

HOW HOUSING MATTERS

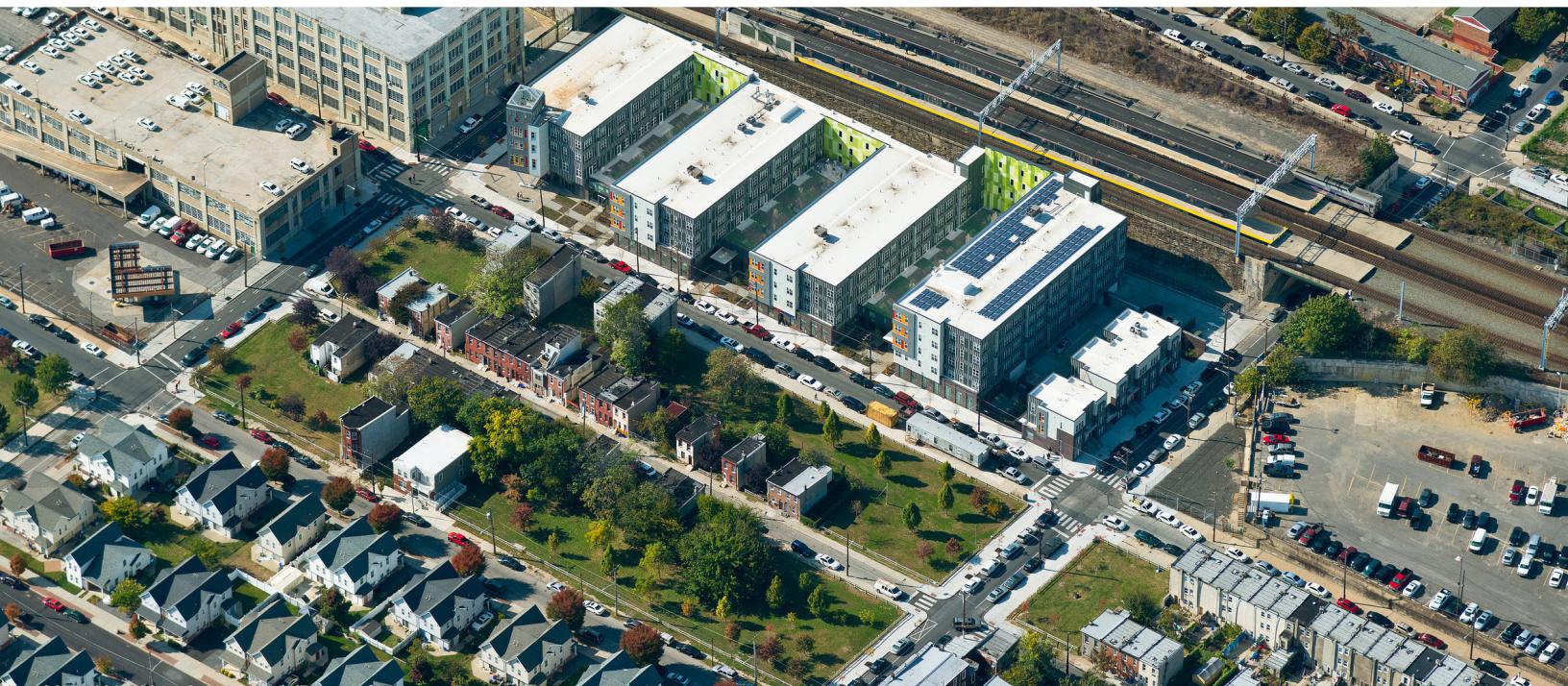
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Supporting Childhood Wellness through Healthy, Affordable Housing

A Profile of Paseo Verde in Philadelphia, Pennsylvania

By Maya Brennan



Type of Housing

Mixed-income multifamily rental homes with on-site health center

Funding sources

- Jonathan Rose Companies (co-developer)
- Asociación Puertorriqueños en Marcha (co-developer)
- Public Health Management Corporation (federally-qualified health center)

Main Funding Sources

Low Income Housing Tax Credit, New Market Tax Credit, LISC grant, Enterprise Green Communities grant, grants from private corporations, and grants provided by the state of Pennsylvania and City of Philadelphia

Number of Residents Served

53 low-income households, 17 moderate-income households, and 50 market-rate renters; plus the Greater Philadelphia community

Development Costs

\$48 million

In a low-income Philadelphia community, for-profit and non-profit developers partnered to create high-quality housing with an emphasis on resident and community health. The development, Paseo Verde, includes a mix of market-rate and income-based rents that make healthy housing accessible even for families in poverty. The development, which includes one-, two-, and three-bedroom apartments, supports children's health through its environmentally sustainable design, on-site health center and pharmacy, resident service programs, and social service programs headquartered there.

Key Takeaways

Green affordable housing can support children's health by improving air quality, reducing exposure to toxins, and offering opportunities for physical activity. An on-site health care center further supports underserved residents and extends health benefits to the broader community.

History

Both developers of Paseo Verde, Jonathan Rose Companies and Asociación Puertorriqueños en Marcha (APM), use real estate development to foster individual and community wellness. Jonathan Rose Companies emphasize green Transit-Oriented Development (TOD), including mixed-income housing with health care, retail, or other services on-site. APM develops affordable housing and other community-focused real estate, while also providing extensive health and human services. APM's affordable housing work deliberately supports families' broader needs. According to APM's vice president for community and economic development, Angel Rodriguez, "if our clients don't have their own homes or affordable housing, they will eventually move out and services won't be effective."

Adjacent to a major regional rail station, the parcel where Paseo Verde now sits was once a parking lot for a city-owned utility company. As the city began prioritizing environmental sustainability, APM's development team was envisioning using the lot for green, affordable, mixed-use TOD. The vision, however, required additional expertise in New Markets Tax Credits and green building, so APM brought in Jonathan Rose Companies to supplement its capacity. The team acquired the lot from the city for \$1, and the city council rezoned the lot from industrial to mixed-use in 2010.



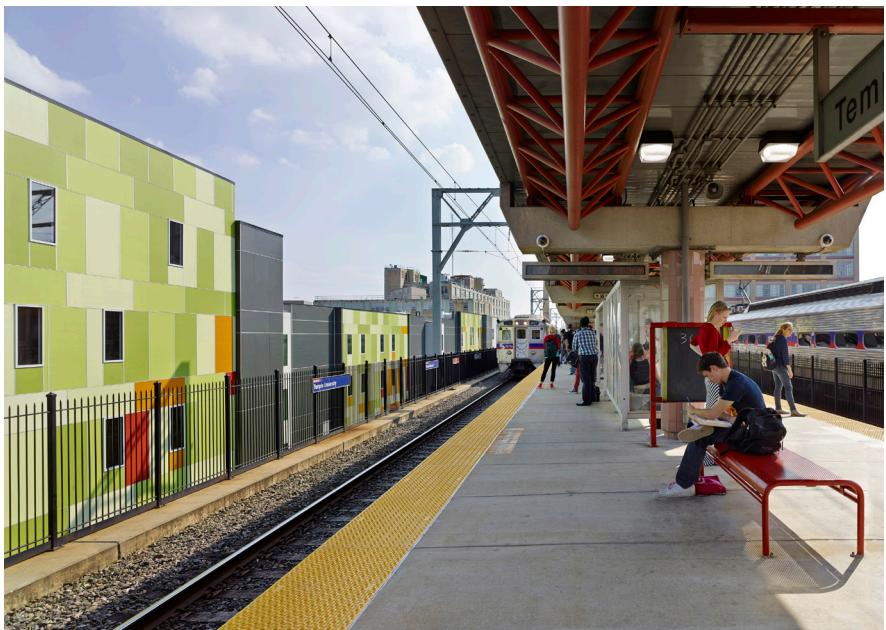
The development includes affordable three-bedroom townhouses for families. Courtesy of Jonathan Rose Companies.

The Eastern North neighborhood, like the city overall, has high rates of asthma, diabetes, and hypertension, and half of Philadelphia's housing stock is at least sixty years old. Unless well-maintained, older housing can present health hazards for children, including lead paint and poor air quality due to damp and moldy conditions. Trash and old tires illegally dumped on vacant lots become breeding grounds for rats, fleas, and mosquitoes. Developing any form of new housing in the neighborhood benefits resident and community health, but Paseo Verde's health focus does even more.

In planning Paseo Verde, Jonathan Rose Companies and APM prioritized healthy practices and sustainability to reduce utility costs and improve air quality. Paseo Verde, which was completed in 2013, is platinum certified under the LEED for Neighborhood Development, LEED for Homes Mid-rise, and LEED for Homes Low-rise rating systems, due to its location, utility-efficient appliances, solar panels, a combined green and water-saving (or "blue") roof, non-toxic paints, formaldehyde-free materials, and other features. Rodriguez says that the residents attribute

the “clean and green” building with improving their asthma. Green-building techniques may also address obesity by emphasizing biking, walking, or using the stairs.

The health focus at Paseo Verde extends to the property’s commercial tenants, which include APM’s headquarters, a pharmacy, and the Public Health Management Corporation (PHMC), a federally-qualified health center. Melissa Fox of PHMC explains that the health center offers more services than might be expected, including programs for children with asthma, home visits to address lead risks, and parent-supported sexual education programs for teens. PHMC also trains tenant health champions to educate community leaders about how to identify potential health needs and make friendly referrals to PHMC’s services. PHMC’s wide-ranging services benefit Paseo Verde’s residents as well as local families in less healthy living conditions. In addition, APM, in its role as a community umbrella agency, serves local foster children at the complex, where they can interact with PHMC and obtain regular medical care.



Paseo Verde’s transit-adjacent location benefits its residents and clients seeking services there. Courtesy of Jonathan Rose Companies.

Opportunities

Leveraging Public Resources and Commitment. Developing healthy and sustainable housing for low-income families requires a public commitment. The availability of publicly-owned land can be the linchpin for making the development possible. In this case, it allowed the development team to invest in healthy and efficient features while still underwriting for poverty-level incomes. A state grant program further supported the development with funds toward solar panels for on-site energy generation.

Pairing Neighborhood Ties with Capacity. The development partnership allowed Paseo Verde to achieve high-quality, green TOD for a broad mix of incomes and needs. Jonathan Rose Companies’ history of award-winning, environmentally-responsible TOD enhanced the team’s capacity, while APM’s local roots grounded the development in the community’s needs and values. While each partner came to the project as a successful, mission-oriented developer, the broad vision of Paseo Verde benefited from their collaboration.

Thinking Beyond Housing. According to managing director Paul Freitag of Jonathan Rose Companies, a healthcare partner is essential for developments like Paseo Verde and has to be secured from the start. Transit connectivity is also crucial for connecting residents with the rest of the city, as well as increasing the visibility and accessibility of the health and human services provided on site.

Going Further with Choice Neighborhoods. When Paseo Verde was complete and nearly fully leased up, the neighborhood won a \$30 million Choice Neighborhoods grant from the U.S. Department of Housing and Urban Development. The funds will be used to develop more affordable housing, a recreation center, and green pathways, while further reducing vacant lots in the area. This rare award will allow additional work in the neighborhood to happen more quickly and easily. The investments will increase health and safety and create more housing like Paseo Verde, including a sister development on the other side of the rail tracks.

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Challenges

Scaling Down a Big-City Model. During the planning stages of Paseo Verde, Jonathan Rose Companies was constructing another, larger green housing development, Via Verde, in the Bronx. Via Verde is a 222-unit mixed-income development with an on-site health center and urban agriculture. The higher-density model, which includes a twenty-story tower, would not have been appropriate in Philadelphia.



Pediatric exam room at Public Health Management Corporation. Courtesy of PHMC.

The challenge of translating the Via Verde model to a smaller scale did not derail Paseo Verde. Compromise and thinking outside of the building's footprint helped achieve a big vision on a smaller scale. For example, Paseo Verde's roof is largely taken up with solar panels and blue roof components, so the developers had to compromise and have less green space on the roof. But the principles of healthy design and utility efficiency remain. Instead of allowing the larger scale of Via Verde's model to end the conversation in Philadelphia, the development team used Via Verde as the starting place to create a new model of healthy, sustainable, mixed-income housing for cities around the United States.

Neighborhood Safety. PHMC's pediatric nurse practitioner, Patty Hewson, sees safety concerns leading to inactivity and diabetes in her teenage patients. Due to a history of drug activity, the playground nearest to Paseo Verde at 8th and Diamond is known locally for crime, not recreation. APM and other community organizations are using principles of Crime Prevention through Environmental Design to turn this around. When applied to another local playground, the number of crimes was cut in half, and gun crimes fell even more sharply. Funds from the Choice Neighborhoods grant will improve safety at 8th and Diamond and expand recreational opportunities in the area, creating opportunities for more active playtime.

The development partnership allowed Paseo Verde to achieve high-quality, green transit-oriented development for a variety of incomes and needs.

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This case study was prepared by the Center for Housing Policy, the research division of the National Housing Conference (NHC) that specializes in developing solutions through research. Through evidence-based advocacy for the continuum of housing, NHC develops ideas, resources, and policy solutions to shape an improved housing landscape. For more information, see www.nhc.org.



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COVER IMAGE: Aerial view of Paseo Verde and Eastern North Philadelphia. Courtesy of Jonathan Rose Companies.