



Inga Saffron

The secret to making gentrification benefit Philadelphia's low-income homeowners

It's hard to cash in on rising house prices if you can't prove you own your home.

by By Inga Saffron, ARCHITECTURE CRITIC, External or Unknown
Published May 11, 2017

Tracey Anderson has spent all of her 56 years in [Point Breeze](#), much of it playing a game of musical houses. After starting a family, Anderson took over her mother's redbrick rowhouse at 19th and Tasker. Her sister later acquired a house on the same block that had once belonged to their grandparents, saving it from a sheriff's sale. Soon after, their mother moved to a house a few blocks away, at 18th and Manton, where she cared for an elderly aunt and cousin.

After those relatives died in the early '90s, Anderson's mother considered the house hers. In those days, nobody bothered clearing the title because Point Breeze houses were barely worth the paper their deeds were printed on. Why pay all the legal fees or the state's stiff inheritance taxes?

Then, as we were reminded once again by [last week's arson attack](#) on a new housing development in Point Breeze, gentrification happened.

Anderson and her sister managed to register their houses in their own names without much trouble a few years ago, but their mother has been slogging through the courts, trying to prove she actually owns the house she has lived in for the last 25 years. Now that many Point Breeze houses are selling in the six figures, her aunt's relatives have shown up to claim a share of its value. "You'd think it was a million-dollar estate, not a little two-bedroom rowhouse," Anderson said with a sigh.

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The legal mess that Anderson's mother faces is known as "[tangled title](#)," and it is one of the most common ways that people get displaced in Philadelphia's changing neighborhoods. Without clear title, low-income residents can't access crucial city programs that help them stay in their homes at a time when their house prices are rising and taxes are increasing.

There are probably thousands of city residents in the same boat as Anderson's mother, housing experts say. As gentrification becomes more of an issue, they believe that tackling the tangled-title backlog would go a long way to offsetting its negative impact on low-income residents. "This is about making sure generations who stuck with Philadelphia get to share in its prosperity," said Karen Black, a cofounder of the [Healthy Rowhouse Project](#), which advocates for low-income homeowners.

Gentrification has become a fraught subject in many Philadelphia neighborhoods, but nowhere more so than in Point Breeze. [Virtually every new housing development is met with fierce opposition](#) and repeated calls for the construction of affordable housing.

Yet, as Black observed, Point Breeze has a huge inventory of affordable houses: the ones that people are already living in. Even though the neighborhood went through tough times during the crack epidemic of the '80s -- when it lost almost a fifth of its population -- it is still graced by fully intact blocks of cozy two-story houses. What's more, nearly 60 percent of its residents own their homes, significantly above the citywide average of 53 percent, according to the latest census data.

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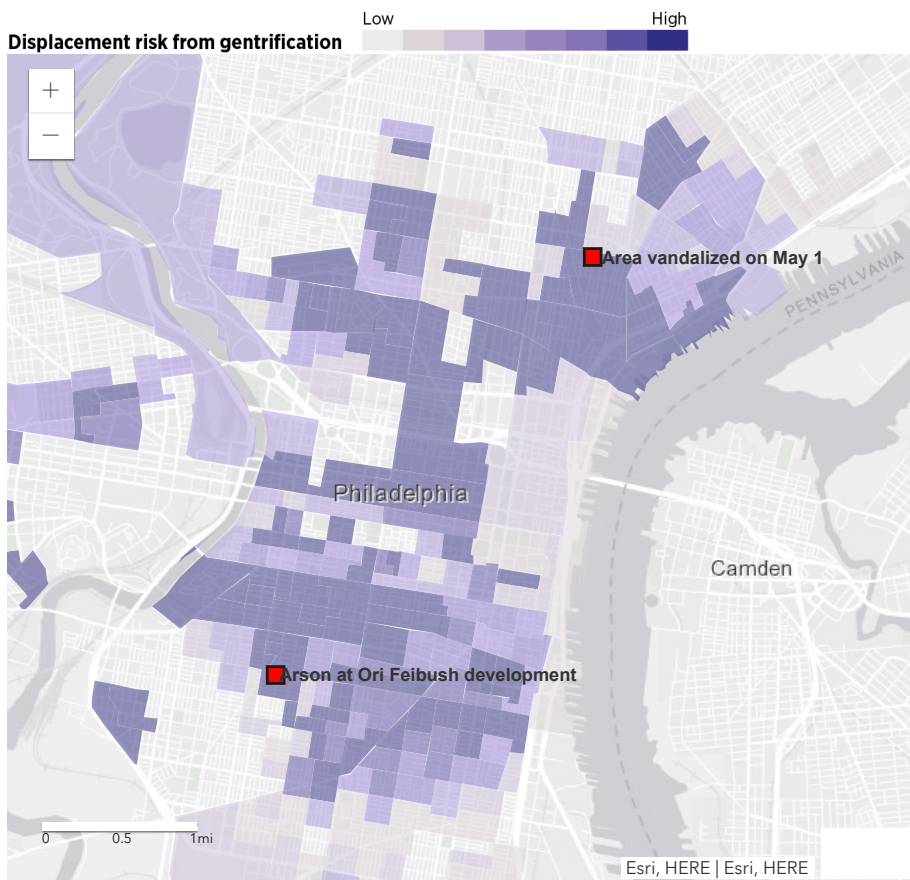
In theory, Point Breeze should be well placed to absorb the changes brought on by an influx of new residents. That's not how many old-timers see it, however. "There is so much uncertainty now," Anderson explained. "I didn't like it back when we had all those vacant lots. But now people are afraid they won't be able to afford to live here anymore."

Gentrification and Displacement Risk

The Reinvestment Fund, a Philadelphia nonprofit that uses investment strategies to revitalize neighborhoods, created a **Displacement Risk Ratio** to identify where residents are at risk of being involuntarily displaced because of gentrification. Its analysis looks at income and housing values in 2000, and measures whether residents who could afford to live in a neighborhood then can still afford to live there now.

On May 1, an Ori Feibush development in Point Breeze was damaged by arson, and an area of North Philadelphia was vandalized by anti-gentrification anarchists. Both neighborhoods are among the highest-rated for displacement risk.

The map below shows displacement risk within Philadelphia as determined by the Reinvestment Fund. Click and zoom in the map for changes in housing values and income from 2000 to 2016.



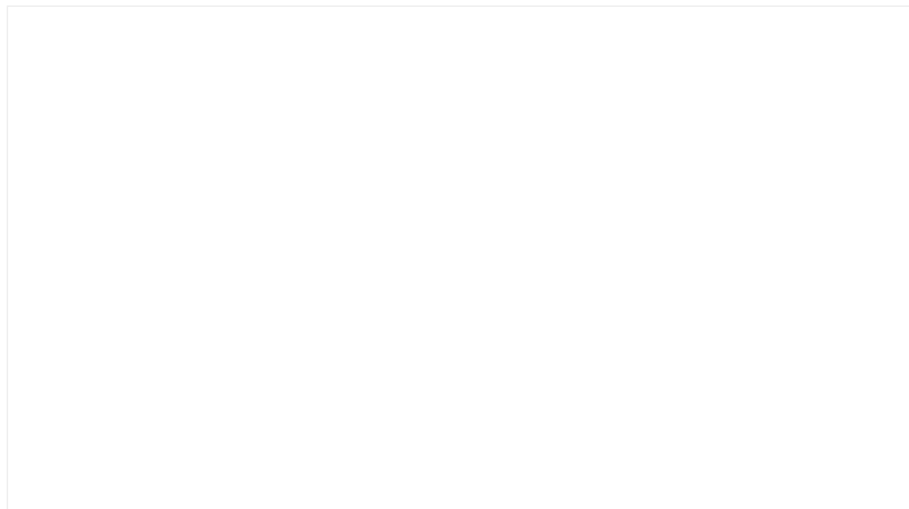
SOURCE: [The Reinvestment Fund](#)

Staff Graphic

Mary F. Chicorelli, a lawyer, is part of the wave of newcomers who are making Point Breeze more desirable and expensive, yet she understands exactly what

Anderson is talking about. She moved to the neighborhood in 2012 for the same reason many people do: Point Breeze house prices are still affordable compared to neighborhoods like Center City or Fishtown. She lives half a block from Anderson, in an old two-story rowhouse. The two met during a fundraiser for the new [Ralph Brooks basketball court](#) on 20th Street.

After Anderson told her about the difficulties she was having with her mother's house, Chicorelli offered to help with the legal filings. Pretty soon, people were stopping Chicorelli on the street to seek advice about clearing their tangled titles. She finally set up a nonprofit practice last summer, [Equal Access Legal Services](#), specializing in the issue.



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Philadelphia has no shortage of agencies that offer low-income homeowners free legal services -- like [Community Legal Services](#) and [Philadelphia Legal Assistance](#). But those programs are meant to serve people living below the poverty line. Chicorelli geared her nonprofit to help the working poor, people who earn too much for free legal services but who are unable to afford standard legal fees. Her fees start at \$50 an hour and include payment plans. The city also has a fund to pay for court fees for low-income residents.

The problem of tangled titles isn't unique to Philadelphia. Detroit and New Orleans are also struggling to sort out ownership issues as part of their efforts to stabilize low-income neighborhoods. In a sense, tangled title is a cultural legacy, left over from the days when Philadelphia's close-knit neighborhoods were populated by extended families who passed their houses around like heirlooms.

What Chicorelli has learned from the work has shocked her. It can easily take two years to litigate a tangled-title case.

Yet residents can't continue to ignore the problem of tangled title because so many city programs aimed at mitigating the impact of gentrification require that residents to prove ownership. For instance, the city offers to cap property-tax increases for long-time homeowners, but first they need to show a deed. Tangled title makes that impossible. If residents fall behind on their taxes, they risk losing their houses through tax foreclosure.

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The inability to keep up with repairs is another big reason that older residents on fixed incomes are forced to abandon their houses. The lack of a clear title means you can't get a home-improvement loan or receive a city repair grant. So, many houses in Philadelphia have been abandoned because their owners couldn't afford repairs, adding to neighborhood blight.

Unfortunately, the reason that many people have avoided dealing with their tangled titles remains: inheritance taxes. Pennsylvania imposes unusually high rates -- 4.5 percent for children and 12 percent for other relatives. For older people on fixed incomes, paying the tax on a \$100,000 home can be an impossible sum.

Yet, because it costs more than \$300,000 to build a single unit of affordable housing, the city will never solve its housing problem with new construction. The [Reinvestment Fund](#) has suggested another approach: It estimates that there are around 34,000 occupied houses that could be made habitable for less than \$30,000 each. It's a real bargain, but first the city will have to figure out how to resolve the problem of tangled title.

Note: The number of occupied houses that can be made habitable for under \$30,000 was corrected.

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Opinion