Philadelphia Housing Production Fund

A revolving construction loan fund to unlock permitted housing that can't get built — without new federal dollars.

2,930	2.9 yrs	39
Shovel-Ready Units Stalled	Average Time Stalled	Projects, All 10 Districts

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The Problem

Philadelphia has **2,930 housing units in 39 apartment projects that hold a live building permit and have gone a year or more without taking the next step**. They can break ground immediately — no new zoning, no reinstatement, no policy change. Most sit in the city's strongest markets, where a mixed-income building puts affordable homes in high-opportunity neighborhoods instead of concentrating them. The bottleneck

The Solution

The Housing Production Fund would be a revolving construction loan fund providing low-cost subordinate financing to get permitted projects built. It replaces expensive private equity with patient public capital — then recycles that money into the next project when the construction loan converts to permanent financing. This is not an acquisition fund or a preservation fund. It is construction money for new housing.

isn't regulation, it's financing. In today's interest rate environment, construction loans cover roughly 50% of project costs, down from 65%+. Developers must fill the gap with private equity demanding double-digit returns, making many projects financially impossible to start.

How It Works

1

Fund Lends ~20–25%

Subordinate construction debt at below-market rates (1–5%) replaces expensive private equity in the capital stack.

2

Mixed-Income Projects

~70% market-rate, ~30% affordable at 50–100% AMI. Cross-subsidization means no LIHTC or federal funding needed.

3

Capital Revolves

Loans repaid in 3–5 years at permanent financing conversion. Same dollars fund the next project indefinitely.

Why This Is Different

Feature	Housing Production Fund	PHL Accelerator Fund	LIHTC / Federal Programs
Purpose	New construction of large-scale mixed-income housing	Production & preservation of affordable housing for small-scale/minority developers	New or rehab
Funding source	City bonds / HOME	City seed capital + private CDFI lending	Federal tax credits
Federal compliance	None	Minimal	Extensive
Income mix	70/30 market/affordable, permanently deed-restricted	51%+ affordable (≤120% AMI), 15-year deed restriction	Typically 100% affordable
Capital structure	Revolving subordinate loan (repaid at conversion)	Revolving CDFI loans	Tax credit equity
Typical scale	80–200+ unit mixed-income new construction	1–50 units	Varies
Speed	Market-rate timeline	Varies by project	2–3 year LIHTC process

Shovel-Ready Stalled Housing, by District

Apartment projects of 10 units or more that hold a live building permit and have gone 12 months or more without pulling the next trade permit. These can break

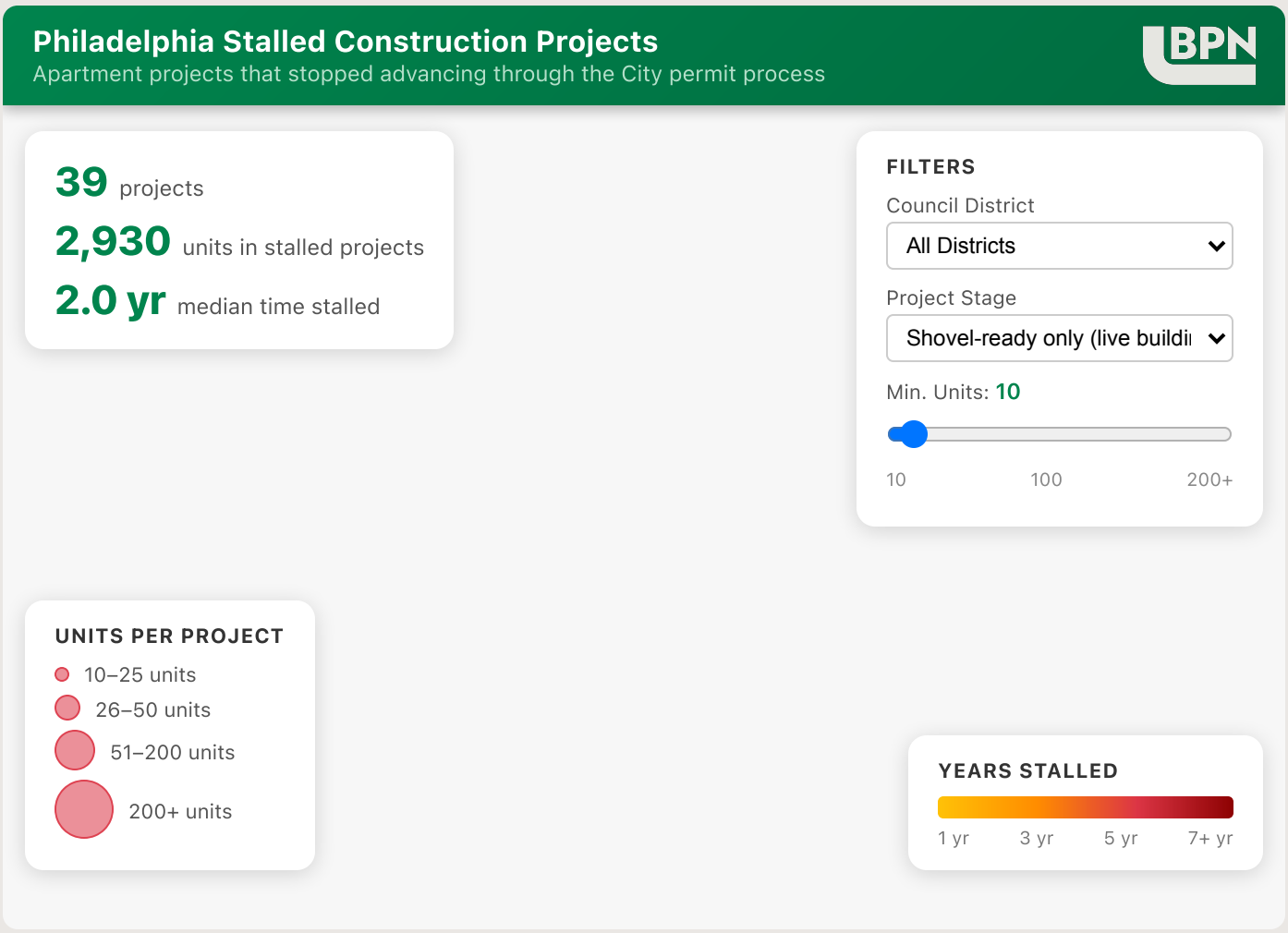
ground immediately. Every council district has them.

Council District	Projects	Units stalled	Loan at $60k/unit	Affordable units at 70/30
District 1 Old City, N. Libs, Fishtown, S. Philadelphia	9	**1,150**	$69.0M	345
District 5 North Philadelphia, Temple, Fairmount	8	**536**	$32.2M	160
District 2 South & Southwest Philadelphia	1	**375**	$22.5M	112
District 7 Kensington, Hunting Park, Feltonville	7	**243**	$14.6M	72
District 3 University City, West Philadelphia	5	**241**	$14.5M	72
District 4 West / Northwest, Overbrook	3	**146**	$8.8M	43
District 8 Germantown, Mt. Airy, Chestnut Hill	3	**111**	$6.7M	33
District 10 Far Northeast	1	**67**	$4.0M	20
District 6 Near Northeast	1	**48**	$2.9M	14
District 9 Northeast, Oak Lane, Olney	1	**13**	$0.8M	3
Citywide	**39**	**2,930**	**$176M**	**~880**

A permit-extension holiday for permits that lapsed since January would add 7 more projects and 1,078 units, for 4,008 in total.

Where Are the Stalled Projects?

39 shovel-ready apartment projects totaling 2,930 units hold live building permits and have stalled. Every council district has them.



View Full Map →

National Momentum

Philadelphia would join Montgomery County MD ($100M, 731 units built), Chicago ($135M), Atlanta, Massachusetts, Michigan, and a growing national movement. The model won the **2024 Ivory Prize for Housing Affordability**.

The Path Forward

Fund the Housing Production Fund through the second tranche of HOME bond authorization. Target: $100M for revolving construction lending.

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Stalled projects data: Build Philly Now analysis of Philadelphia L&I permit records, August 2026. National model data: Center for Public Enterprise.