



## NEWS RELEASE

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## **PHA Selects Development Partners to Renovate Homes for Sale to Low- and Moderate-Income Households in Brewerytown**

*Initiative aims to provide affordable homes in a gentrifying neighborhood*

**Philadelphia – March 10, 2022** – The Philadelphia Housing Authority (PHA) has selected four community-based development partners to renovate 53 vacant and distressed homes in the rapidly changing Brewerytown neighborhood of North Philadelphia.

The four groups selected following an evaluation of proposals include Trades for a Difference and Benchmark Real Estate Partners (23 properties); Lower North Philadelphia CDC (7 properties); Jumpstart Philly (14 Properties), and Devcon Group LLC/Townes Mechanical (9 properties).

“This is a very exciting initiative for us because our well-qualified partners will be developing these long-neglected properties into homes for sale to low-to-moderate-income families,” said PHA President & CEO Kelvin A. Jeremiah. “In addition, the developers will work closely with our homeownership team to prioritize PHA and neighborhood residents as buyers for the rebuilt homes. Our goal is to help them remain in their community and enjoy the benefits of owning a home while building generational wealth. I am deeply appreciative of Council President Darrell Clarke and his staff for their support of this important initiative that, when completed, will transform blighted properties into affordable homes.”



“We’re proud to work with our partners at the Philadelphia Housing Authority in support of building these affordable homes for sale in Brewerytown,” said City Council President Darrell L. Clarke (5th District), whose district includes the community. “It’s through partnerships like this one with PHA, other developments focused on affordable homeownership and affordable rental housing that we can make affording housing more accessible to more residents in North Philadelphia and citywide. Through our Neighborhood Preservation Initiative, the city is poised to spend \$400 million over the next several years building affordable homes for residents, helping

first-time homebuyers purchase existing homes, protecting renters from eviction and taking a wide array of other action steps to preserve and revitalize Philadelphia’s most precious resource: our neighborhoods.”

The scattered-site properties are in an area bounded by Ridge, Glenwood, and Girard Avenues, from 24<sup>th</sup> to 30<sup>th</sup> Street. The homes range in size from two-to-six bedrooms. The developers will receive the properties for a nominal fee and then sell them for the cost of the rehab, plus a reasonable developer fee as verified by PHA.

The maximum sale price for a three-bedroom home is \$215,000, a four-bedroom home for \$240,000, and a six-bedroom home for \$290,000, well below market rate for new or rehabbed homes in the neighborhood. However, this project is unique in that the actual sale price will be set at the cost of renovation plus a reasonable developer fee, so it is expected that some of the homes will be sold for significantly less than the maximum.

Similarly, income requirements are well below market. The maximum a family of two could earn and still qualify is \$60,500 while a family of four could earn as much as \$75,600 and qualify. These income restrictions are also well below the City’s Workforce Housing Program income limits.

The median home price listed in Brewerytown as of January was \$310,000. That means homebuyers in this program will have significant equity in their homes from the day they move in. However, they cannot flip the home to make a quick profit. If a buyer decides to sell their home during the first 20 years, they must sell to other income-eligible buyers.

For Darnetta Arce, Executive Director of Lower North Philly CDC, affordable housing development is a major goal. The group has advocated for residents in Sharswood and Brewerytown for years, but only recently completed development of its first property at 1423 N. 29<sup>th</sup> Street.

“We knew we needed to have a stronger focus on housing and economic development that was happening in the community,” she said. “We saw that most of the developers that were coming in were not offering anything affordable unless they related to PHA. Because we are dedicated to ensuring that people of lower-income and color get an opportunity to purchase a home, we’re working to build partnerships with developers and contractors. We’re thrilled to have PHA approve our proposal so we can create affordable, quality homes for these buyers.”

Jumpstart Philly has been collaborating with PHA for more than a year under a program that tackles blight by training new developers to re rehab properties for sale to these same buyers. CEO Ken Weinstein said the large-scale redevelopment in Brewerytown fits right into Jumpstart Philly’s model and mission.

“Jumpstart Philly and Philly Office Retail are excited to partner with PHA on this project to provide quality, affordable housing in the Brewerytown section of Philadelphia, Weinstein said. “By awarding these vacant, deteriorated homes to Jumpstart graduates, PHA is providing opportunities to help aspiring developers, most of whom are women or people of color who have historically been left out of the development process, improve their own communities and create a nest egg for themselves and their families.”

Aside from the properties donated by PHA, the developers will not receive any other public funding. Buyers will be eligible to participate in the [city’s homebuyer assistance programs](#).

PHA received a total of 10 proposals for the Brewerytown initiative before selecting the final four.

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**The Philadelphia Housing Authority** is the nation’s 4th largest housing authority, serving nearly 80,000 residents. PHA is also a major real estate developer. Learn more at [www.pha.phila.gov](http://www.pha.phila.gov).