



Testimony Regarding City Council Resolution # 211029
Regarding the Impact of Expiring Affordable Housing Subsidies
Andrew Toy for PACDC
February 15, 2022

Greetings Chairperson Gauthier and Members of City Council’s Committee on Housing, Neighborhood Development and the Homeless. My name is Andy Toy and I am the Policy Director for the Philadelphia Association of Community Development Corporations (PACDC). I am submitting Testimony on behalf of PACDC and our constituent CDCs to highlight some of our concerns and policy recommendations regarding the impact of expiring affordable housing subsidies on the availability of affordable housing in Philadelphia.

PACDC is celebrating its 30th Anniversary this year. Over that time period, we have witnessed many affordable housing units developed by our CDC members as well as for profit developers utilizing Low Income Housing Tax Credits and other programs. We know that these funding sources require affordability for a period of years, but that units can be lost when affordability periods expire. Especially given the growing need for affordable housing in Philadelphia and the high cost of producing new units, it is critical that the City implement an effective strategy to preserve as many existing affordable rental homes as possible.

We see nationally and locally how the lack of affordable housing options creates instability in households, and in some cases even leads to homelessness. This impacts access to good job opportunities, education and health outcomes, especially in marginalized and BIPOC communities.

While there is not a simple solution to this issue, Washington, DC has implemented an effective system for preserving at-risk affordable rental housing. Their approach includes creating and maintaining a comprehensive database of subsidized properties, their expirations and sources/requirements of funding; holding regular monthly convenings of key stakeholders to review the status of expiring and other subsidized housing projects; and supporting efforts to allow non-profits, tenants and others to exercise Rights of First Refusal in order to retain affordability in expired projects. PACDC urges the City to review and incorporate elements of the successful DC model as we move forward.

We are an active member of the Preservation Network led by LISC Philadelphia and support their key recommendations:

- Ensure there is a publicly accessible comprehensive database of all at-risk rental properties, including their funding sources
- Ensure disclosure of past sales of subsidized properties by developers when they apply for funds to support new affordable housing developments
- Implement a Right of First Refusal to support acquisition of at-risk affordable housing developments by mission-based developers, and provide technical and financial support to acquire those properties
- Recycle affordable housing debt repayments to preserve at-risk units, and utilize other available resources such as Neighborhood Preservation Initiative and Housing Trust Fund to preserve existing affordable rental units

We appreciate City Council's and the Administration's work to address this crisis. This work, which impacts households in so many ways, is critical to the ongoing health, welfare and equitable future of our City. PACDC and our many members and partners look forward to continuing to work together with City Council, the Administration, the Preservation Network, and others to address this critical issue more effectively.

Thank you

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