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HOUSE MAJORITY POLICY COMMITTEE

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HOUSE OF REPRESENTATIVES
COMMONWEALTH *of* PENNSYLVANIA

House Democratic Policy Committee Hearing

Achievable Housing

Wednesday, February 26, 2025 | 12:00p.m.

Representative Lindsay Powell

OPENING REMARKS

12:00p.m.

Rep. Lindsay Powell, D-Allegheny

PANEL ONE

12:05p.m.

James Eash, Director of Real Estate Development
ACTION Housing

Craig Burkley, Chief Operating Officer, Chief Financial Officer
NeighborWorks Western Pennsylvania

Angel Rodriguez, Executive Director
Philadelphia Land Bank

Q & A with Legislators



1234 Market St., 16th Floor, Philadelphia PA 19107
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LAND BANK TESTIMONY
for
ATTAINABLE HOUSING POLICY COMMITTEE HEARING

Good afternoon, Chairmen Bizzaro & Powell and members of the Attainable Housing Policy Committee.

My name is Angel Rodriguez, the Executive Director of the Philadelphia Land Bank (“Land Bank”) and Deputy Executive Director of the Philadelphia Redevelopment Authority. I am here to testify to the strategies and programs employed by the Philadelphia Land Bank to expand affordable housing, preparing residents for homeownership and returning vacant surplus properties back to productive use.

In 2012, the General Assembly through the Pennsylvania Land Bank Act, found that land banks can address the overriding public need to confront the problems caused by vacant, abandoned, and tax-delinquent properties and that land banks can enable municipalities & counties to facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use.

The primary way land banks accomplish this goal is by consolidating, acquiring, and holding properties in reserve for future public needs and priorities or holding properties for sale until market conditions improve. This requires land banks to hold and manage properties for extended periods to mitigate blight. The extended period needed subjects land banks to operational issues, increased maintenance costs, claims of adverse possession and conservatorship. In Philadelphia, as in many counties and municipalities throughout the commonwealth, these extended periods are not ideal when facing a housing crisis.

To address the need to expand affordable housing, preparing residents for homeownership and returning vacant surplus properties back to productive use, the Philadelphia Land Bank, Parker Administration and City Council have reimagined our land use strategy. Our objective is to service Philadelphia residents, not the Metropolitan Statistical Area (MSA) and develop homeownership opportunities based on our existing inventory.

A finer look at income, existing land inventory, available subsidies and financing has dictated the following approach of the Philadelphia Land Bank. Data shows that Philadelphia County incomes do not keep up with the collar counties that comprise the Metropolitan Statistical Area or MSA.

The existing land inventory is characterized as scattered vacant land, zoned for residential use. Also, land strategy in Philadelphia needs to be approached on a council



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district level because each district faces distinct issues and preferences due to lot sizes, zoning, and the hyper local existing housing market. Construction financing is dependent on comparatives, basically - can you get a mortgage for the completed house. These elements dictate an in-fill housing strategy.

The Philadelphia Land Bank does not provide development financing or subsidies. We are only able to discount the appraised value of the land.

Given this situation, the questions still remain, how do we expand available affordable housing stock and prepare residents for homeownership. How do we build for Philadelphia Residents at a lower AMI of 50-70%, not burden their household cash-flow and keep household expenses at or below 30% of their annual income? At the same time, how do we attract developers to build these homes without development subsidies or financing?

The strategy employed from 2022 to present has been to effectively leverage City bond funds and land to create more affordable homeownership opportunities based on income qualifications. We call it Turn the Key. With the Turn the Key program discounted land is made available by the Land Bank to qualified developers and a 20-year forgivable second mortgage and note is provided to income qualified homebuyers. Resale is restricted to other income qualified homebuyers.

As of February 11, 2025, the Turn the Key program has approved 822 units of affordable housing of which 400 homes are under construction. 235 homes are completed with 171 homes sold and 33 homes under agreement. Of those, 71 homes were sold to City of Philadelphia employees.

The Average Median Income is 59%; \$12M of TTK mortgages have been committed and \$1.7M of Philly First Home Grants have been committed.

Turn the Key Demographics are as follows:

RACE:

- Prefer not to say – 29%
- Asian – 19%
- Black or African American – 44%
- White – 11%
- Reporting more than one race – 7%

GENDER:

- Left Blank – 0.47%
- Female – 65%
- Male – 32%
- Prefer not to say – 2%



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We invite the committee members and panelists to our upcoming ribbon cuttings to see the finished product:

- 3/4/25: TTK Civetta Ribbon Cutting, 10th and Cecil B. Moore, 928 Cecil B. Moore, 11am
- 3/25/25: TTK Riverwards Ribbon Cutting, 3031 Martha Street, 11 am
- 4/9/25: TTK Civetta Ribbon Cutting, 2141 North Franklin Street, 11 am

I want to thank Chairmen Bizzaro & Powell and members of the Attainable Housing Policy Committee for the opportunity to address you on this very important subject and I am available to answer any questions you may have.