

PHDC TESTIMONY
for
SENATE URBAN AFFAIRS and HOUSING COMMITTEE
REGARDING PENNSYLVANIA WHOLE-HOME REPAIR ACT

Good afternoon. My name is David Thomas and I serve as the President and CEO of PHDC. I am here today to testify in support of the Whole Home Repair Act as it seeks to improve the quality of housing for low-income Pennsylvanians.

PHDC is a 57-year-old, non-profit full-service community-economic development entity with an annual budget of approximately \$83M. Most of its funding comes as a subrecipient of federal funding for the Philadelphia Department of Planning and Development (DPD). PHDC builds stronger communities by creating and preserving affordable housing, supporting catalytic economic development projects, and redeveloping vacant land throughout the City. All land management, community investment functions, and housing improvement programs operate under one leadership team.

PHDC's home improvement programs serve approximately 5,000 people annually to stabilize the housing stock through three programs: Basic Systems Repair Program (BSRP), Heater Hotline and our Adaptive Modification Program (AMP). BSRP provides free repairs to correct electrical, plumbing, heating, limited structural and carpentry, and roofing emergencies in eligible owner-occupied homes in Philadelphia. Heater Hotline provides free emergency heater repairs for eligible households and when necessary, replacement of the unit. Thirdly, AMP help low-income individuals with permanent physical disabilities live more independently in their homes by making adaptations that allow easier access to and mobility within the home.

While Philadelphia allocates local funding to support these programs, the demand and need far exceeds our resources. To maximize the number of residents served, we set a cap of \$20,000 per home. With the support of the Whole Home Act, we would be able to go deeper into ensuring that residents live in safe, healthy and energy efficient homes.

Today, due to the age of Philadelphia's housing stock, and the current cost of construction materials and supplies, we are only able to do the repairs that address License and Inspection's health and safety violations. And, unfortunately, we must turn away residents that have structural issues, such as bulging brick walls that are signs of a potential collapse. A home with structural issues, such as cracks in the brick walls, or deteriorating mortar joints, can cost approximately \$80,000 per property to fix. While that amount is significant, it is nowhere near the cost of new construction or the cost of absorbing a low-income family to the City's shelter system.

With funding from Whole Homes matched with local dollars, we can make a significant impact on the availability of health of homes in Philadelphia by:

- working to reduce and eliminate mold and make homes safer for adults and children with asthma, as we have in partnerships with CHOP, or
- increasing the energy efficiency of the home as we have done on a limited basis with Energy Coordinating Agency, and
- restoring and preserving our historic housing stock as we have with LISC and Brewerytown CDC.

PHDC contracts with over 100 small businesses annually to complete this construction and stabilization work, with over 50% minority participation. Many small contractors have grown significantly with the security of their contract and support provided by lines of credit and other financial products offered by

other quasi-public agencies including the Philadelphia Redevelopment Authority and PIDC. Our contractors today grow their businesses and support the need for construction services in Philadelphia.

Thank you for your time and I am happy to answer any questions about PHDC services.