

Legislation Text

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Authorizing the Committee on Housing, Neighborhood Development and the Homeless to hold public hearings on the feasibility of the City of Philadelphia creating a lease-to-purchase housing program using City owned properties.

WHEREAS, Since 2000, homeownership has been on the decline in the United States. According to an analysis done by Zillow, a real estate website, only 52% of Philadelphia residents own homes, while 48% are renters; and

WHEREAS, Homeownership adds to community and economic stabilization, with individuals owning homes being more likely to be committed to the quality of life in their neighborhoods, and engage in civic activity; and

WHEREAS, The City of Philadelphia owns over 4,400 vacant properties. Other jurisdictions have engaged in a process of rehabbing City owned properties, then placing those properties into a program that is designed to allow residents to lease homes and purchase them after a period of time; and

WHEREAS, This model has proven to be successful in Cleveland, Ohio. The Lease Purchase Program, ran by the Cleveland Housing Network, is the city's pathway to home ownership for low-income families. The program began in 1987, when the city used the Low Income Housing Tax Credit (LIHTC) to help with purchase opportunities. Since then, the program has rehabbed over 2,189 homes available to lease-to-purchase; and

WHEREAS, Cleveland's program has an 80% transition rate in moving families from leasing to owning, and a 99% success rate among families who become homeowners. Over 1,000 families have achieved homeownership due to participating in the program; and

WHEREAS, To ensure participants in the lease-to-purchase program are successful, participants are provided with deep financial counseling for five years prior to the purchase of a home. This financial planning helped residents in Cleveland reduce more than \$1 million in debt; and

WHEREAS, The possibility of a lease-to-own program, that could provide greater opportunities for individuals and pathways to ownership should be explored here in Philadelphia as an aide to boosting the City's homeownership rates; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby authorizes the Committee on Housing, Neighborhood Development and the Homeless to hold public hearings on the feasibility of the City of Philadelphia creating a lease-to-purchase housing program using City owned properties.