

**The Agency will only accept this form without modification for processing.**

The completion date of this Market Study/Housing Needs Assessment must be within twelve (12) months of the application date.

If the market analyst has questions on completing this form, please call the Development Division at (717) 780-3876 or the Tax Credit Division at (717) 780-3948.

**MARKET STUDY/HOUSING NEEDS ASSESSMENT**

Nicole Hines Townhomes		
<b>Proposed Development Name</b>		
413-43, 445, 451 East Wister Street & 461 Collom Street		
<b>Street Address</b>		
Philadelphia	Philadelphia	19144
<b>City</b>	<b>County</b>	<b>(ZIP)</b>

**Housing Type:**       **Elderly 62+**       **General Occupancy**

**Elderly 55+**       **Other (describe)**  
    **Formerly homeless and persons with physical disabilities**

**Total Number of Rental Units:**      35

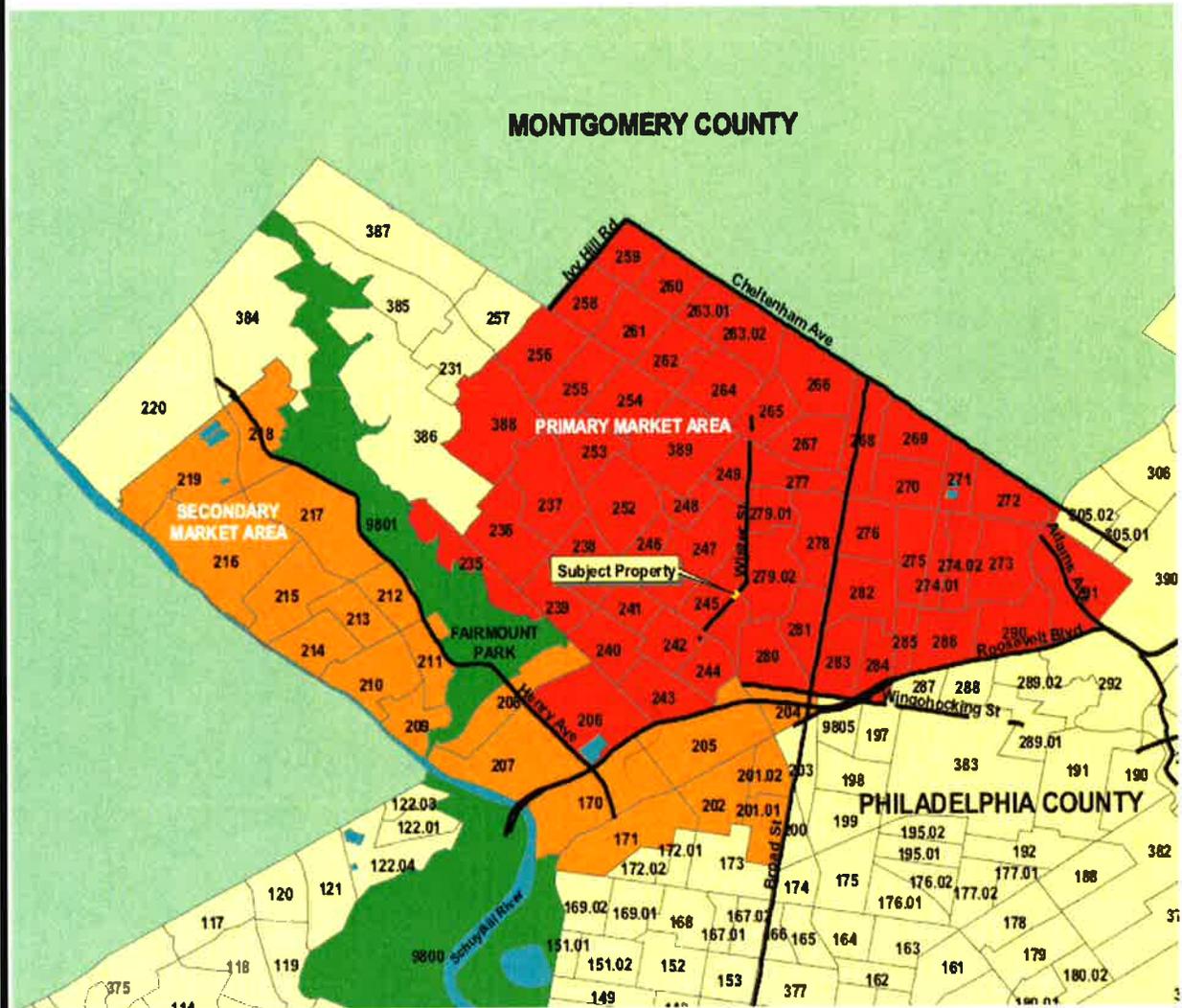
The market analyst must first define the primary market area by the zip code(s) or census tract(s). Once the primary market area is defined, the analyst **MUST** request a listing of existing PennHOMES and Tax Credit housing developments located within the primary market area using the attached PHFA Housing Inventory Request Form. Attach the listing to this study with the current occupancy and waiting lists for each development that may be impacted by the proposal. Refer to #10 below.

Additional information sheets may be attached and must reference the appropriate category.

- 1. Provide a narrative describing the primary and secondary market areas and the factors used in making your determination and attach a street map showing the proposed site and surrounding area including all amenities in addition to outlining the primary market area. List each zip code/census tract or part thereof which comprises the primary market area that specifically references the location of the proposed site:**

The **Primary and Secondary Market Areas**, as represented by the map on the following page, were identified based on the homogeneous land uses and the development pattern of the community. The major arteries and municipal boundaries (i.e. North Broad Street, Roosevelt Boulevard, Cheltenham Avenue, Fairmount Park and the Schuylkill River) were the main demarcations for determining the boundaries of the PMA. The methodology utilized to determine these areas was also based on information provided by WCRP, the developer of individuals currently residing at their existing complexes and the zip codes of those on their waiting list and conversations with knowledgeable individuals familiar with local affordable housing production and current housing needs.

## Nicole Hines Townhomes Primary & Secondary Market Areas



The subject sites are located in census tract 245. The **Primary Market Area (PMA)** includes East Germantown, Germantown, West Mount Airy and surrounding North Central Philadelphia neighborhoods. The **Secondary Market Area (SMA)** is adjacent to the PMA to the south and west of Fairmount Park. The table below defines the market area overview used for the PMA and SMA.

<b>Subject 5% PUMA :</b>	<b>4106</b>
<b>PMA size:</b>	5 miles north-to-south by 6 miles east-to-west
<b>PMA census tracts:</b>	206, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 252, 253, 254, 255, 256, 258, 259, 260, 261, 262, 263.01, 263.02, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274.01, 274.02, 275, 276, 277, 278, 279.01, 279.02, 280, 281, 282, 283, 284, 285, 286, 290, 291, 388, 389
<b>PMA boundaries:</b>	<b>North:</b> Cheltenham Avenue/Montgomery-Philadelphia county line <b>West:</b> Henry Avenue/Fairmount Park <b>East:</b> Adams Avenue <b>South:</b> Roosevelt Boulevard
<b>PMA ZIP codes:</b>	19119, 19120, 19126, 19129, 19138, 19140, 19141, 19144, 19150
<b>SMA census tracts:</b>	170, 171, 201.01, 201.02, 202, 204, 205, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219

One of the benefits of the subject's PMA is its accessibility to public transportation, shopping, interstate highways, bridges and entertainment venues as well as employment districts. Major arteries in the area include Cheltenham Avenue, Germantown Avenue, North Broad Street, Wissahickon Avenue and Roosevelt Boulevard. North Broad Street/PA Route 611 access is located within 1.0± miles of the subject. In addition, Roosevelt Boulevard/U.S. Route 1, a major traffic artery through North and Northeast Philadelphia, is situated within 1.0± miles. A SEPTA route map of the subject area showing local transit connections is presented. The subject's location is positioned by a **red star**, showing easy access to SEPTA Bus Route 23 along Wister Avenue as well as SEPTA's Wister Station.



Displayed below is a presentation which illustrates positive market influences (amenities) of the subject's neighborhood, along with a neighborhood amenities map. Neighborhood asset photographs are also presented.

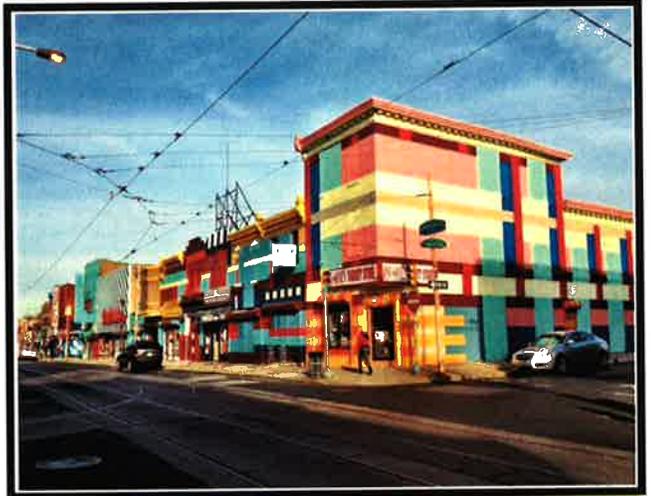
Market Factors	Place Name	Distance (Miles)
<b>Department Stores, Shopping Centers, Grocery Stores</b>	Family Dollar	0.6
	Shoppes at LaSalle/Rite Aid Pharmacy	0.6
	Shoppes at LaSalle/The Fresh Grocer	0.6
	Gomez Grocery	0.8
	Socoro Groceries	1.1
	Cheltenham Plaza	1.3
	Bottom Dollar Food	1.6
	One & Olney Shopping Center	2.3
	Olney Plaza Shopping Center	2.5
	Cheltenham Square Mall	3.1
	Melrose Shopping Center	3.6
	Cedarbrook Plaza Shopping Center	3.7
Northeast Tower Center	4.1	
<b>Medical Care</b>	Einstein Physicians	0.3
	Wister Family Medical Center	0.5
	Germantown Community Health Services	0.6
	Germantown Hospital	0.7
	Einstein Medical Center	1.3
	Mercy Fitzgerald Hospital	1.3
	Broad & Olney Medical Center	1.3
	WES Health System	1.3
Olney-Logan Medical Center	1.4	
<b>Public Transportation and Travel</b>	Wister SEPTA Regional Rail	0.2
	SEPTA Bus Route J	0.2
	SEPTA Bus Route 23	0.2
	Logan Station	1.1
	Fern Rock Transportation Center	1.8
<b>Colleges, Universities &amp; Schools</b>	Wister John School	0.5
	La Salle University	0.6
	Germantown Friends School	0.8
	Central High School	0.8
	Philadelphia High School for Girls	1.0
	John B. Kelly School	1.1
	Widener Memorial School	1.2
	Theodore Roosevelt Middle School	1.7
Pennsylvania College of Optometry	2.0	
<b>Places of Worship</b>	New Beginnings Christian Church	0.3
	Better Life Christian Center	0.6
	Piney Grove Baptist Church	0.8
<b>Entertainment Venues, i.e. restaurants, sporting events, etc.</b>	Grace Garden Chinese Restaurant	0.4
	Explorer's Den	0.5
	Germantown Kitchen Garden	0.6
	Shell House Seafood	0.7
	Connelly Library	0.7
	Germantown Historical Society	0.9
	La Salle University Art Museum	1.0
	Free Library of Philadelphia	1.2
<b>Parks, Recreation Centers</b>	Wister Recreation Center	0.2
	Wister Woods Park	0.5
	Belfield Recreation Center	0.6
	The Boys & Girls Club-Metropolitan	0.7
	Philadelphia Tennis Club	0.9
	Kemble Park	1.1
	Lonnie Young Recreation Center	1.1
	Waterview Recreation Center	1.1
	Awbury Arboretum	1.3
Fisher Park Recreation Center	2.4	

Source: Distances were obtained from maps.google.com from 413 E. Wister Street.

## NEIGHBORHOOD ASSET PHOTOGRAPHS



**AWBURY ARBORETUM ENTRANCE**



**GERMANTOWN AVENUE**



**SEPTA WISTER STATION**



**ALBERT EINSTEIN MEDICAL CENTER**



**SHOPPES AT LASALLE/FRESH GROCER**

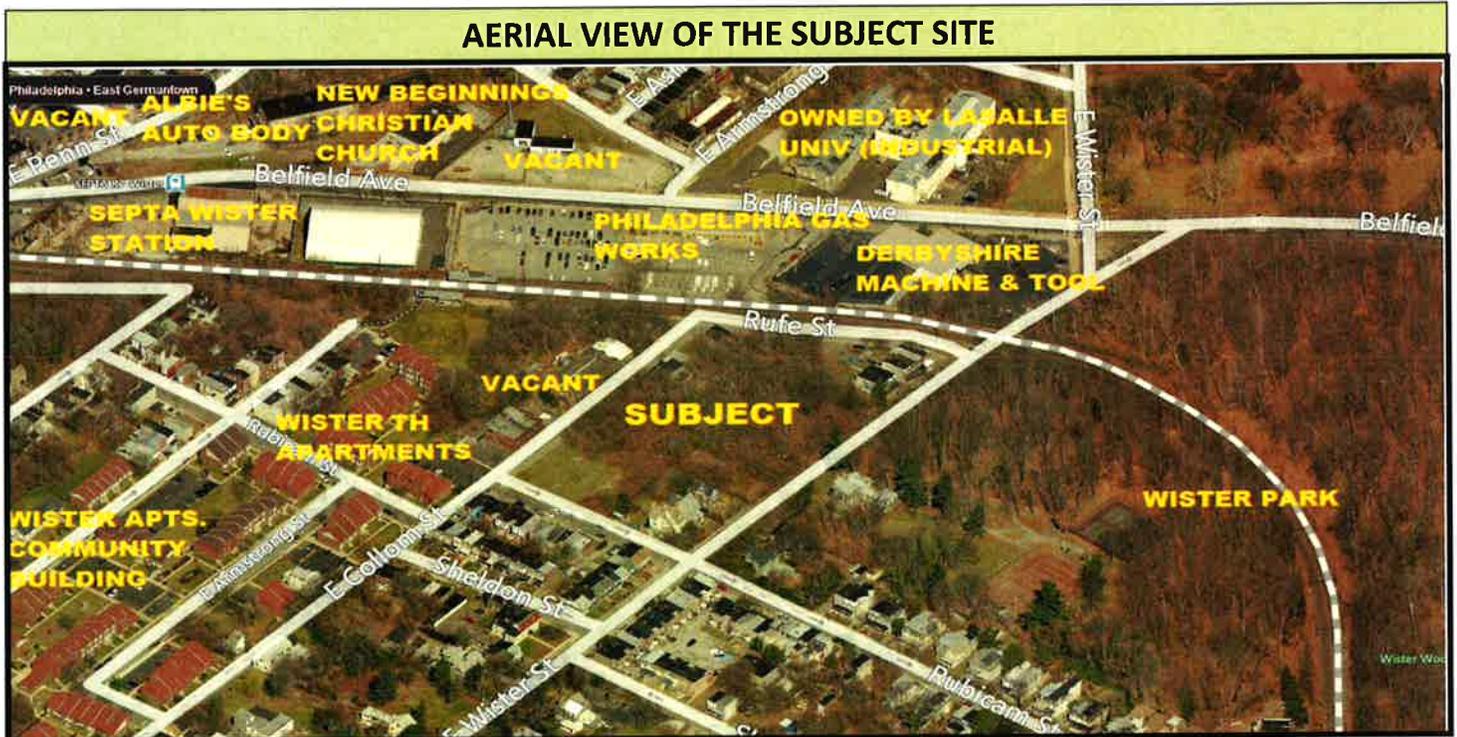


**LASALLE UNIVERSITY/ART MUSEUM**



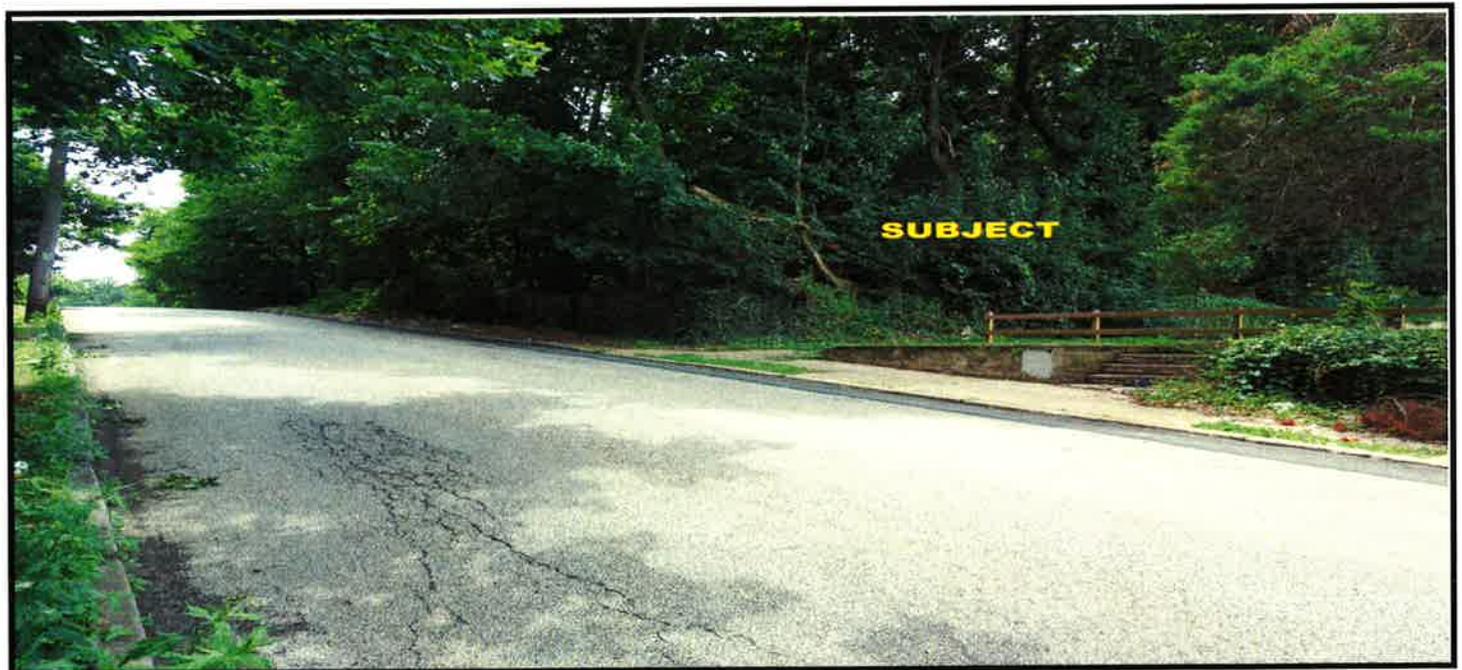
- 2. Provide photographs of the site from a minimum of two perspectives. The photographs must be either originals or color copies and should be dated. For multiple sites, the photographs must identify the site address. All photographs must be clear and show the detail of any buildings (attach photos on a separate page).

An aerial view showing the site is provided below, followed by photographs of the subject site.



Source: © 2014 Microsoft Corporation Pictometry Bird's Eye © 2014 Pictometry International Corp. Site boundaries are approximate.

**SUBJECT PHOTOGRAPHS TAKEN JULY 10, 2014**



**STREET VIEW ALONG EAST WISTER STREET – LOOKING SOUTH, SUBJECT SITE ON RIGHT**



STREET VIEW ALONG RUFÉ STREET – LOOKING WEST, SUBJECT SITE ON LEFT



STREET VIEW ALONG EAST COLLOM STREET – LOOKING NORTH, SUBJECT SITE ON LEFT

### **Development Characteristics**

Proposed *Nicole Hines Townhomes* will be developed by the Women's Community Revitalization Project (WCRP). WCRP has been working in North Philadelphia since 1987 to increase social and economic equity for low and very low-income families. WCRP builds and operates affordable housing developments, guaranteeing that their housing meets the real-life needs of the women and families who will live there. With this proposed development WCRP will continue its mission of providing affordable housing to chronically homeless families (specifically those who are currently living in overcrowded conditions) who face tremendous challenges due to lack of education, lack of work experience and the need to balance multiple family responsibilities with very limited income.

The proposed new construction will be developed on former residential sites that have been vacant for a long time. The development will consist of (35) 2, 3 and 4-bedroom units. Units will be available for both general occupancy for very low and low-income families as well as formerly homeless individuals and persons with physical disabilities. Sixty percent (60%) of units at Nicole Hines Townhomes will be leased to families with incomes at or below 50% of area median with the rest leased to families at or below 60% of AMI. As WCRP has done in past developments, it will use a significant share of the developer's fee to subsidize rents for tenant families.

The exterior of the new townhomes will incorporate many similar materials and elements found on the local existing row homes, such as a mix of brick and masonry materials as well as stucco and cement board siding, all of which are featured on local area structures. The development will provide 2 to 4-story townhouse and flat apartment units. In addition, (5) 2-bedroom units and (2) 3-bedroom units will be accessible for families with physical and/or mental disabilities; and (1) unit will be fitted specifically for families with a member with hearing or vision impairment(s). All units except those located above handicapped accessible units and those above the community space are VisitAble. Shared space includes off-street parking and open (green) space surrounding the parking area and the community room and community garden space.

Supportive services will be provided on-site by WCRP. Services will target WCRP's special needs populations and will address basic needs such as

- health care, food, clothing, utilities and safety;
- the families' ability to nurture and care for themselves by enhancing parenting skills and supporting families in times of crisis;
- economic security by helping heads of households make the transition from welfare to work;
- access to English as a Second Language classes; locating child care and transportation resources; and
- honing of leadership skills to participate effectively on WCRP's Board of Directors<sup>1</sup> and in community activities.

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<sup>1</sup> Fifty four percent of WCRP's Board of Directors is comprised of low income neighborhood constituents.

We will present the information provided by Kramer + Marks, architects for the subject, and believe the new construction will be compatible with the established building pattern in the proximate area and also supports the objective of designing for community safety via the “eyes on the street” layout, which facilitates passive surveillance of the neighborhood by the residents by having homes that face out onto the street. Townhomes will be oriented along East Wister Street. Each unit will have its own separate entrance, washer and dryer, central air conditioning and ample floor plans designed to meet the needs of families with children. In addition to the residential units, a community room and management office of approximately 1,415 gross square feet will be provided on site and will include a lobby, community meeting space, management and leasing office, supportive services office, and accessible men’s and women’s washrooms. Shared space includes off-street parking and open (green) space surrounding the parking area and the community room and community garden space. Given the site’s location and the nature of the population being served, there are no garages constructed as it is anticipated that residents of the proposed development will be less prone to using automobiles and will be more reliant on alternative modes of transportation, given its proximity to the SEPTA Wister Rail Station and SEPTA Bus Routes J and 23.

The proposed new construction will be designed to meet the requirements of Leadership in Energy and Environmental Design (LEED) Certified buildings and will meet the City Water Department’s new Storm Water Management standards. Mechanical systems will be based on the use of energy-efficient systems and building energy management control systems. The electrical design will include the use of the latest efficiencies available through compact fluorescent lighting technologies or LED bulbs. New features that exceed the minimum energy guidelines as defined in PHFA’s Minimum Construction/Rehabilitation Standards and 2012 International Energy Conservation Code (for buildings three stories or less) will be incorporated in the design of the building envelope. Unit appliances will also meet or exceed the city’s *Energy Star* program for energy efficiency.

In conclusion, based on our research, there is a need for housing for the target populations. The unit sizes are consistent with current industry standards, and the support services programs will add to the desirability of the subject development. The Phase I site assessment and construction cost estimates are complete. The extensive supportive services and community space are an especially important component for the homeless population. There are limited options for clean, safe, affordable housing in both the primary and secondary market areas for the homeless and very low- and low-income households. Occupancy levels at market-rate as well as subsidized housing in the PMA are high for well-managed properties. Based on the plans provided by the developer, we have no recommendations for improving the proposed *Nicole Hines Townhomes*.

A site plan by Kramer + Marks is presented below. The site plan reflects input from the Philadelphia Planning Commission and from neighbors.

# SITE PLAN



**3. The Market Analysts should determine whether the proposed development is located in an urban, suburban, or rural area and explain the methodology for their determination.**

  X   Urban                                 Suburban                                 Rural

The determination of the character of the subject locality is based on our physical inspection of the area and recognition that the subject is generally urban in nature. The city of Philadelphia is identified as an urban location as it is densely developed and has a significant population base. All urban amenities, including police and fire protection, schools, public transportation, hospitals, colleges and universities, are located near the subject property. For analysis purposes the subject fits within an identifiable urban setting.

**4. Provide the number of age and income-qualified renter and homeowner households for the primary market area from the 2010 census, and a five-year projection. Discuss the population trend and the three factors that are having the most impact on the trend.**

2010 Census:	<b>18,174</b>
Five-year projection from current date:	<b>17,900</b>

**Data Source:** *The data source in this report is based on tract level from the U.S. 2010 Census and population projections for 2019 from Ludwig Corporation. We have relied on conservative estimates.*

The total population of the PMA was 225,697 persons in 2010 and is estimated to be 221,715 in 2014—a 1.8-percent decrease (see **Table 1**). Projection of the PMA population to 2019 suggests that population decline will continue, with a 1.5-percent decrease from 2014. Between 2010 and 2014, there were increases at ages 20-29 and 50+ and decreases at other ages. These trends are expected to continue over the next five years.

<b>Age Group</b>	<b>2010</b>	<b>2014</b>	<b>2019</b>	<b>Change 2010-2014</b>	<b>Change 2014-2019</b>
<b>0-9 years</b>	29,122	26,937	24,513	-7.5%	-9.0%
<b>10-19 years</b>	33,072	31,388	29,425	-5.2%	-6.1%
<b>20-29 years</b>	32,362	32,644	33,023	0.9%	1.2%
<b>30-39 years</b>	26,964	24,529	21,801	-9.0%	-11.1%
<b>40-49 years</b>	30,462	28,672	26,603	-5.9%	-7.2%
<b>50-64 years</b>	44,615	48,016	52,757	7.6%	9.9%
<b>65+ years</b>	29,100	29,579	30,253	1.6%	2.3%
<b>Total</b>	<b>225,697</b>	<b>221,715</b>	<b>218,375</b>	<b>-1.8%</b>	<b>-1.5%</b>

SOURCE: 2010 data are from U.S. Census Bureau; 2014 estimates and 2019 projections by Ludwig Corporation.

In addition this question, while important, is not applicable for understanding the need for the special-needs population component of the proposed housing. The homeless are rarely counted by census data and special-needs populations cannot be characterized as “renter or owner occupied.” To understand the magnitude of this population in need, we relied on data supplied by WCRP as they have first-hand knowledge of their special needs population. We have also relied on the *Consolidated Plan Year 40 for FY2015* of the city of Philadelphia prepared by the Office of Housing and Community Development (OHCD) for the number of qualified households as well a Housing and Homeless Needs Assessment and a Housing Market Analysis covering Fiscal Years 2013-2017 published in the *Consolidated Plan Year 38*. There were no specific estimates for the subpopulations of homeless in the *Year 40* Plan. Therefore, we have made no adjustments for any potential changes. The total number of homeless is based on the population of the Primary Market Area being the majority of the city of Philadelphia. We do not believe that the number of homeless individuals will decrease in the future due, in large part, to the current economy and the constant in-migration of the homeless population.

The number of householders in the PMA decreased slightly from 88,291 in 2010 to 88,257 in 2014 (-0.04 percent), but is projected to increase by 0.1 percent over the next five years (see **Table 2**). Between 2010 and 2014 there were net losses for family households (increases at ages 65+ only) and net gains for non-family households (increases at ages 35+). A similar pattern is expected for the 2014-2019 period.

<b>Household Type</b>	<b>2010</b>	<b>2014</b>	<b>2019</b>	<b>Change 2010-2014</b>	<b>Change 2014-2019</b>
<b>Family households</b>	<b>53,965</b>	<b>53,149</b>	<b>51,575</b>	<b>-1.5%</b>	<b>-3.0%</b>
Householder 15-34 years	10,111	9,774	9,133	-3.3%	-6.6%
Householder 35-64 years	33,757	33,228	32,195	-1.6%	-3.1%
Householder 65+ years	10,097	10,147	10,247	0.5%	1.0%
<b>Non-family households</b>	<b>34,326</b>	<b>35,108</b>	<b>36,749</b>	<b>2.3%</b>	<b>4.7%</b>
Householder 15-34 years	6,387	6,336	6,235	-0.8%	-1.6%
Householder 35-64 years	18,458	19,033	20,236	3.1%	6.3%
Householder 65+ years	9,481	9,740	10,278	2.7%	5.5%
<b>All households</b>	<b>88,291</b>	<b>88,257</b>	<b>88,325</b>	<b>-0.04%</b>	<b>0.1%</b>

SOURCE: 2010 data are from U.S. Census Bureau; 2013 estimates and 2018 projections by Ludwig Corporation.

There are a variety of reasons that this trend will continue and accelerate. Several parts of North and Northwest Philadelphia, especially those that border the established Center City market area, have recently been experiencing varying levels of gentrification. Situated northwest of Center City, Germantown and East Germantown have a unique mix of assets unlike any neighborhood in Philadelphia, including easy access to North Broad Street commerce, public transportation and the neighborhood’s unique historical character and verdant green landscapes, originating from former farmlands.

After decades of decay and disinvestment, there are now houses in that neighborhood selling for \$2 million, and residents are working collaboratively to bring businesses back to the commercial districts. Once economically divested neighborhoods like Brewerytown, Francisville, Northern Liberties, Germantown/East Germantown (subject) and Kensington have seen large scale development break ground, the area is poised to be associated with new development activity and gentrification once the economy improves.

- 5. Using the number of age and income-qualified renter and homeowner households located within the primary market area, compute the development specific capture rate percentage using the 2010 census data. The minimum household income being used for total housing expenses should not exceed a total housing expense-to-income ratio of 40% and 45% for general and elderly occupancy designated projects, respectively.**

**Provide the total/sum of the renter and homeowner households in the primary market area by age and income qualifications. The minimum household income being used for total housing expenses should not exceed 40% for general occupancy or 45% for elderly occupancy. Based on this information compute the development specific primary market area's capture rate percentage for the qualified households to the projected number of units being proposed by income type.**

The total number of units proposed **35** divided by the number of age and income qualified households of **18,174** equals a capture rate of **0.2%**.

**In addition to the development specific capture rate, compute the overall primary market area's capture rate percentage, which incorporates both the number of units proposed for the subject property and the total of similar (general, senior, bedroom size, homeless, special needs, etc.) existing and proposed PennHOMES and Tax Credit units in the primary market area. If the proposed development includes Project Subsidized units, also include like developments in the PMA.**

The total number of units of **659** divided by the number of age and income qualified households of **18,174** results in an overall capture rate of **3.6%**.

We also analyzed the effect on the capture rate or the necessary market penetration including competing Penn Homes and LIHTC developments in the PMA. We have identified (511) 2-bedroom, (98) 3-bedroom and (15) 4-bedroom units in the PMA in addition to the (35) proposed subject units. The capture rate, based on the (624) competing units and the (35) subject units for a total of (659) units was **3.6%**.

In conclusion, based on the demographic and housing situation presented in this report, and the opinions of informed individuals and support organizations, there is a continued need and demand for developing family housing in the primary market area, as there is a limited supply for the target population(s).

6. **Interview and/or survey neighborhood groups, grassroots organizations, local community development corporations, potential tenant populations, and local government officials to determine support, interest and/or opposition to the proposed development, as well as identifying other proposed housing for the area. List all people interviewed, including phone numbers, and discuss the comments received below:**

Name/Title	Organization/Phone Number
<b>Matt Wysong</b> Northwest Planning Manager	Philadelphia City Planning Commission 215-683-4600
<b>Inez Love</b> Community Relations	Faith Community Development Corporation 215-848-5658

The above individuals and their organizations were very supportive of the proposed new construction, as there is a shortage of quality affordable housing for these target households in the Primary and Secondary Market Areas. The subject location is somewhat unique, as it is particularly convenient to SEPTA Regional rail service. The community neighborhood is characterized as a stable middle income community. All that can be said about the blocks North of Germantown Avenue (subject locale) is that not much is happening.

However, this location can experience all the positive benefits of new construction. The homeowners and renters feel the vigor of the positive development and traditionally have had renewed pride in their historical community. The transformative nature of the new construction has multiple ripple effects that benefit the wider community, including investment in housing, community pride and safer neighborhoods. Reportedly, there was no expressed opposition, as the proposed development is supported by the community as a potential future home for many of the neighborhood residents.

Much of the housing development focus in this area has been in the Upper Northwest neighborhoods of Germantown and Mount Airy, while business development support has been directed to Upper North commercial corridors. According to *Year 40 Consolidated Plan for FY2015*, *Currently* currently under construction is *Fairthorne Senior Housing*, a 40 unit Senior Housing complex at 6763 Ridge Avenue, in the Roxborough section of Philadelphia; *Lindley Court Apartments*, a 48-unit Senior Housing complex at 1200 Lindley Avenue near Albert Einstein medical center; and *Mt. Airy Corridor Mixed Use* with Mount Airy USA having three mixed-use projects underway at 6300-6500 Germantown Avenue. Proposed construction includes *St. Raymond's House*, 27 single-occupancy units for homeless men and women with disabilities in East Mount Airy at 7901 Forrest Avenue; and *Centennial Village*, 52 general occupancy units with 7,000SF of commercial space at 5200 Parkside Avenue. Vacant land parcels in the Logan Triangle Area and the Stenton/Wister corridor will continue to be managed through the city's LandCare Program.

**7. Analyze the suitability of the site for the subject development including accessibility to employment and services and its compatibility with surrounding uses, including economic benefits to the area and/or the proposed residents.**

According to University of Pennsylvania's Cartographic Modeling Lab NIS NeighborhoodBase (NBase), the subject is located in the *East Germantown* neighborhood in an area known as *Wister* situated 6± miles Northwest of Center City. *Wister* is bounded by Wakefield Street, Shedaker Street, Belfield Avenue and Penn Street. *East Germantown* is bounded by East Wister Street to the east, Rufe Street to the south, East Washington Lane and Stenton Avenue to the north, and Septa's Chestnut Hill regional rail tracks to the west (see map).



There has been significant investment in the broader area of the proposed Nicole Hines Townhomes sites. The proposed sites have also been envisioned within the context of the *G'Town Restoration Community Development Corporation*, a non-profit, 501 (c) (3) organization founded to serve the Central Germantown section of Northwest Philadelphia. The organization's primary areas of services include: workforce development (job training, support and placement) commercial corridor revitalization, community planning and engagement, and facilitation of community meetings on zoning and land use matters as a City of Philadelphia designated Registered Community Organization.

The subject is comprised of contiguous land parcels addressed as 413-443 East Wister Street, 445 East Wister Street, 451 East Wister Street and 461 Collom Street. The sites are irregular and rectangular-shaped land parcels that are level at street grade with a level to elevated and/or sloping topography. According to the city of Philadelphia tax assessor's records, the owner is the Philadelphia Redevelopment Authority. WCRP will serve as the developer, property manager and supportive services provider to the project. The land will be held by a community land trust (a PA nonprofit wholly owned by WCRP) and leased with a 100-year term to the Limited Partnership, which will also own the improvements. Affordable Housing Funds (AHP) will be used to finance construction costs. Additional financing will be provided by the City of Philadelphia's Housing Trust Fund/HOME/CDBG funds, developer equity, and LIHTC's. After the AHP compliance period tenants will have the option to purchase their homes.

As determined by a floodplain assessment, these sites are not likely to experience flooding because they are situated outside a flood-plain. The sites will have suitable area (adequate length and width) as well as a generally flat topography that optimizes the layout for residential construction. The subject will be served by all public utilities including public water and sanitary sewer provided by the city of Philadelphia. The sites are currently located in an **RSA-3** zoning district. RSA-3 districts are primarily intended to accommodate attached and semi-detached houses on individual lots, but may be applied in areas characterized by a mix of housing types, including detached houses. WCRP will apply for any and all necessary zoning variances if necessary. Streets in the neighborhood are macadam paved and municipally maintained with concrete curbs, sidewalks; pole mounted street lighting and parallel parking. Vehicular access is permitted on all streets.

Northwest Philadelphia is a well established area that possesses a variety of land usages, including residential, commercial/retail, light industrial and heavy industrial. This area is primarily a residential community with some light and heavy industrial uses. The East Germantown neighborhood possesses a diverse housing stock, with both large and small row houses, twins and detached homes. There are many fully occupied blocks in the area interspersed with blocks that need attention in order to halt further decline. The sites are well located with good access to public transportation, recreation, health care providers, education, businesses and retail establishments which enhance convenience and potentially reduce automobile use.

Primary access to the subject neighborhood is accomplished via Germantown Avenue to East Wister Street. The proposed development is also convenient to major arteries and highway linkages: Roosevelt Boulevard/U.S. Route 1, North Broad Street/PA Route 611, West Olney/Chew Avenue and Lincoln Drive. In addition, the subject is within easy access of Interstate Route 76 via Roosevelt Boulevard, which is located a short drive south of the subject. The main thoroughfares of Germantown/East Germantown are Wissahickon Avenue, North Broad Street and Germantown Avenue, all running generally in a north/south direction.

Germantown Avenue, one of Philadelphia's historic commercial corridors, traverses roughly 10 miles – from Northern Liberties through North Philadelphia to Chestnut Hill. Two stretches of Germantown Avenue in the area are targeted for improvement. The *Central Germantown Business District Beautification Plan* will focus on the commercial corridors of Germantown and Cheltenham Avenues as well as the Maplewood Mall. The plan serves as a guide for short- and long-term physical improvements to the Central Germantown Business District. In addition there has been a joint effort to transform the historic corridor in the area through art. For a four-block stretch between Huntingdon and Somerset Streets, nearly 50 storefronts were covered with bright blocks of color. The intricate paintings are an initiative of the City of Philadelphia's Mural Arts Program which aims to transform the commercial strip through the vibrant artworks in an effort to boost business and energize the community.

Retail needs are also met at nearby Shoppes at LaSalle (0.7± miles), which feature a Fresh Grocer, Rite Aid Pharmacy, Beneficial Bank and Dunkin' Donuts, and Cheltenham Plaza (1.3± miles), which includes a Dollar Tree and Sav-A-Lot. North Broad Street's retail mix in the area of the subject is dominated by fast-food restaurants, nail salons, and auto-oriented uses, such as auto body shops and gas stations. Also located 3± miles north of the subject along Route 309 are many shopping plazas, including Cheltenham Mall, anchored by Burlington Coat Factory, Conway, American Signature Furniture, Home Depot, Shoprite and Target.

Recreational uses in the subject area are numerous and are comprised of several park and recreational centers. Wister Woods Park, located adjacent to the subject, features picnicking, walking and hiking trails. Awbury Arboretum (1.3± miles ) contains 55-acres of public landscape and walking trails as well as the historic Francis Cope House and offers free admission. Recreation centers include Lonnie Young Recreation Center (1± mile) which offers a basketball court, swimming pool, sports field and two ballfields. The Boys and Girls Club-Metropolitan is located 0.7± miles southwest of the subject just off of Germantown Avenue and features after school recreation and childcare. Wister Recreation Center is located down the street from the subject (0.2± miles) and features summer day camps, a sports field and four basketball courts. Also located close to the subject (1± mile southeast) is Happy Hollow Recreation Center which offers summer day camps as well as a sports field, two basketball courts and two tennis courts.

Germantown is situated in the School District of Philadelphia. Public schools located in Germantown include the Anna L. Lingelbach School (K-8), the John B. Kelly School (K-6), the John Wister Elementary School (K-6), the Hill Freedman Middle School (6-8), the Theodore Roosevelt Middle School (7-8), the Fidler Academics Plus School (1-8), and the Martin Luther King High School (9-12). Private schools include the DePaul Catholic School (K-8), the High Street Christian Academy (K-4), the Green Tree School (special education, ages 6–21), and three Quaker schools: Germantown Friends School, Greene Street Friends School and the William Penn Charter School, the oldest Quaker school in the world. LaSalle University's west campus is situated in Germantown, centered on the old Germantown Hospital buildings and property, which it purchased in 2007. Other universities and colleges close to Germantown include Drexel University College of Medicine's Queen Lane Medical Campus, Arcadia University, Chestnut Hill College, The Lutheran Theological Seminary at Philadelphia University and St. Joseph's University.

Medical Centers close to the subject include Albert Einstein Medical Center on Old York Road (1.3± miles), a 772-bed tertiary-care teaching hospital located with an accredited Level I Regional Resource Trauma Center and one of the busiest emergency rooms in Philadelphia. Located on the Germantown campus on Penn Boulevard (0.5± miles) is the Women's Health Center which provides a full range of gynecological services as well as prenatal care. Einstein Physicians (0.3± miles) at the Germantown Health Center on Wister Street offers primary care for adults and children. Situated within 3± miles of the subject is Einstein's FastCare clinic which offers healthcare services on evenings and weekend.

The area is also well served by public transit with multiple Southeastern Pennsylvania Transportation Authority (SEPTA) regional rail lines, train stations and bus routes. Two SEPTA Regional Rail lines connect the neighborhood to Center City: the Chestnut Hill West Line (formerly known as R8) with stops at Queen Lane, Cheltenham Avenue and Tulpehocken stations; and the Chestnut Hill East Line (formerly known as R7) with stops at Wister, Germantown and Washington Lane stations. The neighborhood is also served by bus routes 23 (situated near the subject within walking distance), 26, 53, 65, H and SH, J and K. These buses travel at frequent intervals past corridor business establishments, providing access to other parts of the city and transportation hubs. The subject is within walking distance to SEPTA's Regional Rail Wister Station situated at Ashmead and Rubicam Streets, although access to the Wister Station, for both walk-in passengers and drivers, is severely restricted, as the neighborhood is physically isolated from communities north of Wister Station.

The area is also the focus of the *Germantown and Nicetown Transit-Oriented Neighborhood Plan*. Within the plan are four Priority Areas. The Wister Priority Area is bounded by Wakefield Street, Shedaker Street, Belfield Avenue and Penn Street. The sub-area includes the Wister Station, Wister Playground, and a portion of Wister Woods. The central focus for the Wister Priority Area is to improve access to Wister Station and the neighborhood. The large parcels of vacant land on Rubicam and Rufe Streets are an opportunity to extend the surrounding streets and create parking for the station. These parcels are owned by SEPTA, the Philadelphia Redevelopment Authority, and Michael's Development which owns and operates the nearby Wister TH Apartments apartment complex. There is also an opportunity to create new housing on scattered vacant parcels near the station. Improved access and parking can be the factors to support new potential transit riders at the Wister Station.

There will be numerous economic benefits to the neighborhood where the proposed development will be located, as well as the surrounding neighborhood as a whole. The proposed development will function as an anchor to the ongoing revitalization of the area via substantial investments in both the physical and human capital of the neighborhood in accordance with Philadelphia's long term revitalization plan. In addition to the Germantown Avenue streetscape improvements, Developer Ken Weinstein, owner of the property at 5301 Germantown Avenue, is currently renovating the prominent, 6-story former Germantown Settlement Charter School located at the corner of Germantown Avenue and Penn Street as an emergency services shelter. The building will also contain a 1,600 sq. ft. cafe on the ground floor and (11) market-rate apartments available to the public. However, it must be noted the proposed development is being questioned by local citizens as to the legality, as well as wisdom, of this decision. Ken Weinstein is also renovating St. Peter's Episcopal Church, at Wayne Avenue and Harvey Street in Germantown, into a new campus for the Waldorf School. The \$6 million project is estimated to be complete by July 2015.

In an effort to bolster its presence in the Germantown neighborhood, LaSalle University will invest \$35 million in a new 78,000 SF business school building at the intersection of Wister and Chew avenues. Construction is estimated to finish in 2016. In addition, in September 2014 the Philadelphia Housing Authority plans to demolish/implode the 16-story Queen Lane high-rise at 301 W. Queen Lane in Germantown and construct 55 new, low-density affordable rental units for individuals and families.

In summary, the subject is located close to existing schools, public transportation, recreation, businesses and retail establishments which enhance convenience and potentially reduce automobile use. There is some external obsolescence with the subject's location to the Wister Regional Rail Station just across from Rufe Street. However, the overall visual amenity consisting of the greenery and treeline in the area minimizes any potential noise pollution. Locating affordable housing near regional rail stations improves accessibility and opportunities for increased rail patronage.

Overall, the subject is well located with good access and considered a suitable reuse of the land. The proposed units are compatible in size, number of stories, density, building materials, scale and features of new market rate housing. However, this area, as well as other urban communities in the city, will further decline and experience continuing decay without the intervention of both private and public funding. There are active neighborhood communities working to revitalize the neighborhood and development is taking place in the area. This development aligns with the system of community investment described in the *Germantown Nicetown Transit Oriented Plan*. Construction of the subject, followed by other investment in the community, can make a profound difference for those living and working in the neighborhood.

- 8. Complete the first section of the attached Housing Providers Needs Assessment Form and forward it to the Executive Director of the appropriate county and/or Local Housing Authority and/or Public Housing Agency serving the market area. The response must be incorporated into your evaluation and attached to this final report. If no response, document the date sent to the Housing Authority.**

The required Housing Providers Needs Assessment form was sent via FedEx to Mr. Kelvin A. Jeremiah, President and CEO of the Philadelphia Housing Authority, on July 10, 2014. The response, if received, appears following the PHFA Housing Inventory Request Form.

- 9. List the name and address of all subsidized housing developments within the primary market area, including current occupancy levels and number of persons on the waiting list. If you are aware of any deviations in the occupancy levels and size of the waiting list in the past 2 or 3 years, please describe.**

Our analysis of the supply of subsidized rental housing in the primary market area relies on information from the inventory of Assisted Rental Housing provided to us via the PHFA website, data contained within the city's *Year 40 Consolidated Plan for Fiscal Year 2015* and conversations with knowledgeable city officials and local real estate professionals. The consolidated plan documents a persistent and widespread shortage of good quality, affordable rental housing for the target population(s), and affordable housing in general, relative to the level of demand.

Exhibited on **Table 3** on the following page is a listing of subsidized rental housing developments in the PMA. **The occupancy and number of persons on the waiting list are exhibited in Question Number 11.** According to our survey, there did not appear to be any significant deviation in the occupancy levels or size of the waiting lists as all complexes surveyed exhibited high occupancy with many having waiting lists.

**Table 3. Subsidized Rental Housing Developments – PMA**

<b>Development</b>	<b>Address</b>	<b>Zip Code</b>	<b>Total Units</b>	<b>Occupancy</b>
Allen Lane	240 W. Mt. Pleasant Ave.	19119	17	General
Blakestone Housing	6657 Blakemore St.	19119	19	General
New Covenant Senior Housing	7500 Germantown Ave.	19119	56	Elderly
Allengrove Apartments	539-45 Allengrove	19119	10	General
Queens Court	6515 N. Broad St.	19126	32	General
Schuykill Falls	4301-4409 Ridge Ave.	19129	135	General
Awbury View Apartments	6320 Chew Ave.	19138	125	General
Ogontz III	7165-7167 Ogontz Ave.	19138	15	General
Ogontz Hall	7175 Ogontz Ave.	19138	25	General
New Life Affordable Housing I	Scattered Sites	19140	43	General
New Life Affordable Housing II	Scattered Sites	19140	39	General
Nicotown Court II	Germantown Ave.	19140	50	General
Nicotown Court	4330-4350 Germantown Ave.	19140	37	General
Venango House Apartments	2112-2122 W. Venango St.	19140	106	Elderly
Venango House	2104 W. Venango St.	19140	106	Elderly
Gaudenzia Tioga Arms	1828-30 W. Tioga St.	19140	22	Homeless
Tioga Gardens	Scattered Sites	19140	31	General
Norfolk Manor	1415 W. Clearview St.	19141	126	General
Suffolk Manor Apartments	1416-24 Clearview St.	19141	137	General
Lindley Court	1300 Lindley Ave.	19141	48	Homeless
Community Housing for Elderly	5333-5347 N. 13th St.	19141	24	Elderly
Magnolia Mews	5915 Magnolia St.	19144	63	General
Church Lane	600 E. Church Ln.	19144	40	General
Presser Senior Apartments	101 W. Johnson St.	19144	45	Elderly
High Street Manor	81 E. High St.	19144	15	Homeless
Stokes Rowe LP	5600-5606 Germantown Ave.	19144	13	General
Hamill Mill Apartments	200 E. Church Ln.	19144	40	Elderly
Lower Germantown Housing	5423 Lena St.	19144	50	General
Lower Germantown Housing II	Scattered Sites	19144	33	General
Nugent Senior Apartments	221 W. Johnson St.	19144	57	Elderly
Center in the Park Senior Housing	22-44 Rittenhouse St.	19144	70	Elderly
New Courtland Apts. at Cliveden	319 W. Johnson St.	19144	62	Elderly
Germantown House	5457 Wayne Ave.	19144	133	Elderly
Queens Row	Scattered Sites	19144	29	General
Cricket Court Commons	430, 507, 549 Manheim St.	19144	153	General
<i>Updated August 2014 by Ludwig Corporation. Source: Pennsylvania Housing Finance Agency Inventory of Assisted Rental Housing.</i>			<b>2,006</b>	

In conclusion, the high occupancy rates at the rental properties surveyed demonstrate a strong need for quality affordable housing in the city of Philadelphia and surrounding communities. Based on these rental developments, and the market data developed and presented previously in this report, we conclude the subject, at the developer's proposed rentals are favorable compared with other rent-restricted housing.

- 10. Discuss the availability of affordable housing options including homeownership opportunities for the target population. Describe the age, condition, etc. of housing and the extent of abandoned housing and other buildings within the primary market area. If possible identify any substandard housing in the primary market area.**

The Germantown neighborhood as it exists today began as German Township in 1683, when Francis Daniel Pastorius, a wealthy lawyer who represented a group of German investors known as the "German Society" secured a 5,700 acre tract six miles northwest of Philadelphia from William Penn. Along with Pastorius came thirteen Quaker families from Krefeld, Germany. Together the two groups established the Germantown community along both sides of the Indian trail that would later become known as Germantown Avenue.

The subject neighborhood was once an industrial powerhouse, with a booming textile industry. With the opening of the Wayne Junction Railroad, diversification of industry replaced the sole dependence on textiles as companies such as the Arguto Oilless Bearing Company, the Blaisdell Paper Pencil Company, Carbutt's Keystone Dry Plates Company, the Max Levy Autograph Company, and the Atwater Kent Company's radio production plant emerged, and hundreds of row homes and commercial spaces were constructed around these factories to house and service the growing worker population. Eventually, suburbanization, ill-conceived urban renewal projects, and the collapse of the regional manufacturing industry contributed to a decline in Germantown's infrastructure and left the neighborhood with abandoned homes and factories, extraordinarily high rates of vacant, underutilized land, and a population that increasingly reflected high rates of poverty. Void of jobs when the factories shut down, the neighborhood now suffers a high rate of poverty, low educational attainment, and high unemployment rates.

Vacancy and neglect have created a fragmented neighborhood with stretches of empty land or broken windows, detracting from community morale and public perception of place while also contributing to a sense that the neighborhood is not safe. The East Germantown area was declared as blighted in June 2003 by the Philadelphia City Planning Commission. This neighborhood underscores the extent to which distressed housing, poor health outcomes and other issues associated with poverty impacts families, i.e. lack of affordable housing options; outmoded building systems and deteriorated conditions which impact health and safety, as well as the need for affordable transportation options in order to access employment, education, health care and other services.

Unlike some other areas of the United States, Philadelphia does not have a housing shortage. Until recently, the city has been experiencing population loss for many years, and, in numerical terms, there are more than enough housing units in the city to accommodate current households and any additional population growth which might occur during the next decade. Instead, Philadelphia's housing crisis is based on two related factors: the deteriorated condition of the city's occupied and vacant housing stock and the shortage of housing units priced at sale and rent levels affordable to low-, moderate- and middle-income households.

Philadelphia's housing stock is aging and is evidenced by the homes in the subject locale. The Northwest area has significant vacancy and disinvestment with numerous vacant lots and the now-vacant Germantown High School depressing home values and leading to further disinvestment, and crime. The subject neighborhood contains Queen Lane Apartments, a distressed, obsolete public housing project that is reported to be demolished in September 2014.

The median construction date of Philadelphia's housing units is 1946 with more than half of the units more than 65 years old and 80 percent of those housing units more than 40 years old. In conjunction with the lack of ongoing maintenance, housing stock of that age is at great risk of becoming uninhabitable in turn threatening the occupants of those homes with homelessness. In addition, the housing is not functional for the target general occupancy and special needs populations as they frequently have difficulty navigating through the process of home improvements or simple renovations as they lack the resources necessary to provide ongoing maintenance and face challenges securing home improvement loans for important repairs. These financial challenges have been exacerbated by the economic crisis starting in 2008 and the recent recession.

According to a new analysis of U.S. Census Bureau data published by The Pew Charitable Trusts in June 2014, Philadelphia experienced the second-largest drop in homeownership among the country's 30 largest cities, with Phoenix, AZ being first. From 2000 to 2012, the number of owner-occupied units in the city fell by 47,082 to 302,551, and the number of rentals grew by 36,885 to 277,323. However, statistics can at least confirm that developers are still confident, with new construction permits at all time high. According to *Philadelphia: The State of the City, A 2014 Update*, released by The Pew Charitable Trusts' Philadelphia Research Initiative, in 2013, there were 2,815 new residential units that have received permits, the highest number in a decade. Those newly developed units are worth \$465 million, the highest annual amount on record.

Homelessness is a phenomenon experienced both by single individuals and by families, although the dynamics of homelessness differ. The homeless among the population of any city tend to be the most financially vulnerable. Homelessness emerged as a critical problem for Philadelphia in the early 1980s. By 1988, Philadelphia established the Office of Services for the Homeless and Adults (OSHA) to oversee the city's shelter system and administer the city's federal and local resources devoted toward the homeless, including the Office of Effective Emergency Shelter and Services. Since 1988, the number of homeless people in Philadelphia has continued to grow. Intense poverty and joblessness, as well as rising levels of drug and alcohol abuse are the driving forces behind the city's homeless problem.

The city currently seeks to facilitate a coordinated, integrated approach to addressing homelessness in its urban areas. Philadelphia's overall strategy for ending chronic homelessness is threefold: increase the availability and accessibility of permanent housing options; increase appropriate service utilization by those who are chronically homeless; and research and implement, to the extent feasible, new options to address the needs of hard-to-reach populations. The causes and situations of homelessness are many and often deep-rooted. However, it is vital to recognize that homelessness does not define someone. It is a temporary situation to which an end is achievable. To this end, the proposed development is taking the approach of combining low-income (general occupancy) and homeless (special needs) households in the same development in order to de-concentrate poverty. By combining the presence of role models within a socio-economically heterogeneous neighborhood and housing development, a better outcome is possible.

The scope of the homeless problem in Philadelphia is vast, and the issues facing homeless persons are complex. Reportedly, as many as 25,000 people in Philadelphia find themselves homeless over the course of a year – approximately 6,500 on any given day. The majority of them reside in shelters and transitional housing, many for brief periods, to stabilize and move on; others for longer periods, with a reliance on supportive services. The homeless population is predominantly young, single adult males and young, single women with small children. According to Philadelphia's *Year 40 Consolidated Plan for Fiscal Year 2015* which is published by the Office of Housing and Community Development (OHCD), a primary focus for this year will be preventing homelessness by offering shelter to address the immediate needs of homeless Philadelphians as well as housing and support services to create permanent alternatives to homelessness.

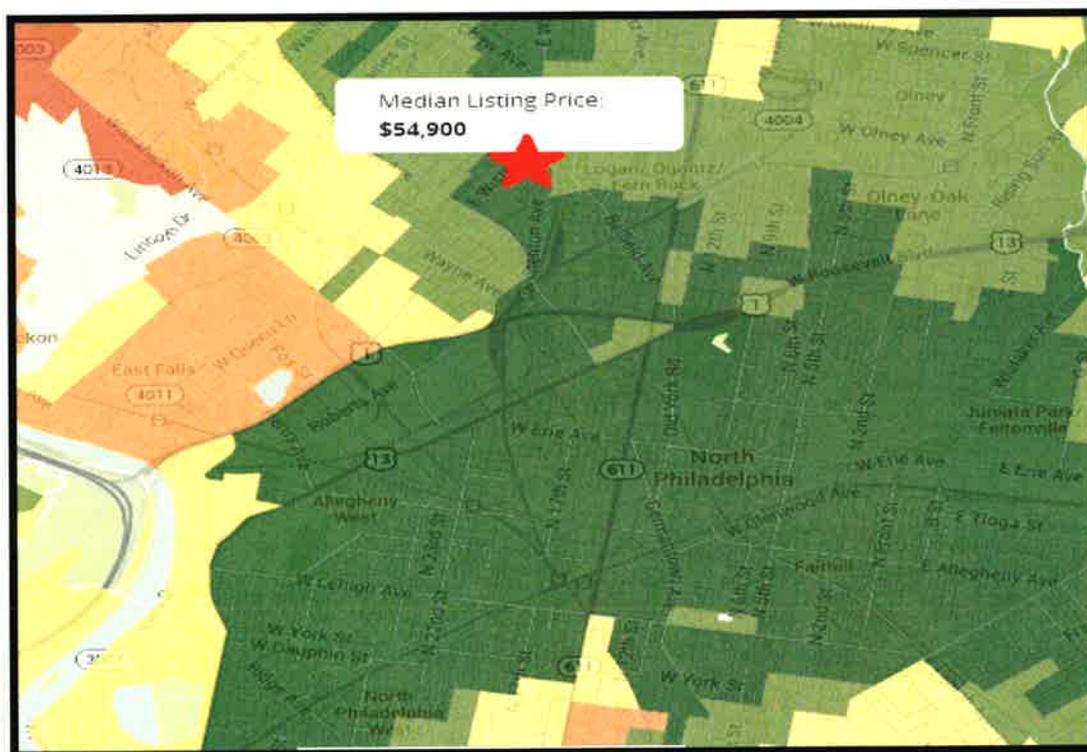
Upper Northwest Philadelphia is one of 18 district-level plans that eventually will be part of the city-wide comprehensive plan known as Philadelphia2035. The plan recommends taking steps to protect homeownership and making public investments in blocks that have little vacant property, and mixed-income residential use will be encouraged. The plan prioritizes revitalizing greater Germantown, supporting historic preservation efforts throughout the district, planning for transit-oriented development along the Chestnut Hill East and Chestnut Hill West rail lines and at Wayne Junction Station, improving the pedestrian-oriented Germantown and Cheltenham commercial corridors, and retrofitting a historically and architecturally significant housing stock to meet the needs of contemporary households. All of this would complement proposed transit-oriented development.

### Housing Affordability

Philadelphia housing needs have been strongly influenced by broad economic trends which have affected many other cities in the northeastern United States, as well as by unique factors associated with Philadelphia's own environment and history. All housing needs in Philadelphia can be described in terms of housing conditions, the physical characteristics of the city's existing housing supply, and housing affordability.

The Philadelphia housing market is able to provide housing affordable to many moderate- and middle-income households; however, those with extremely low and low incomes are often forced to pay large portions of their income for shelter. Redevelopment and gentrification activities instituted by the city through which low-income neighborhoods are declared blighted and demolished to make way for projects that generate higher property taxes and other revenue create a shortage of housing affordable to low-income working families, the elderly poor, and the disabled.

According to statistics presented by trulia.com, the median sales price for homes for sale in 19144 (see map indicating sales prices – subject indicated by red star) for the second quarter (May 2014 to August 14, 2014) was \$139,450, although as indicated by the map, the average price is lower in the subject area of Germantown. Compared to the same period one year ago, the median sales price decreased 16.2%, or \$19,450, and the number of sales decreased 54.4%. The average listing price for homes for sale in 19144 was \$142,945 for the week ending August 13, 2014, which represents an increase of 1.5%, or \$2,082, compared to the prior week. Property values in the neighborhood are lower in comparison to the city's median home value (\$236,631). Both rents and home prices in Philadelphia remain lower than in many cities of comparable size across the country. Housing affordability remains a problem for households at the lower end of the income scale.

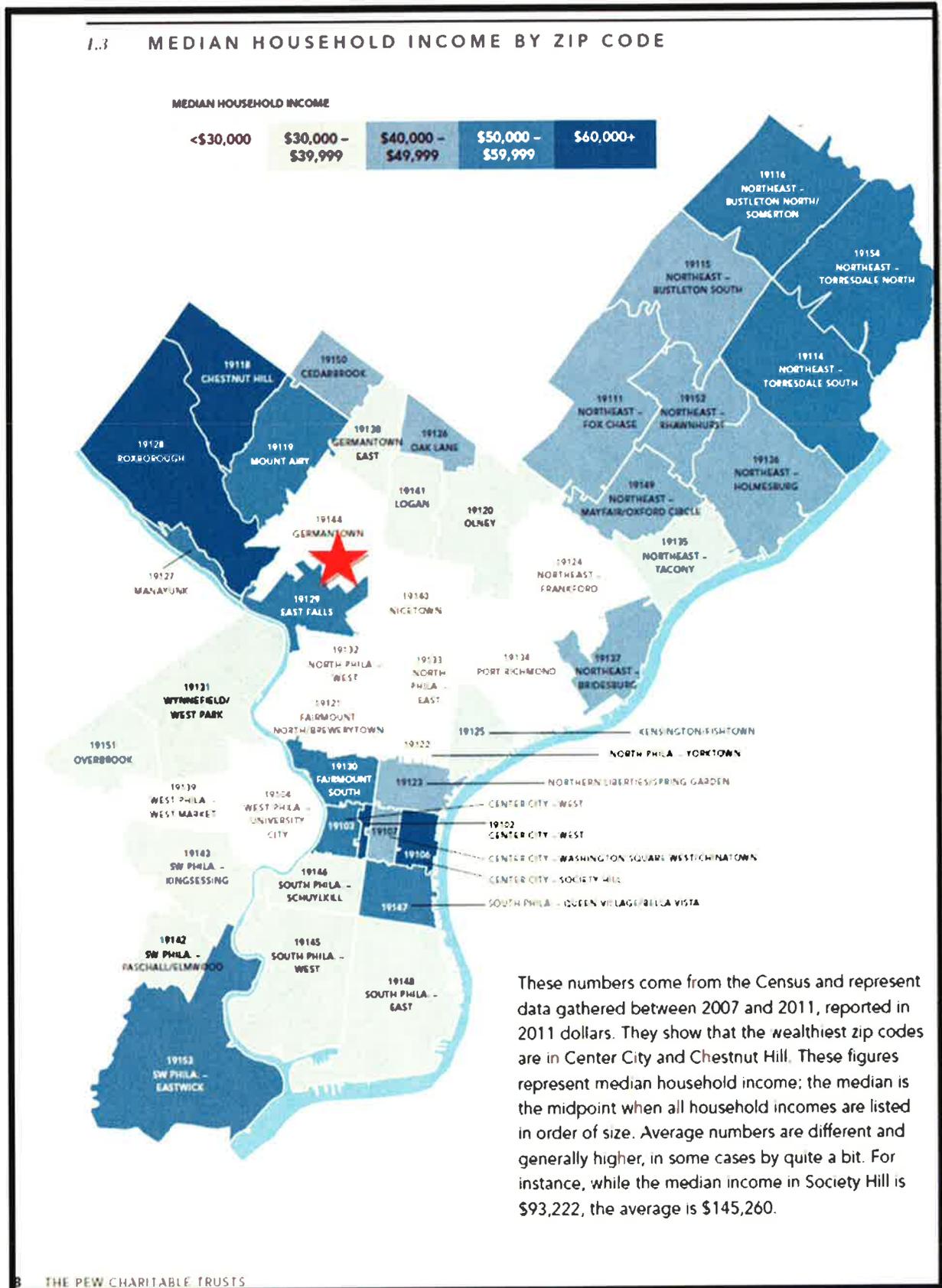


There has been a lack of new rental and homeownership opportunities that are affordable to the working and middle class families that once occupied the neighborhood in greater proportions. In addition, any upgrades of occupied homes by residents are sometimes impeded by inadequate access to credit or complications from informal ownership transfers. The greatest need among extremely low-, low- and moderate-income renters and owners is financial resources to remain in their homes and lower cost rental housing units. More renters experience housing cost burden than owners and the city's priority is to develop affordable rental housing.

Housing affordability is only one indicator of condition which could be characterized as a housing problem. The U.S. Census Bureau publishes data on three possible sources of housing problems for households: **physical defects** (lacking a complete kitchen or bathroom); **overcrowded** conditions (a housing unit with more than one person per room); or has a **cost burden**. Philadelphia housing needs have been strongly influenced by broad economic trends which have affected many other cities in the northeastern United States, as well as by unique factors associated with Philadelphia's own environment and history. All housing needs in Philadelphia can be described in terms of housing *condition(s)*, the physical characteristics of the city's existing housing supply, and housing *affordability*. With the current interest rates being at historically low levels, homeownership is available to a broad lower-income level household.

According to *Philadelphia's Year 40 Consolidated Plan for Fiscal Year 2015* (most recent data available), in 2010, one-third of homeowners and more than half of renters were cost-burdened and spent more than 30 percent of their income on housing with 15 percent of homeowners and 31 percent of renters facing severe cost burdens spending more than 50 percent of their income on housing. The report also states Extremely Low- and Low-Income Renter Households and Extremely Low-Income Owner Households in Philadelphia have the most urgent housing needs. The situation is particularly dire for renters with the average apartment rent requiring 45 percent or more of their household income. The cost burden of rental housing continues to increase as the household income decreases. While both homeowners and renters face significant challenges in obtaining safe, affordable housing, the burden for homeowners is less severe. Very low income and low-income homeowners are slightly less cost burdened than renters by 70 percent and 68 percent respectively, with 47 percent of moderate-income homeowners being considered cost burdened.

The distribution of household income in Philadelphia is such that 90 percent of all households may be categorized as at or below moderate-income and therefore eligible for some form of federal, state or local assistance. Almost 50 percent of all households in the PMA are in the lowest income stratum -- the extremely low- and low-income categories. This number is a nearly 20 percent increase from 2000 when 37 percent of all households were in the lowest income stratum. The struggle to serve these low-income residents continues to deepen as Philadelphia experienced cuts in Consolidated Plan-related public resources by 35 percent. Philadelphia is a poor city, with 50 percent of its households earning less than \$35,000 per year (according to Pew Charitable Trusts *2014 State of the City* -- see map next page) and the area of Germantown earning less than \$30,000. The effect of this lack of income is particularly evident in the discussion of cost-burdened households.



## Housing Conditions

While the city's existing housing stock varies from dense single-family neighborhoods to mid-rise multi-family apartments, the bulk of the existing inventory in the Primary Market Area is comprised of row and duplex dwellings situated on narrow parcels, resulting in pockets of densely-developed communities. The typical row home found within the subject neighborhood and throughout much of the city consists of a two- or three-story dwellings. Currently, the condition of Philadelphia's housing stock and the pervasive blight caused by an estimated 40,000 vacant lots in the city continues to hinder community revitalization. The economic shift away from heavy industry and manufacturing has left large vacant swaths of land where massive factories once operated, prompting the hollowing out of the neighborhood's stock of worker housing and small-scale businesses. Rental housing production helps address another city priority to eliminate vacant lots and blighted structures.

While Philadelphia has made progress to improve the redevelopment process through the recent reform of the zoning code, neighborhoods continue to struggle with blight and vacant lots. The city does not have the resources to rehabilitate all vacant properties back into productive use and therefore, must resort to demolition in an effort to eliminate vacant and dangerous properties. Unfortunately, the remaining vacant lots, which often become trash strewn and blighted, create another threat to neighborhood stability. At the same time, vacant lots present an opportunity for the development of more spacious dwelling units with private yards or off-street parking. New construction can provide a means of redeveloping large portions of the low-income housing stock in a manner that incorporates good urban design and provides enhanced accessibility

In sections of the subject area there are vacant, abandoned and sub-standard housing conditions as well as concentrated pockets of vacant land. However, over the last few years, the subject's neighborhood has experienced significant real estate activity due to the LaSalle's University's increasing expansion and investment into its surrounding neighborhoods as well as developers' interest in the area's historic architecture. Because of the increase in real estate activity, greater interest in the periphery sections such as the subject continues to occur. The overwhelming need for affordable housing in this area has dictated concentrated investment through Community Development Block Grants (CDBG) and other programs.

Current median income in the PMA is estimated to be \$55,812 for households and \$37,910 for families. For many households in the PMA, a large share of household income is devoted to housing expenses due to insufficient affordable housing, with those spending more than 30 percent of income on housing expenses considered to be cost-burdened households.

According to 2008-2012 5-year estimates from the U.S. Census Bureau *American Community Survey*, with median monthly gross rent at \$785, 56.1 percent spent 30 percent or more of their income on rent (see **Table 4**). Median monthly housing costs for owner-occupied units were \$1,262 for units with a mortgage and \$479 for units without a mortgage. Among owner-occupied households, 41.3 percent spent 30 percent or more of their income on housing costs (cost-burdened).

Percentage of Household Income Spent on Housing Expenses	Renter-occupied		Owner-occupied	
	Number	Percent	Number	Percent
<20%	5,983	17.8%	10,429	33.2%
20-24%	2,900	8.6%	4,270	13.6%
25-29%	3,703	11.0%	3,347	10.7%
30+% (cost-burdened)	<b>18,864</b>	<b>56.1%</b>	<b>12,956</b>	<b>41.3%</b>
Not computed	2,187	6.5%	406	1.3%
<b>Total</b>	<b>33,637</b>	<b>100.0%</b>	<b>31,408</b>	<b>100.0%</b>

SOURCE: U.S. Census Bureau, American Community Survey 2008-2012 5-year estimates

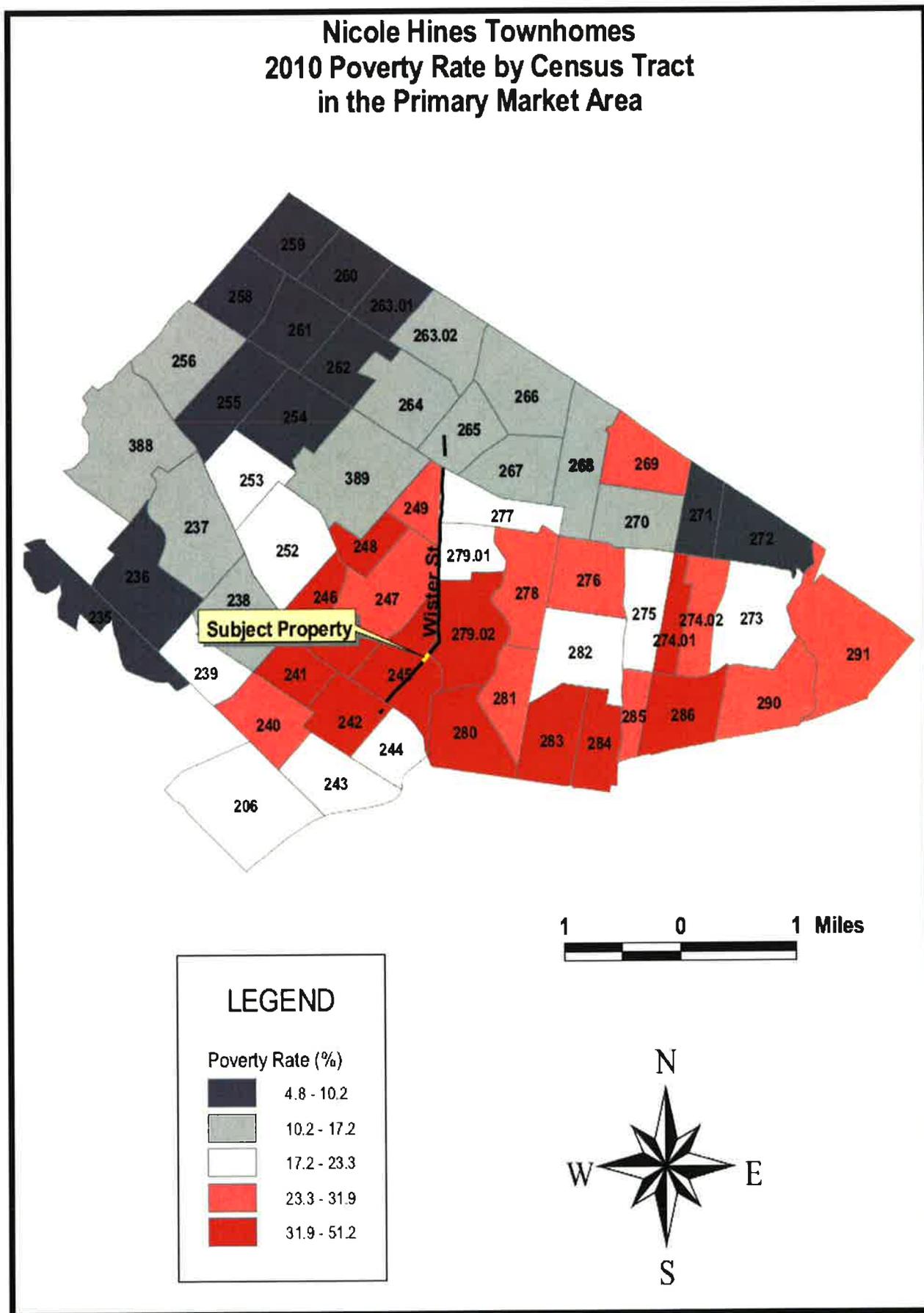
Total housing stock in the PMA increased slightly from 97,768 units in 2010 to 97,787 units in 2014 (+0.02 percent), and is projected to be 97,855 units in 2019 (+0.1 percent; see **Table 5**). According to Census 2010 data, the ownership rate in the PMA was 58.6 percent and 9.7 percent of housing units were vacant. Furthermore, 83.8 percent of the housing stock was built in 1959 or earlier.

Occupancy/Tenure	2010	2014	2019	Change 2010-2014	Change 2014-2019
Occupied	88,291	88,197	88,121	-0.1%	-0.1%
Owner-occupied	51,766	50,911	49,863	-1.7%	-2.1%
Renter-occupied	36,525	37,285	38,258	2.1%	2.6%
Vacant	9,477	9,591	9,734	1.2%	1.5%
<b>Total</b>	<b>97,768</b>	<b>97,787</b>	<b>97,855</b>	<b>0.02%</b>	<b>0.1%</b>

SOURCE: 2010 data are from U.S. Census Bureau; 2014 estimates and 2019 projections by Ludwig Corporation.

Poverty is very high in the primary market area. According to 2008-2012 5-year estimates from the U.S. Census Bureau's *American Community Survey*, the poverty rate (percent of the population below the poverty line) for the PMA was 21.6 percent, and it is projected to increase to 23.7 percent by 2019. Poverty has been highest for children younger than 18 and lowest for seniors aged 65+.

Poverty in Philadelphia is concentrated in a number of the City's Planning Districts which includes North/Northwest Philadelphia. According to 2010 Census data, over 26 percent of Philadelphia's population have incomes at or below the poverty level. The continued departure of jobs from the city as well as the higher educational requirements for occupations in the growing sectors of the economy have made it increasingly difficult for city residents from low-income communities to obtain stable, well-paying jobs. In addition, the area has numerous service providers, yet many residents are not aware of these services, leading to underutilization. Measures that connect people to the labor force, support the creation of small businesses and encourage entrepreneurship among low-income residents are necessary to improve the economic prospects of the city's residents and to alleviate poverty. See accompanying map of poverty rate by census tract on the following page.



In conclusion, the proposed new construction addresses the need for quality affordable rental housing for the target populations, as many low- income renter households are forced to pay housing costs which exceed the established affordability threshold and/or living in properties that do not meet their current and future needs. However, there are substantially fewer owner-occupied households that have a severe housing cost burden compared to renter households. Infill redevelopment initiatives such as the subject are supported by smart growth principles, which recognize the connections between development and quality of life, as well as leverages new growth to improve the community. In addition, infill development facilitates the reconnection between neighbors and neighborhoods as the nature of infill and redevelopment requires collaboration and community involvement.

The most compelling reason for the proposed subject is the fact that this development could help contribute to the supply of available residences and decrease the projected deficit as indicated in the city's Consolidated Plan. With focused reinvestment and land reuse efforts, older core areas such as the subject that could deteriorate with unattractive and even hazardous conditions can transform into areas with increased real estate values and increased tax base.

- 11. Discuss the short and long-term impact that the subject development may have on existing and/or proposed affordable market rate, Tax Credit, and subsidized housing located within the primary market area including the information provided in the PHFA Housing Inventory Request Form. List the properties and identify the current occupancy and number of persons on the waiting list for these properties.**

We do not believe there will be any negative impact on affordable, tax credit or subsidized housing in the primary market area currently or in the future. There currently exists a demand and need for rental housing for low-income family households in the primary and secondary market areas. The *Year 40 Consolidated Plan for 2015* indicated there are a large number of low-income households in the city of Philadelphia. These studies concluded those households with low-incomes are in the most need of assistance.

Exhibited in the following page is a list of competing subsidized housing developments in the PMA and SMA in the city of Philadelphia as received from PHFA. **The occupancy and waiting lists are also exhibited when available.** There did not appear to be any significant deviation in the occupancy levels or size of the waiting lists as generally complexes surveyed exhibited 95%-100% occupancy with waiting lists.

Table 6. Competing Subsidized Properties

Property Name	Address	Phone	Total Units	Eff	1BR	2BR	3BR	4BR	Census	Occupancy	Waiting List
Allen Lane	240 W. Mt. Pleasant Ave.	215-938-6665	17		3		14		388	97%	12
Blakestone Housing	6657 Blakemore St.	215-843-5102	19		5	8	6		237	100%	Open
Allengrove Apts.	539-45 Allengrove	215-635-8000	10			10			291	100%	17
Queens Court	6515 N. Broad St.	215-927-1453	32		10	22			267	98%	Open
Awbury View Apts.	6320 Chew Ave.	215-849-3833	125		39	60	22	4	252	99%	Open
Ogontz III	7165-7167 Ogontz Ave.	215-549-9462	15		3	12			263.02	100%	28
Ogontz Hall	7175 Ogontz Ave.	215-276-8070	25		4	18	3		263.02	99%	19
Norfolk Manor	1415 W. Clearview St.	215-734-7000	126			126			278	96%	100+
Suffolk Manor Apts.	1416-24 Clearview St.	215-684-2222	137		119	18			278	95%	60+
Magnolia Mews	5915 Magnolia St.	215-843-8642	63		20	27	14	2	246	100%	Open
Church Lane Court	600 E. Church Ln.	215-276-5600	40			40			247	100%	None
High Street Manor	81 E. High St.	215-951-0300	15		3	11	1		252	100%	Open
Stokes Rowe LP	5600-5606 Germantown Ave.	215-843-5344	13	3	5	5			246	100%	Open
Lower Germantown Housing	5423 Lena St.	215-843-6766	50		16	9	23	2	242	99%	20
Lower Germantown Housing II	Scattered	215-843-6766	33		2	7	15	7	242	100%	Open
Queens Row	Scattered	215-426-8025	29		20	9			243	99%	Open
Cricket Court Commons	430, 507 W. Manheim St.	215-842-2243	153		24	129			243	94%	100+
			<b>902</b>	<b>3</b>	<b>275</b>	<b>511</b>	<b>98</b>	<b>15</b>			

Updated by Ludwig Corporation, August 2014.

12. List market rental comparables (no income restrictions) within the Primary Market Area. Do not use rent-subsidized developments. Attach a color photo of each comparable. A minimum of three comparables should be submitted. If comparables cannot be located, a thorough explanation must be provided and report what type of rental housing is available in the market. Attach a map identifying the location of the subject and comparables.

We conducted a study of the various market rate rental properties available to tenants in the PMA. It is an important aspect of feasibility to verify the relationship between unrestricted market rents in the area to the maximum allowable tax credit rents. There were numerous market-rate rental townhouses in the PMA. These will be presented on our data comp forms which, although in a slightly different format than the PHFA form provided, discuss all of the necessary information and features of the comparables.

For purposes of answering Question Nos. 13 and 14, the unadjusted market rent presented is the range of the comparables by unit type. Listed below are the developer's proposed rentals and utility allowances by unit type and income levels. It should be noted that (4) units or 11% are at 20% AMI. These units will be targeted for both general occupancy and special needs with income restrictions as follows:

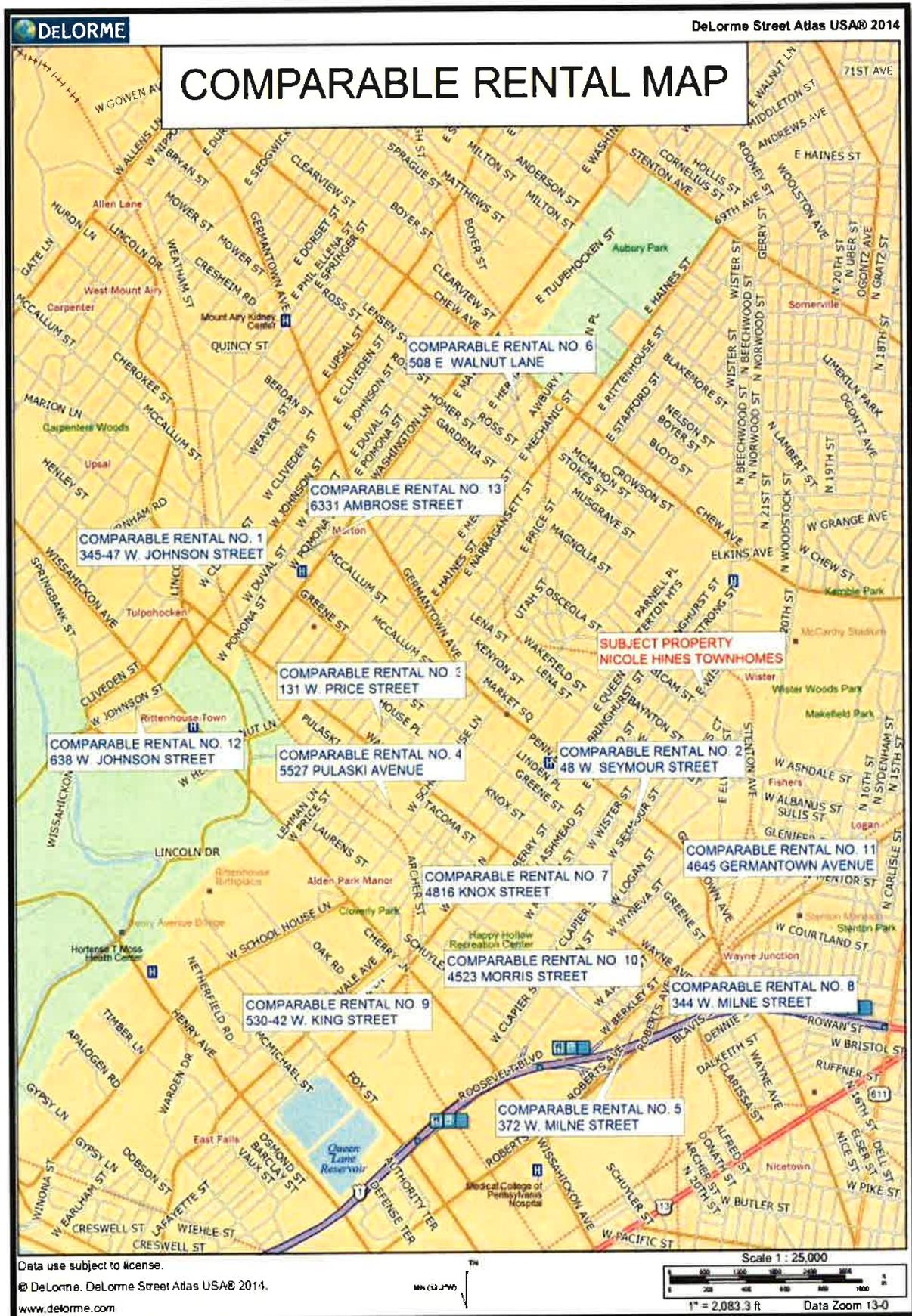
Unit Type	No. Units	Average SF±	Tenant Paid Rent	Utility Allowance	Total Tenant Expense	Rental Subsidy & Source		Total Housing Expense
<b>20% UNITS</b>								
2BR/1BA	3	968-1,040	\$162	\$194	\$356	\$535	IRR	\$891
3BR/1BA	1	1,276-1,383	\$202	\$210	\$412	\$618	IRR	\$1,030
<b>50% UNITS</b>								
2BR/1BA	7	968-1,040	\$475	\$194	\$669	-	-	\$669
3BR/1BA	10	1,276-1,383	\$625	\$210	\$835			\$835
<b>60% UNITS</b>								
2BR/1BA	7	968-1,040	\$525	\$194	\$719	-	-	\$719
3BR/1BA	5	1,276-1,383	\$650	\$210	\$860	-	-	\$860
4BR/2BA	2	1,455	\$750	\$238	\$988			\$988

**35 Total Units**

IRR - Internal Rent Revenue

We used (15) comparables for the **2-, 3- and 4-Bedroom - Townhouse** unit types. We also included a location map for each unit type and table identifying the distance of the comparables from the subject which demonstrates that the comparables are located in the Primary Market Area (PMA).

<b>COMPARABLE RENTALS AND DISTANCE FROM SUBJECT</b>				
<b>Comp. No.</b>	<b>Address</b>	<b>Zip</b>	<b>Walking Distance/Miles</b>	<b>PMA</b>
<b>2-BEDROOM TOWNHOMES</b>				
1.	345-47 W. Johnson Street	19144	2.1	Yes
2.	48 W. Seymour Street	19144	0.6	Yes
3.	131 W. Price Street	19144	1.5	Yes
4.	5527 Pulaski Avenue	19144	1.4	Yes
5.	372 W. Milne Street	19144	1.3	Yes
<b>3-BEDROOM TOWNHOMES</b>				
6.	508 E. Walnut Lane	19144	1.4	Yes
7.	4816 Knox Street	19144	0.9	Yes
8.	344 W. Milne Street	19144	1.3	Yes
9.	530-42 W. King Street	19144	1.4	Yes
10.	4523 Morris Street	19144	1.4	Yes
<b>4-BEDROOM TOWNHOMES</b>				
11.	4645 Germantown Avenue	19144	0.8	Yes
12.	638 W. Johnson Street	19144	2.5	Yes
13.	6331 Ambrose Street	19144	1.9	Yes



**COMPARABLE RENTAL NO. 1**



**2-BEDROOM**

**Property Identification**

**Record ID** 71  
**Property Type** Garden Style  
**Property Name** The Fairmount  
**Address** 345-347 W. Johnson Street, Philadelphia, PA 19144  
**Location** West Mount Airy  
**Tax ID** 88-1098000  
**Management Co.** Classic Management, Inc.  
**Verification** Marlene Jacobs - Property Manager; 215-844-1500

<u>Unit Type</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
Efficiency	450	\$700	\$1.56
1BR/1BA	580	\$915	\$1.58
2BR/1BA	890	\$925	\$1.04

**Occupancy** 96%  
**Total Units** 67

**Physical Data**

**No. of Buildings** 2  
**Construction Type** Masonry Exterior/Wood Frame  
**HVAC** Gas Heat / Wall A/C  
**Stories** 2.5  
**Utilities with Rent** Water, Sewer, Trash Collection  
**Project Amenities** Laundry  
**Parking** On-site  
**Year Built** 1963/2012 Renovated  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a good location in the West Mount Airy section of the City of Philadelphia. Unit amenities include refrigerator/freezer, gas range/oven, dishwasher, microwave and carpeting. The tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 2**



**2-BEDROOM**

**Property Identification**

**Record ID** 2478  
**Property Type** Townhouse  
**Address** 48 W. Seymour Street, Philadelphia, PA 19144  
**Tax ID** 123049800  
**Management Co.** Keller Williams Center City Realty  
**Verification** Shakela Strawberry - Rental Agent; 215-917-7457

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2BR/1BA	1	2,103	\$800	\$0.38

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 2,103

**Physical Data**

**Construction Type** Masonry Exterior / Wood Frame  
**HVAC** Gas Heat / Central A/C  
**Stories** 3  
**Unit Amenities** Patios/Balconies  
**Project Amenities** Full Basement  
**Parking** Street  
**Year Built** Circa 1900  
**Condition** Fair

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, washer/dryer hook-up and hardwood floors. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 3**



**2-BEDROOM**

**Property Identification**

**Record ID** 2479  
**Property Type** Townhouse  
**Address** 131 W. Price Street, Philadelphia, PA 19144  
**Tax ID** 593014500  
**Management Co.** Coldwell Banker Preferred - Blue Bell  
**Verification** Patty Nichini - Rental Agent; 215-208-1453

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2BR/1BA	1	1,200	\$900	\$0.75

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 1,200

**Physical Data**

**Construction Type** Masonry Exterior / Wood Frame  
**HVAC** Gas Heat / No A/C  
**Stories** 2  
**Project Amenities** Full Basement  
**Parking** Street  
**Year Built** Circa 1920  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, washer/dryer hook-up and carpeting. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 4**



**2-BEDROOM**

**Property Identification**

**Record ID** 2480  
**Property Type** Townhouse  
**Address** 5527 Pulaski Avenue, Philadelphia, PA 19144  
**Tax ID** 124127300  
**Management Co.** Keller Williams Realty Group  
**Verification** Michael Coleman - Rental Agent; 484-942-6266

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2BR/1.5BA	1	1,611	\$1,000	\$0.62

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 1,611

**Physical Data**

**Construction Type** Masonry Exterior/ Wood Frame  
**HVAC** Gas Heat / Central A/C  
**Stories** 3  
**Parking** Street  
**Year Built** Circa 1900  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, washer/dryer and hardwood floors. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 5**



**2-BEDROOM**

**Property Identification**

**Record ID** 2481  
**Property Type** Townhouse  
**Address** 372 W. Milne Street, Philadelphia, PA 19144  
**Tax ID** 133003900  
**Management Co.** Realty Mark Cityscape  
**Verification** Shelli Katrinak - Rental Agent; 267-577-7024

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2BR/1BA	1	960	\$1,050	\$1.09

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 960

**Physical Data**

**Construction Type** Masonry Exterior / Wood Frame  
**HVAC** Gas Heat / Wall A/C  
**Stories** 2  
**Project Amenities** Partial Basement  
**Parking** Garage - 1 Car  
**Year Built** Circa 1920's  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, washer/dryer and hardwood floors. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 6**



**3-BEDROOM**

**Property Identification**

**Record ID** 2482  
**Property Type** Townhouse  
**Address** 508 E. Walnut Lane, Philadelphia, PA 19144  
**Tax ID** 592066100  
**Management Co.** Onyx Real Estate, LLC  
**Verification** Andrey Telegin - Rental Agent; 215-953-0500

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
3BR/1BA	1	1,200	\$850	\$0.71

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 1,200

**Physical Data**

**Construction Type** Masonry Exterior/ Wood Frame  
**HVAC** Gas Heat / Wall A/C  
**Stories** 2  
**Unit Amenities** Patios/Balconies  
**Parking** Street  
**Year Built** Circa 1920  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, washer/dryer and hardwood floors. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 7**



**3-BEDROOM**

**Property Identification**

**Record ID** 2483  
**Property Type** Townhouse  
**Address** 4816 Knox Street,  
 Philadelphia, PA  
 19144  
**Tax ID** 123184300  
**Management Co.** Realty Mark  
 Cityscape  
**Verification** Shelli Katrinak -  
 Rental Agent;  
 267-577-7024

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
3BR/1BA	1	1,288	\$900	\$0.70

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 1,288

**Physical Data**

**Construction Type** Masonry Exterior / Wood Frame  
**HVAC** Gas Heat / Wall A/C  
**Stories** 2  
**Unit Amenities** Patios/Balconies  
**Project Amenities** Full Basement  
**Parking** Garage - 1 Car  
**Year Built** Circa 1920  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, dishwasher, washer/dryer and carpeting. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 8**



**3-BEDROOM**

**Property Identification**

**Record ID** 2484  
**Property Type** Townhouse  
**Address** 344 W. Milne Street, Philadelphia, PA 19144  
**Tax ID** 133002500  
**Management Co.** Realty Mark Cityscape  
**Verification** Shelli Katrinak - Rental Agent; 267-577-7024

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
3BR/1BA	1	960	\$1,000	\$1.04

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 960

**Physical Data**

**Construction Type** Masonry Exterior / Wood Frame  
**HVAC** Gas Heat / Wall A/C  
**Stories** 2  
**Unit Amenities** Patios/Balconies  
**Project Amenities** Partial Basement  
**Parking** Garage - 1 Car  
**Year Built** Circa 1920  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, dishwasher, garbage disposal, washer/dryer and hardwood floors. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

COMPARABLE RENTAL NO. 9



3-BEDROOM

Property Identification

<b>Record ID</b>	2485
<b>Property Type</b>	Townhouse
<b>Address</b>	530-42 W. King Street, A-4, Philadelphia, PA 19144
<b>Tax ID</b>	881061210
<b>Management Co. Verification</b>	United Real Estate - Thomas Greene - Rental Agent; 610-659-7532

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
3BR/1BA	1	880	\$1,050	\$1.19

<b>Occupancy</b>	100%
<b>Total Units</b>	1
<b>Net SF</b>	880

Physical Data

<b>Construction Type</b>	Masonry Exterior / Wood Frame
<b>HVAC</b>	Gas Heat / No A/C
<b>Stories</b>	4
<b>Utilities with Rent</b>	Water, Sewer, Trash Collection
<b>Project Amenities</b>	Full Basement
<b>Parking</b>	Street
<b>Year Built</b>	1910/2013 Renovated
<b>Condition</b>	Good

Remarks

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, garbage disposal, microwave, dishwasher, washer/dryer hook-up and hardwood floors. Tenant is responsible for gas heat, gas hot water and electric. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 10**



**3-BEDROOM**

**Property Identification**

**Record ID** 2486  
**Property Type** Townhouse  
**Address** 4523 Morris Street, Philadelphia, PA 19144  
**Tax ID** 133136400  
**Management Co.** Realty Mark Cityscape  
**Verification** Shelli Katrinak - Rental Agent; 267-577-7024

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
3BR/1BA	1	1,208	\$1,200	\$0.99

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 1,208

**Physical Data**

**Construction Type** Masonry Exterior / Wood Frame  
**HVAC** Gas Heat / No A/C  
**Stories** 2  
**Unit Amenities** Patios/Balconies  
**Project Amenities** Full Basement  
**Parking** Garage - 1 Car  
**Year Built** Circa 1910  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, garbage disposal, dishwasher, washer/dryer and hardwood floors. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

COMPARABLE RENTAL NO. 11



4-BEDROOM

Property Identification

<b>Record ID</b>	2487
<b>Property Type</b>	Townhouse
<b>Address</b>	4645 Germantown Avenue, Philadelphia, PA 19144
<b>Tax ID</b>	12146100
<b>Management Co.</b>	Exit Benchmark Realty
<b>Verification</b>	Jibri Bond - Rental Agent; 215-858-0306

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
4BR/2BA	1	1,104	\$925	\$0.84

<b>Occupancy</b>	100%
<b>Total Units</b>	1
<b>Net SF</b>	1,104

**Physical Data**

<b>Construction Type</b>	Masonry Exterior / Wood Frame
<b>HVAC</b>	Gas Heat / No A/C
<b>Stories</b>	2
<b>Project Amenities</b>	Full Basement
<b>Parking</b>	Street
<b>Year Built</b>	Circa 1900
<b>Condition</b>	Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, washer/dryer and carpeting. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 12**



**4-BEDROOM**

**Property Identification**

**Record ID** 2488  
**Property Type** Walk-up - Single Detached  
**Address** 638 W. Johnson Street, Philadelphia, PA 19144  
**Tax ID** 213107100  
**Management Co.** Elfant-Wissahickson Rittenhouse Square  
**Verification** Chas Hendricksen - Rental Agent; 215-893-9920

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
4BR/2.5BA	1	1,780	\$1,675	\$0.94

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 1,780

**Physical Data**

**Construction Type** Masonry Exterior / Wood frame  
**HVAC** Gas Heat / Central A/C  
**Stories** 2  
**Unit Amenities** Patios/Balconies  
**Project Amenities** Full Basement  
**Parking** Garage - 1 Car  
**Year Built** Circa 1900  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a fair location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, washer/dryer and carpeting. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**COMPARABLE RENTAL NO. 13****4-BEDROOM****Property Identification**

**Record ID** 2489  
**Property Type** Townhouse  
**Address** 6331 Ambrose Street,  
 Philadelphia, PA 19144  
**Tax ID** 593158300  
**Management Co.** Keller Williams Center  
 City Realty  
**Verification** Matthew J. Aragona -  
 Rental Agent;  
 610-745-3211

<u>Unit Type</u>	<u>Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Rent/SF</u>
4BR/2.5BA	1	1,836	\$1,700	\$0.93

**Occupancy** 100%  
**Total Units** 1  
**Net SF** 1,836

**Physical Data**

**Construction Type** Masonry Exterior / Wood Frame  
**HVAC** Gas Heat / Central A/C  
**Stories** 3  
**Project Amenities** Full Basement  
**Parking** Street  
**Year Built** Circa 1890  
**Condition** Good

**Remarks**

Date of Survey: August 2014. The property is situated in a good location in the City of Philadelphia. Unit amenities include a refrigerator/freezer, gas range/oven, dishwasher, washer/dryer hook-up and hardwood floors. Tenant is responsible for all utilities. There are no rent subsidies or tenant income restrictions.

**13. Summarize the comparable unassisted market rent for each unit size.**

Unit Size	Rent		Tenant-Paid Utilities		Adjusted Market Rent
1BR/1BA	N/A	+	N/A	=	N/A
<b>2BR/1BA</b>	<b>\$900</b>	+	<b>\$194</b>	=	<b>\$1,094</b>
<b>3BR/1BA</b>	<b>\$1,000</b>	+	<b>\$210</b>	=	<b>\$1,210</b>
<b>4BR/2BA</b>	<b>\$1,400</b>	+	<b>\$238</b>	=	<b>\$1,638</b>
5BR/3.5BA	N/A	+	N/A	=	N/A

**14. Compute the Pricing Advantage of the subject development’s proposed rents to the Adjusted Market Rent.**

Unit Size	Subject Rent		Market Rent		Pricing Advantage*
1BR/1BA	N/A	+	N/A	=	N/A
<b>2BR/1BA</b>	<b>\$356 - \$719</b>	+	<b>\$1,094</b>	=	<b>52% - 207%</b>
<b>3BR/1BA</b>	<b>\$412 - \$860</b>	+	<b>\$1,210</b>	=	<b>41% - 194%</b>
<b>4BR/2BA</b>	<b>\$988</b>	+	<b>\$1,638</b>	=	<b>66%</b>
5BR/3.5BA	N/A	+	N/A	=	N/A

\*Calculated by subtracting the Subject Rent from the Adjusted Rent and dividing the difference by the Subject Rent.

**15. For existing facilities applying for preservation funding provide evidence indicating that the development is or is not a likely candidate for converting to a market-rate rental development that may not be affordable to the existing residents. Factors to consider include, but are not limited to, demand for or waiting list of market-rate units within the primary market area, significant increases in rents at other market-rate properties, significant increases in median incomes and property values within the primary market area, and the development’s location or proximity to new economic development which is creating higher than average new employment opportunities.**

Not applicable.

**16. Based on the aforementioned information, discuss your support for the proposed development or provide recommendations and/or suggest modifications. This should include your conclusion regarding the need and marketability of the proposed housing. Also, estimate the absorption period and ongoing vacancy rate for the proposed housing based upon comparables and/or housing experience.**

We extensively studied the regional affordable housing sector, including specific analysis of the subject and surrounding North/Northwest Philadelphia neighborhoods. Based on our analysis, there currently exists a significant demand and need for rental housing for very-low and low-income households in the primary market area of the city of Philadelphia. To assess local attitudes regarding the need for, and desirability of, this type of housing in this area, we spoke with a number of informed individuals who are involved, directly or indirectly, in housing and community services, including public agencies and community-based organizations. Other interviewees included providers of supportive services. Informed market participants contacted were unanimous in the opinion that there is a need to build new attractive affordable housing.

Among the more significant distinctions between the proposed subject units and the rental comparables presented are the following: 1) the subject units will address the specific needs of the two target populations; 2) the units will be new construction, whereas some of the comparables are older structures; 3) the subject will have the benefit of a professional staff that will provide support services; and 4) the subject rental units will benefit by quality management. The following are some of the factors which formed our opinion of the level of need for and feasibility of the proposed housing:

- The proposed new construction is well conceived.
- The (35) residential units will provide much-needed housing for low-income households.
- The residents will have access to individual case management that will facilitate and support economic self sufficiency and independence from welfare.
- The proposed construction will utilize existing publicly-held land for neighborhood benefit, cultivating a cleaner, greener and more sustainable community;
- There are over 223,000 low-, very low- and extremely low-income households in the city of Philadelphia. Nearly 58% of low- to extremely low-income households in Philadelphia experience housing problems.
- Relative to the level of need there has been limited affordable housing developed within the primary market area for the targeted population over the past 20 years.
- The necessary capture rate for the subject, based on our PUMS analysis was 0.2%, which is very favorable, given the level of need.

Based on our observations and experience working with quality developers like WCRP that have experience and an extensive waiting list, the units should be occupied upon receipt of a "CO" Certificate of Occupancy. Our opinion assumes pre-marketing, screening and qualifying future tenants. We do not believe that the construction of Nicole Hines Townhomes will negatively impact existing LIHTC properties in the regional area as it is relatively small at 35 units. Lastly, we anticipate a low 3 – 5% stabilized vacancy rate.

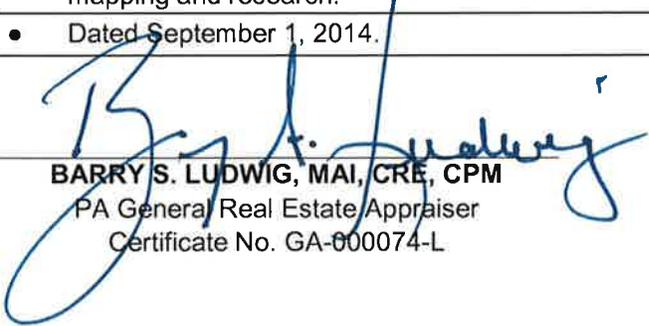
There is little likelihood that there would be any adverse impact on occupancy levels at other existing or proposed affordable rental housing developments in the region as there is a significant need and demand. It should also be recognized that, in our opinion, the effective draw area may extend well beyond the defined primary market area. Another factor that is important in this market study is occupancy levels. The overall occupancy levels for the majority of the competing affordable rental housing were reported to be 95% - 100%, some with waiting lists.

In conclusion, poverty and homelessness is a pervasive problem for the city of Philadelphia, which varies by sections of the city. Philadelphia and the current administration recognize the need to move from managing homelessness to reducing homelessness. The *Year 40 Preliminary Consolidated Plan* recognizes an acute problem for the target low-income populations and based on our research, we agree there is a clear need for housing for these populations. The units are consistent with current industry standards for this type of housing, and the amenities provided as well as the support services programs add to the desirability of the subject development, especially in comparison to existing older subsidized developments in the PMA. Based on the plans provided by the developer, we have no recommendations for improving the proposed development. We estimate all units will be absorbed within 3 to 5 months from the completion of construction and certificate of occupancy.

September 1, 2014	
<b>Date</b>	
<b>SUBMITTED BY:</b>	
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**MARKET STUDY CERTIFICATION**

<b>We certify to the best of our knowledge and belief:</b>
<ul style="list-style-type: none"> <li>This market study has been prepared by Barry S. Ludwig, MAI, CRE, CPM and Gail F. Lubeck, MAI for the exclusive use of the client. To the best of our knowledge, all factors affecting marketability have been considered based on the assumptions in the body of the report.</li> </ul>
<ul style="list-style-type: none"> <li>Barry S. Ludwig and Gail F. Lubeck made a personal inspection of the property which is the subject of this market study. If applicable, any areas or inaccessible portions of the property or improvements not inspected are assumed to be as reported or similar to comparable portions which were inspected.</li> </ul>
<ul style="list-style-type: none"> <li>The statements of fact contained in this report are true and correct. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the <i>Uniform Standards of Professional Appraisal Practice ("USPAP")</i>, as promulgated by the Appraisal Standards Board of The Appraisal Foundation. In addition, the report is in conformity with the requirements of the <i>Standards of Professional Appraisal Practice</i> and <i>Code of Professional Ethics</i> of the Appraisal Institute.</li> </ul>
<ul style="list-style-type: none"> <li>We have read, understood and satisfied the <i>Competency Provision</i> of the USPAP.</li> </ul>
<ul style="list-style-type: none"> <li>This market study has been prepared by Barry S. Ludwig and Gail F. Lubeck, members in good standing of the <i>National Council of Housing Market Analysts ("NCHMA")</i>. This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts.</li> </ul>
<ul style="list-style-type: none"> <li>The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.</li> </ul>
<ul style="list-style-type: none"> <li>We have no present or prospective interest in the property which is the subject of this report, and we have no personal interest or bias with respect to the parties involved.</li> </ul>
<ul style="list-style-type: none"> <li>The analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and represents our personal, unbiased professional analyses, opinions and conclusions.</li> </ul>
<ul style="list-style-type: none"> <li>Our compensation is not contingent upon actions or events (such as the approval of a loan resulting from the analyses, opinions or conclusions).</li> </ul>
<ul style="list-style-type: none"> <li>As of the date of this report, Barry S. Ludwig, MAI, CRE, CPM and Gail F. Lubeck, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.</li> </ul>
<ul style="list-style-type: none"> <li>Barry S. Ludwig and Gail F. Lubeck are duly qualified and experienced in providing market analysis for Affording Housing. The company's principals participate in the <i>National Council of Housing Market Analysts ("NCHMA")</i> educational and information-sharing programs to maintain the highest professional standards and state-of-the-art knowledge.</li> </ul>
<ul style="list-style-type: none"> <li>Greg Drevenstedt, PhD, Kristen M. Howard and Elaine Mitchell provided professional assistance in the preparation of this report by providing market research, demographic analysis, associated mapping and research.</li> </ul>
<ul style="list-style-type: none"> <li>Dated September 1, 2014.</li> </ul>



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