,700.00 \$114,700.00

Maximum percentage of AMI for participating tenants 40.00% 50.00% 40.00% 50.00%

Percentage of income spent on housing 30.00% 30.00% 30.00% 30.00%

HFG Grant Monthly Benefit **\$416.67** **\$416.67** **\$416.67** **\$416.67**

Total HFG Award \$50,000.00 \$50,000.00 \$50,000.00 \$50,000.00

HFG program term (years) 10 10 10 10

TOTAL MONTHLY COST TO OWNER **\$970.65** **\$999.33** **\$1,020.87** **\$1,049.54**

Base Unit Monthly Operations Costs to Owner **\$855.95** **\$855.95** **\$906.17** **\$906.17**

Mortgage (principal and interest) \$- \$- \$- \$-

Property taxes⁵ \$172.95 \$172.95 \$223.17 \$223.17

Insurance⁶ \$159.00 \$159.00 \$159.00 \$159.00

Utilities⁷ \$357.00 \$357.00 \$357.00 \$357.00

Maintenance fund \$167.00 \$167.00 \$167.00 \$167.00

Additional Monthly Costs to Owner per Unit **\$114.70** **\$143.38** **\$114.70** **\$143.38**

Property management fee \$114.70 \$143.38 \$114.70 \$143.38

-- Base rent \$1,147.00 \$1,433.75 \$1,147.00 \$1,433.75

-- Per unit management fee 10.00% 10.00% 10.00% 10.00%

TOTAL MONTHLY NET **\$593.01** **\$851.09** **\$542.80** **\$800.88**

Total monthly income \$1,563.67 \$1,850.42 \$1,563.67 \$1,850.42

Total monthly expenses \$970.65 \$999.33 \$1,020.87 \$1,049.54

Net operating income (annual) \$7,116.15 \$10,213.05 \$6,513.60 \$9,610.50

³ The estimates included in this calculation are based on expected increases in property values of rehabilitated [homes with tangled titles](#).

⁴ [Median Family Income for Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA HUD FMR Area \(2024\)](#)

⁵ City of Philadelphia property tax rate is 1.339% of the assessed value. [City of Philadelphia](#), (2022)

⁶ [The Best Home Insurance in Pennsylvania in 2024](#). Nerdwallet (2024)

⁷ [HCV Utility Allowances \(2023\); SoFi Estimates \(2023\)](#)

Potential Partners with Aligned Missions

There are a number of Philadelphia organizations that can complement the Home for Good implementation. The organizations below note some of the initiatives in place that align with Home for Good's vision and impact of supporting retention of Black and Latine property ownership.

Legal and Heirs Property Support

The organizations below note some of the initiatives in place that align with Home for Good's vision and impact of supporting retention of Black and Latine property ownership.

[REBUILDING TOGETHER PHILADELPHIA](#) is an affiliate chapter of a national network committed to improving neighborhoods through housing. Its [Heirs' Property Initiative](#) aims to protect generational wealth in Philadelphia and two other communities through a pilot program. Residents who receive services can be referred to Home for Good, and the success of this partnership can be used to expand services across the country.

[PHILADELPHIA VIP](#) is a hub for pro bono legal services in the region for low-income residents who are facing hardships to shelter, employment, financial stability, and more. The organization has a focus on providing legal support to those with tangled titles and has a grant program to financially support those attempting to clear titles. Participants who clear their titles through its legal services and/or grant could be recommended to the Home for Good program as a generational wealth building tool.

[COMMUNITY LEGAL SERVICES OF PHILADELPHIA](#) provides free civil legal assistance to low-income Philadelphians and advocates for policy changes centered on employment, housing, consumer rights, and seniors. In addition to providing direct services, the organization has developed a how-to guide on resolving tangled titles within the area. A partnership with Home for Good supports its mission to maintain property ownership and increased affordable housing.

[PHILADELPHIA LEGAL ASSISTANCE](#) provides advice to and represents low-income clients at no cost as they solve housing, family, and other civil challenges, including tangled titles. This organization can also be a source of participants for the Home for Good model as it works with residents to clear titles and helps them access resources to maintain their properties.

Affordable Housing Support

In addition to the legal and heirs property services firms above, there are a few organizations in Philadelphia that may make good partners as we flesh out the program design specific to Philadelphia's needs and recruit participants.

[PHILADELPHIA COALITION FOR AFFORDABLE COMMUNITIES \(PCAC\)](#) aims to increase the amount of federal, state, and local housing resources allocated to Philadelphia households with incomes under \$30,000. With over 75 member organizations, PCAC's research and network provide insight to key housing needs and opportunities in Philadelphia which could provide context and focus for identifying potential owners and renters who would benefit from Home for Good.

[PHILADELPHIA HOUSING DEVELOPMENT CORPORATION \(PHDC\)](#) provides several supports for community development in Philadelphia including repairing homes, financing affordable housing, repurposing vacant land, and supporting neighborhood amenities. Given a shared commitment to renovation and affordable housing, Home for Good and PHDC's Rental Improvement Program could be complementary programs with Home for Good's supporting property owners who need greater than \$25,000 to complete renovations needed to return the property to the quality affordable housing market.

[HOUSING ALLIANCE OF PENNSYLVANIA](#) convenes the people, organizations, government staff and others who recognize that a safe, stable home of one's own is a basic need that should be available to all. The organization has compiled several resources and ideas about incentivizing landlords to rent to lower income households. The organization's resources and knowledge of landlords would be a useful resource as the Philadelphia Home for Good program determines its process for recruitment program participants.