



Testimony on Resolution # 240697 - The Need for Deeply Affordable Housing  
Committee on Housing, Neighborhood Development, and the Homeless  
Andy Toy for PACDC  
February 11, 2025

Good afternoon, Chairperson Gauthier, Vice Chair Landau, 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). Thank you for the opportunity to offer testimony today on housing affordability.

PACDC is the leading voice of non-profit community development organizations in Philadelphia. Our 60 CDC Members and over 100 additional Associate Members are responsible for addressing key affordable housing, social service, and community and economic development needs across the city. The CDCs of Philadelphia see first-hand what the affordable housing crisis looks like to those living in poverty. It is a family living in unacceptable housing conditions that puts them at risk for serious injury or illness. It is a caregiver having to choose between medicine and food or paying the rent. It is a family moving all too often and possibly living in a shelter or on the street. It is a young person cycling between doubling up with friends and relying on the shelter system.

In Philadelphia this reality is far too common. 23% of our residents live in poverty – including 32% of our children – while 11% live in very deep poverty. Our poorest neighbors are concentrated in Black and brown communities that also receive inadequate public investment and have a higher concentration of homes in disrepair. This poverty is often multi-generational and, for the overwhelming majority, inescapable.

The lack of safe, affordable housing is a major barrier to breaking the cycle of poverty. Moreover, we pay a terribly high price for denying our neighbors this basic human need. Housing is a key social determinant of health and lacking it is associated with higher rates of chronic and acute illness, mental health disorders, substance use disorder, and serious injury. It is correlated with missed school days and poor educational outcomes, missed days of work and poor employment stability, poor quality of life outcomes, and greater likelihood of involvement with the criminal justice system. The stress of experiencing housing insecurity can be particularly harmful for some vulnerable populations, leading to lifelong impairment for children and life-threatening complications for women who are pregnant.

Addressing the housing needs of our low-income residents should be an urgent priority. In 2023, PACDC released our Equitable Development Policy Platform which was created with the input of over 100 community leaders and experts. The need for greater resources to preserve and create housing opportunities for those making less than 30% AMI was identified as the top housing priority. As the Low-Income Housing Tax Credit (or LIHTC) program mostly focuses on housing opportunities for those making around 50% AMI or \$40,150 for a single person, we need additional subsidy for those at even lower income ranges. This means using City funds, but also leveraging outside resources as well. Last year we saw several health systems invest in LIHTC rental developments for the first time through PHFA's Health for Housing Investment program and the City should work with all our anchor institutions to normalize this kind of community investment.



A relatively simple and effective step that the City can take quickly would be to expand the Shallow Rent Subsidy program. As I noted, many of the units of subsidized affordable housing still aren't affordable for those in poverty. So, a family might be paying less rent than market-rate but are still cost burdened and paying significantly more than 30% of their income on housing costs. This forces them into the familiar predicament of deciding between basic necessities and rent. This also represents a risk to the viability of LIHTC rental developments should tenants be unable to afford rent. The Shallow Rent Subsidy program addresses these issues by providing these households with limited rental assistance of up to \$500 per month towards housing costs. With this simple, straightforward investment, we are able to ensure that our affordable housing is truly affordable and stable for the tenants who live there while ensuring the longevity of our portfolio of subsidized affordable housing.

However, the scope of this program has been limited to select developments of organizations that applied for the initial RFP five years ago rather than the true universe of need. This means that currently thousands of families and individuals that desperately need this assistance and would otherwise be eligible, are unable to access the program. We strongly recommend that the City increase funding for the Shallow Rent Subsidy program to \$5.25 million per year so that an additional 800+ households in need can be served, and open eligibility to additional providers not currently participating in the program.

While our focus today is on this very impactful program, we want to acknowledge that there are other important interventions to consider as well. These include continuing PHDC's Rental Improvement Fund program that helps landlords keep their units in good condition and affordable as well; making sure that we are prioritizing the disposition of publicly owned land to support deeply affordable rental units in addition to homeownership opportunities; and finding ways to build more inclusive communities through permitting and zoning that would encourage more mixed-income developments, including the gentle density approach of Accessory Dwelling Units or "Bonus Units" that fit easily within the existing fabric of the community. And critically for many of these programs, we want to ensure that the progress made through Neighborhood Preservation Initiative funding continues through new funding streams.

While interventions like greater investments in housing for very low-income residents and increasing the Shallow Rent Subsidy program are straightforward steps that we can take, we must note that this conversation is occurring in the context of extremely disturbing policies and actions being taken at the federal level. While the full scope of danger and harm is beyond the focus of this hearing, we know that the Trump Administration intends to target housing programs in general and those serving at-risk populations in particular. It is imperative that we have strong leadership from City Council and the Parker Administration to protect those low-income Philadelphians who are most at risk of harm, and a resolve to ensure that any effort to roll back the progress we have made toward the goal of providing safe, affordable housing fails to succeed.

Again, thank you for your leadership and the opportunity to testify today,

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