

## **Philadelphia's "Mixed Income Overlay"**

In January 2021, a bill called the "Mixed Income Neighborhoods Overlay Bill" was passed into law in Philadelphia requiring a minimum percentage of affordable housing units to be set aside for new developments of 20 or more units. A form of "mandatory inclusionary zoning", the goal of the law is to increase the supply of affordable housing in the city and prevent displacement of local residents.

With home prices increasing steadily over the past few years- nine percent alone last year, according to Zillow - many argue that the only way to ensure that locals are not displaced is by implementing policies like the Mixed Income Overlay bill. It would be unrealistic to expect development to come to a full halt, but proponents of these mandatory inclusion zoning policies argue that they allow for continued development and growth of neighborhoods and tracts, while holding developers accountable for providing at or below market rate housing.

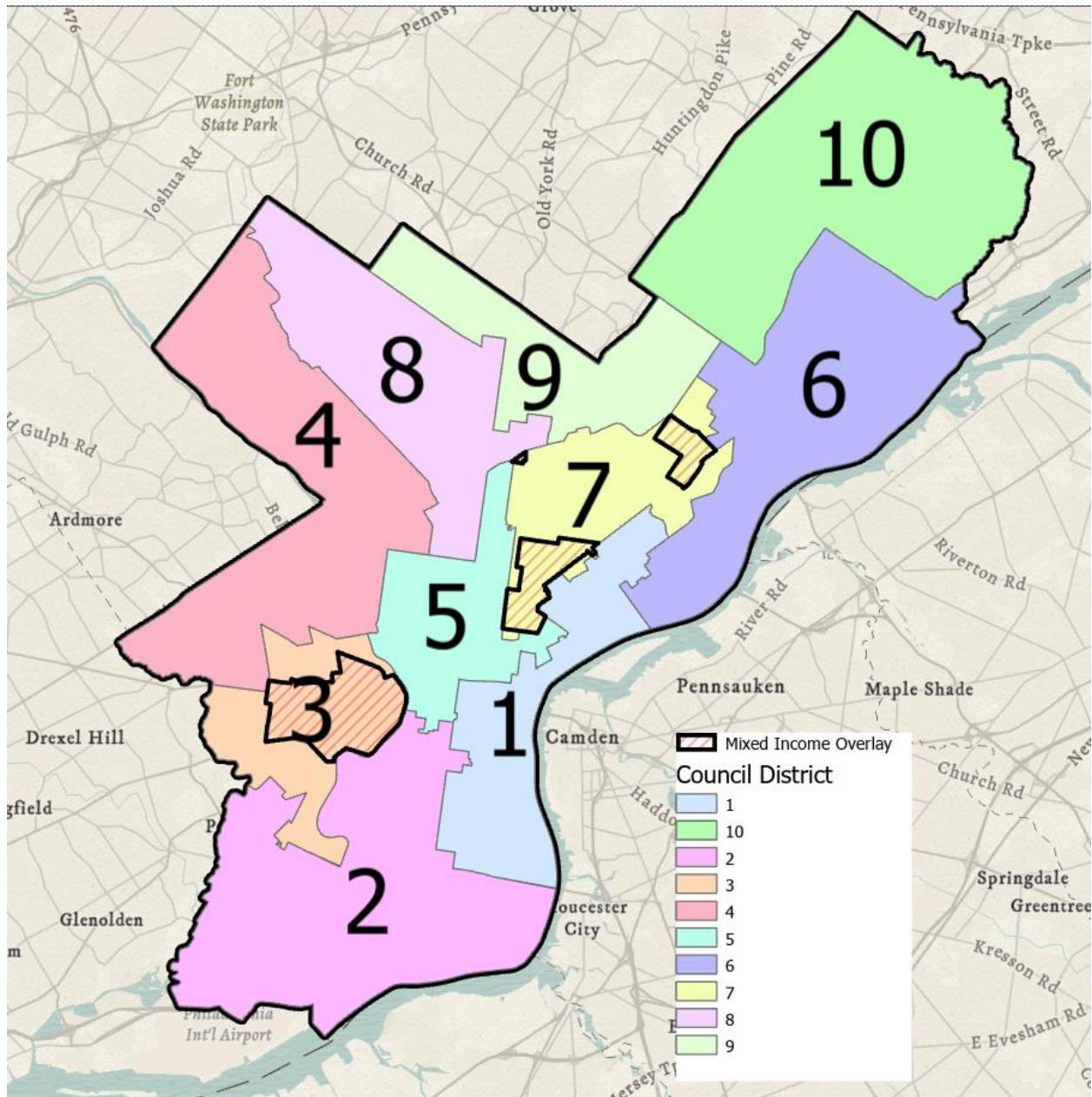
However, a law like this works best when it is targeted at the tracts that are experiencing the most development- something that is often talked about interchangeably with gentrification. Development in itself is not always a negative, as economically disadvantaged neighborhoods could benefit from development that improves the quality of housing stock, reduces vacancy and property decay, or brings in new businesses. Similarly, Councilmember Gauthier was quoted by WHYY saying: "..the continued growth of our city is important, but it is unacceptable that it comes at the detriment of vulnerable Philadelphians...with many developers prioritizing profits, regardless of the social repercussions, the best way for us to ensure that affordable housing options remain available...is policy change".

Does the Mixed Income Overlay Bill make the correct call in the areas it encompasses? Are these the best zones to protect at risk residents, and also areas that are experiencing enough recent development to give the law some teeth? Requiring affordable housing unit minimums doesn't have nearly the same impact if there is not actually significant new development in the specified area- in this case, of 20+ unit buildings, which is the minimum unit count for a development to be included in mandatory minimums.

It is unclear what methodology was used to select these specific zones in the third and seventh districts. According to Nigel Thompson of Al Dia News Media, last year Councilmember Gauthier commissioned a study on affordable housing in her district in collaboration with Urban Spatial and the Reinvestment Fund. The report focused greatly on highlighting the socioeconomic profile of the Third district, in addition to exploring changes in housing units over time and the growing problem of housing affordability to the area. However, the report does not go into detail about specific developments, besides analyzing the percentage breakdowns of total housing stock by type (single family, number of units) and highlighting that the "distribution of units by size category has remained relatively consistent since 2011".

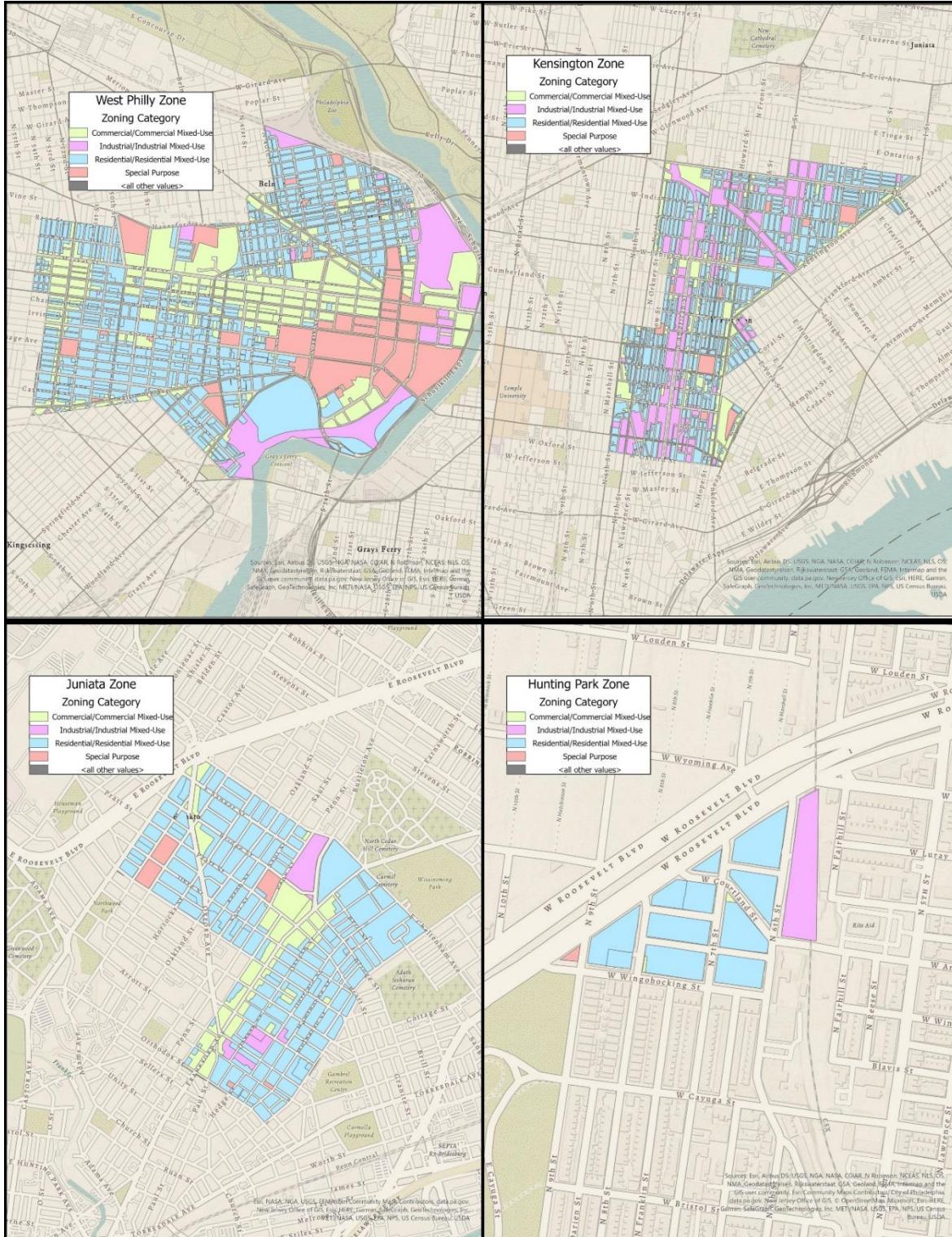
## Profiles of the Overlay Zones

The Mixed Income Neighborhoods Overlay Bill created four specific overlay zones.

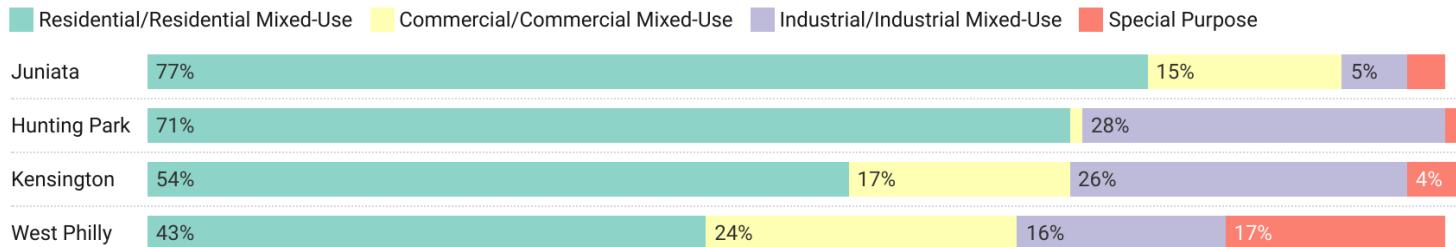


Three of the four overlay zones are in the seventh district; however, the single largest zone is the one in the third district, encompassing much of University City and the areas around Drexel and the University of Pennsylvania.

OpenDataPhilly provides parcel level data showing the different zoning uses of parcels across the county. Blue parcels are those zoned for residential use, green for commercial, purple for industrial and red is for special use.



## Land Use Percentages for Each Overlay Zone



Source: OpenDataPhilly • Created with Datawrapper

Most of the land in the overlay zones is dedicated to residential use, which is a good sign in terms of assessing the suitability of these zones for the Mixed Income Bill. It is interesting to note that the West Philly zone has the lowest share of Residential land area, however this is most likely a byproduct of this also being the largest zone. In fact, while the West Philly zone has the lowest share of Residential land, it actually has the highest gross square acres of Residential land due to it being the largest zone.

Juniata and Hunting Park seem like they are the best candidates for the Mixed Income Bill as they are highly residential. However, they must still be friendly to the scale of development that is required for this bill. That is, will these areas experience enough development of 20 + units in the next few years to make the bill powerful?

## Residential Zoned Parcel Measurements (in Acres)

	Median Lot Size	Average Lot Size	Number of Residential Parcels
Juniata	1.25	1.46	165
Hunting Park	0.80	0.66	12
West Philly	0.74	1.04	668
Kensington	0.46	0.55	587

Created with Datawrapper

Juniata has the highest median parcel size, about three times that the smallest. It also has the highest average parcel size. All the zones except for West Philly are positively skewed. They have average lot sizes above the median lot size, showing that there must be some exceptionally large parcels in these areas pulling the average up. West Philly is negatively skewed, showing the opposite effect. It is important to consider the skew in this case, because a zone that has one exceptionally large residential parcel and the rest that are small may have a high average parcel size, leading to a false conclusion about the presence of parcels big enough for 20 unit plus multi family unit development.

An example of development that would fit the scale of this developed happened at 3400-3414 W Commissioner Street, where 8 parcels zoned RM1 (Residential Multi-Family) were turned into 3 story, 25 unit apartment complex. According to the City of Philadelphia's Property Assessor portal, each parcel is 1,732.5 square feet, or 0.04 acres. In total, this developed took up 13,000 square feet or 0.31 acres, well below even the smallest median residential parcel of the overlay zones. Even if a developer had to acquire multiple lots to build a low-rise development like this over, it seems that these zones have average residential parcel sizes big enough to accommodate the development.

While the building on Commissioner represents a low-rise multi-family development, student housing near Temple can be measured as a proxy for larger development. Diamond Green Apartments, located at 1000 Diamond Street, is a 5 story student living complex that is well over the 20 unit minimum for the bill. Data from the Property assessments portal lists the lot size as almost 35,000 square feet, which is about 0.8 acres. Even a development of this scale is smaller than the median parcel size in Hunting Park and Juanita, an only marginally bigger than West Philly. Kensington is the only area that seems to not have a large enough median lot size to support this type of development.

Based on these simple metrics, it seems that council did a pretty good job picking these zones. Clearly West Philly covers a huge range of parcels and is also over the popular University City neighborhood. The Hunting Park overlay seemed confusing at first, but closer analysis showed that this small area is home to several large residential parcels that could fit future development large enough to trigger the minimum unit requirement. This is a good start to the analysis, but data regarding demolitions, vacancies and in/out migration would also be useful to add in to explore the actual demand for new development in this areas.

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# 3400 W COMMISSIONER ST

PHILADELPHIA, PA 19132-1859

[PRINT](#)

Year Built 2018 (estimated)

Building Description APT 2-4 UNITS 3 STY FRAME

Building Condition Not available

Number of Stories 3 stories

Number of Rooms Not Available

Features No basement  
No fireplace  
No garageHeating and Utilities Heater type n/a  
Has central air  
Sewer type n/a

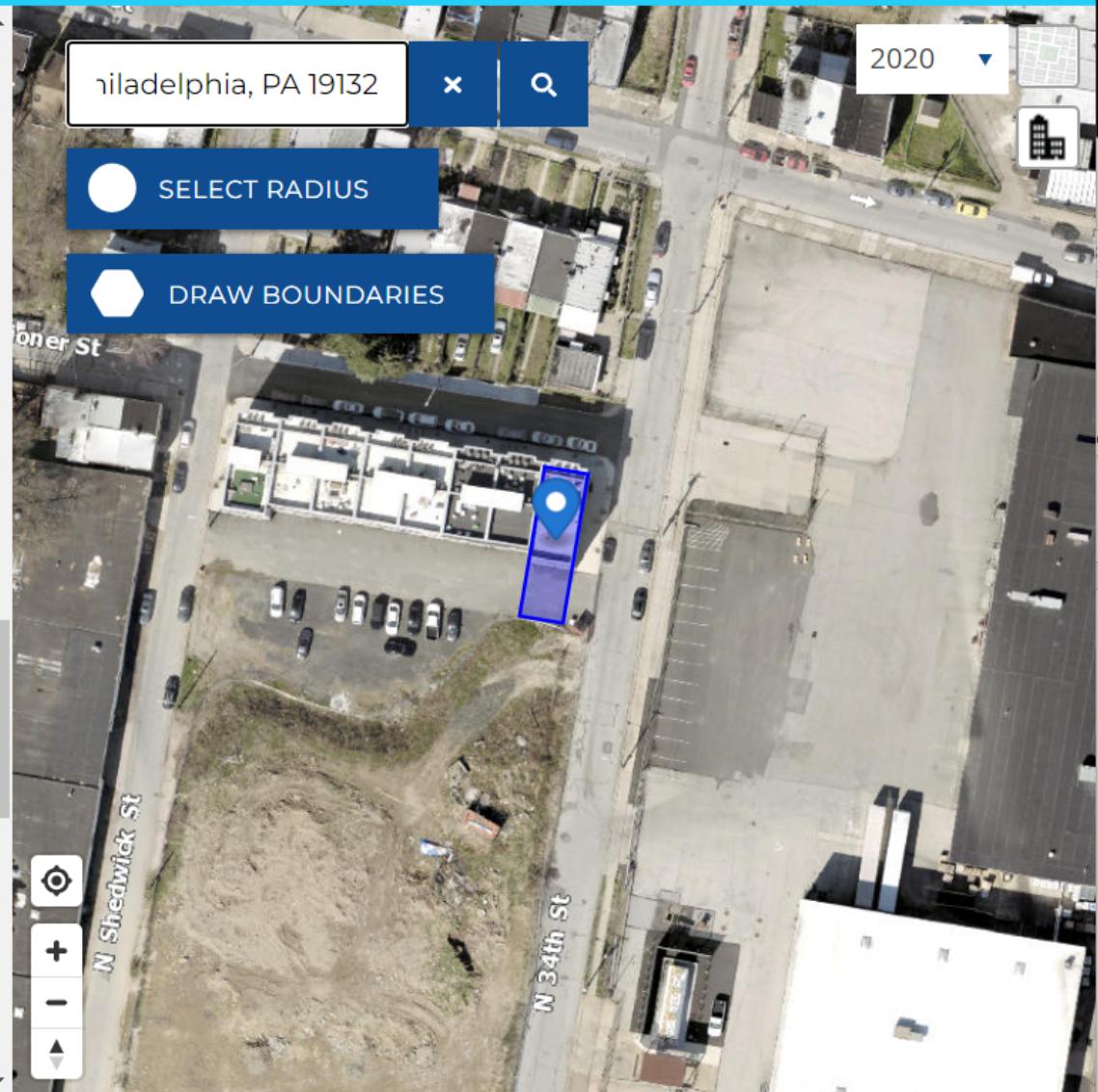
Lot Size 1,732.5 sq ft

Improvement Area 2,970 sq ft

Frontage 23 ft

Beginning Point WS OF 34TH ST

Zoning RM1-Residential Multi-Family-1 ↗



[Back to results](#) 1000 DIAMOND ST PRINT

PHILADELPHIA, PA 19122-1206

Building Description APIS DORMITORY MASONRY

Building Condition Not available

Number of Stories 5 stories

Number of Rooms Not Available

Features No basement  
No fireplace  
No garageHeating and Utilities Heater type n/a  
No central air  
Sewer type n/a

Lot Size 34,671 sq ft

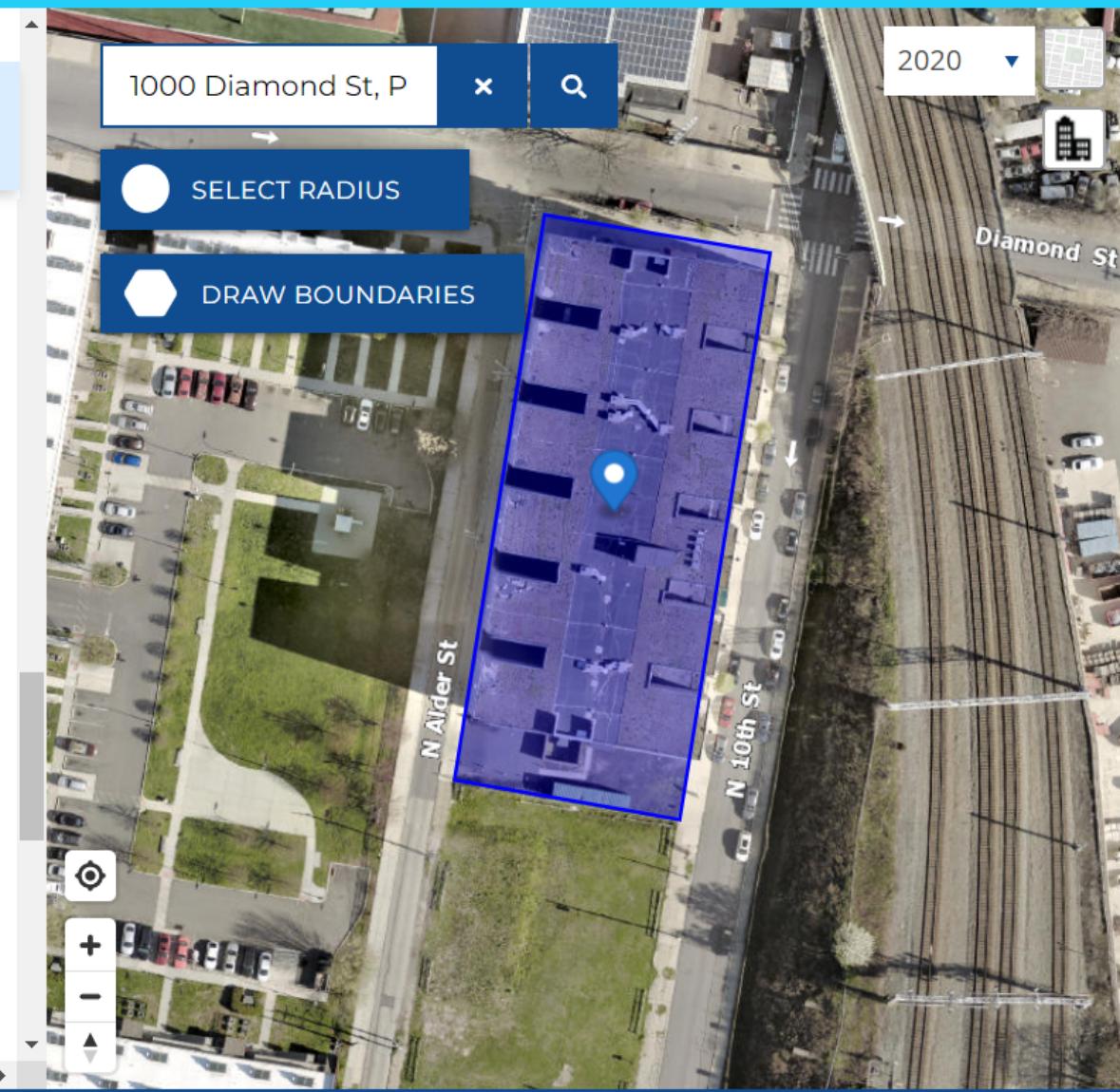
Improvement Area 120,000 sq ft

Frontage 118 ft

Beginning Point SWC N 10TH ST

Zoning I2-Medium Industrial 

OPA Account Number 881147275



## Zoning Districts

## Zoning Group

- Commercial/Commercial Mixed-Use**  
**Industrial/Industrial Mixed-Use**  
**Residential/Residential Mixed-Use**  
**Special Purpose**  
**<all other values>**  
**Mixed Income Overlay**

