



# City of Philadelphia

City Council  
Chief Clerk's Office  
402 City Hall  
Philadelphia, PA 19107

## Legislation Text

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Authorizing the Committee on Housing, Neighborhood Development, and the Homeless to hold hearings on how setting affordable housing program eligibility according to the metric of regional Area Median Income (AMI) fails to reflect the true state of housing affordability needs of Philadelphians, how this leads to City housing programs not providing enough funding to those who need it most, and how the adoption of a more locally defined AMI can be utilized to create and sustain genuinely affordable housing across the City of Philadelphia.

WHEREAS, The metric known as Area Median Income (AMI) is calculated annually by the United States Department of Housing and Urban Development (HUD) and is used to establish eligibility for federal, state, and local housing and community development programs in Philadelphia and across the country; and

WHEREAS, HUD's methodology of calculating AMI for large cities such as Philadelphia uses the midpoint of incomes for the entire population of Philadelphia as well as the ten nearby counties that comprise the Philadelphia-Camden-Wilmington Metropolitan Area; and

WHEREAS, Philadelphia has more residents with lower incomes than nearby suburban counties, which is quite common for other large cities that are the center of a major metropolitan area; and

WHEREAS, Setting AMI according to a region where there are more people in suburban communities with higher incomes than those in the central City leads to the regional AMI being higher than the average income of City dwellers and affordability standards that do not accurately reflect the income distribution of Philadelphia households; and

WHEREAS, The 2024 regional AMI for a family of four is \$114,400, while the 2024 median household income for a similarly sized family in Philadelphia is roughly \$87,000; and

WHEREAS, Every county part of the surrounding metropolitan area has a higher AMI than Philadelphia, with two counties (Chester and Montgomery) having median family incomes that are more than double Philadelphia's; and

WHEREAS, Therefore, the regional AMI does not account for the economic realities of households and access to affordable housing units within the City, underscoring the need for a more localized approach; and

WHEREAS, This AMI metric determines eligibility for a variety of housing assistance, including but not limited to rental vouchers, downpayment assistance, price to live in subsidized housing, home repair programs, utility assistance, and placement in income-restricted homes built on City land; and

WHEREAS, Most City housing programs have maximum eligibility criteria set at 60% (\$68,640), 100% (\$114,100), or even 120% (\$137,280) of the regional AMI, while 30% of Philadelphia households earn less than \$30,000 per year; and

WHEREAS, A study published by local housing experts, Ira Goldstein and Herbert Wetzel, shows the cumulative effect of using regional AMI for all our programs is that income and rent eligibility levels are roughly 25% to 30% higher than they should be to reflect the genuine needs of Philadelphians; and

WHEREAS, The median income for Black and brown families is just over half the median income for white families. This means that using the HUD regional AMI places a unique disadvantage on Black and brown families; and

WHEREAS, Creating a more localized AMI standard would support the development of housing that is genuinely affordable to the City's very-low and low-income households, promoting long-term stability and broader community resilience; and

WHEREAS, There is a growing call from neighborhoods all over Philadelphia for the City to make a deeper commitment to genuinely affordable housing, as they report that current residents of the community cannot afford to live in the housing that meets the City Code's definition of "affordable" being created in their area; and

WHEREAS, A recent report by the Philadelphia Coalition for Affordable Communities shows that housing security affects every part of this City. "In every Council District, more than 35% of renters and 20% of homeowners are housing cost burdened, leaving little or no money for other necessities." Some Districts approach 60% of renters and over 30% of homeowners; and

WHEREAS, The need is rising. Home values rose in Philadelphia by over 100% in the last 20 years, while incomes only rose by 9%. This means that harnessing as much of our limited housing resources as possible for those who are most cost burdened is more important now than ever; and

WHEREAS, Localizing the AMI to reflect the specific income levels within the City would provide a more accurate and equitable basis for determining housing resources and broader goals for housing, adopt a standard that would more accurately reflect any changes happening specifically in Philadelphia as opposed to changes throughout the metropolitan area, and foster greater inclusivity in housing policy, ensuring that affordable housing initiatives truly serve the City's economically diverse population; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Authorizes the Committee on Housing, Neighborhood Development, and the Homeless to hold hearings on how setting affordable housing program eligibility according to the metric of regional Area Median Income (AMI) fails to reflect the true state of housing affordability needs of Philadelphians, how this leads to City housing programs not providing enough funding to those who need it most, and how the adoption of a more locally defined AMI can be utilized to create and sustain genuinely affordable housing across the City of Philadelphia.