



**Testimony of Garrett O'Dwyer  
Philadelphia Association of Community Development Corporations**

**Before the Division of Housing and Community Development (DHCD)  
On the 2023 Consolidated Annual Performance Report (CAPER) and housing and community  
development needs**

**March 12, 2024**

Good afternoon and thank you for the opportunity to testify. My name is Garrett O'Dwyer, and I'm the Associate Policy Director for the Philadelphia Association of Community Development Corporations (PACDC). Since 1992, PACDC has been a strong partner of the City of Philadelphia in building a more equitable city. As city funding has expanded to support commercial corridor management, housing counseling, and neighborhood engagement work carried out by community-based non-profits, we want to extend our appreciation for the Commerce Department and the Division of Housing and Community Development's support for PACDC's training and technical assistance programs that build the capacity of front-line staff carrying out this important work.

As you know, our City and our residents continue to face challenging times as we adjust to the new normal of the post-pandemic. Rising rents have caused displacement of existing residents to continue unabated and forced many to face the horrific decision of whether to pay their landlord or to provide food for their families or needed medicines for their children while rising interest rates have pushed the already difficult dream of homeownership further out of reach for too many of our young families. At the same time many of our commercial corridors are facing uncertain futures as small businesses continue to struggle and an epidemic of opiate addiction continues unabated to ravage neighborhoods.

These are, without a doubt, formidable obstacles that weigh on you all as much as they weigh on ourselves and our CDC membership. However, these also present opportunities for bold leadership and new approaches from the new Administration to develop solutions to create a more equitable Philadelphia where every community is a community of choice and every resident has the ability to thrive.

**In that spirit, PACDC urges the Parker Administration to:**

**1. Provide General Operating Support for CDCs**

Like Mayor Parker, we value safe, clean, and green Philadelphia neighborhoods and we all know that CDCs are critical to achieving these goals. Moreover, the City of Philadelphia relies on our network of CDCs to provide critical services, revitalize and stabilize neighborhoods, and produce systems-level solutions at the community level. However, many CDCs are forced to rely on tightly constrained programmatic funding that does not adequately cover the infrastructure costs of running an organization, does not provide the flexibility that a responsive organization requires to meet the evolving needs of community residents, and is a barrier to moving needed programs to scale. Also, even some of the more flexible sources of local funding such as the \$100,000 per year CDC Tax Credit program have failed to keep up with inflation: a \$100,000 contribution when the program was created in 2003 would be equivalent to \$168,974 today. Maintaining and growing flexible public and private multi-year support will enable CDCs to continue to deliver core services in a way that advances equity, including enabling local residents and businesses to build generational wealth, building and preserving affordable homes to advance self-sufficiency, advancing economic opportunity by supporting and growing local businesses and commercial corridors, creating safe, green and clean streetscapes, and elevating community voices while maintaining organizational stability and enabling long-term planning to facilitate investments that are beneficial to the community. **Therefore, PACDC is proposing the Administration allocate \$7.5 million for FY25 to support the stability of the CDC sector through multi-year General Operating Support. We look forward to working with leadership in the Administration and City Council to address this pressing need.**

## **2. Support a Rapid Response Property Acquisition Fund**

Philadelphia can improve the ability of local nonprofits to compete with larger outside investors with cash on hand to purchase available neighborhood properties for affordable rental housing or homeownership. Investors are currently buying up low-cost homes in BIPOC neighborhoods. By helping mission-driven nonprofits buy available properties, in particular single-family homes that are otherwise being bought in bulk to transform into permanent rentals at increased rents, the city has an opportunity to preserve affordability, provide stable housing, increase homeownership, and improve property maintenance. By helping nonprofits be more competitive buyers on fast turnaround deals, the city can help to manage neighborhood change and preserve affordability.

**Therefore, we urge the City to create and capitalize a Property Acquisition Fund to be managed by a Community Development Financial Institution with an initial \$4 million investment toward a \$20 million fund that would allow trusted non-profits to acquire properties quickly and strategically and cover predevelopment costs for affordable housing or community beneficial use.**

### 3. Improving the Philadelphia Land Bank

As Mayor Parker has noted in her 100 Day Action Plan, the Philadelphia Land Bank has not been living up to the expectations of advocates or policy makers to equitably return properties to productive re-use. The land held in public ownership is a key resource for accomplishing many of our shared affordable housing and neighborhood revitalization goals, and an effective, efficient, predictable, transparent, and accountable Land Bank is absolutely critical to making those goals a reality. **We urge the Parker Administration to robustly engage with the CDC community and other non-profits to ensure that a reformed Land Bank truly meets the needs of Philadelphia's neighborhoods and residents.**

### 4. Create a Balanced Approach to Affordable Housing

While there has been an increased emphasis on expanding homeownership opportunities, estimates are that Philadelphia needs an additional 70,000 units of affordable rental housing, while at the same time facing the possible loss of thousands of existing units of affordable rentals over the next decade. Our City also continues to deal with an unacceptable amount of street homelessness. As the CAPER report demonstrates we continue to struggle with meeting our targets to address even a portion of these needs. While many cities have seen successful partnerships with large institutions such as hospitals in addressing these needs, Philadelphia has not. This is all the more relevant given PHFAs creation of a new funding vehicle for LIHTC developments supported by a health sector entity. **Therefore, we urge the Administration to take this opportunity to lead by example and create a detailed plan to develop more units of deeply affordable housing – particularly those which serves vulnerable populations including our homeless neighbors – and to call on institutions across the City to join the effort.**

PACDC thanks DHCD, the Commerce Department, and the Department of Planning and Development for your support for the work of PACDC and our members. Thank you for the opportunity to testify.

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