



**Testimony of Beth McConnell
Philadelphia Association of Community Development Corporations (PACDC)
On the FY18 General Fund Budget
Before the Committee of the Whole
City Council of Philadelphia**

May 3, 2017

Good evening and thank you for the opportunity to testify. My name is Beth McConnell, and I'm the Policy Director for PACDC.

Given the massive and growing unmet need for affordable homes, **PACDC is calling on the Kenney Administration and City Council to work together to at least double dedicated revenue to the Philadelphia Housing Trust Fund (HTF) this year to a minimum of \$25 million annually.** The building boom that Philadelphia continues to enjoy may be good for the city as a whole, but it is not translating into more affordable home opportunities for struggling Philadelphians. In fact, home prices and rents are rising while the supply of affordable homes is decreasing. In order to justify subsidies such as the 10-Year property tax abatement, Philadelphians are told that they will benefit us all in more revenue from wage taxes, sales taxes, business taxes, and eventually property taxes. Yet these growing tax bases aren't contributing much to more affordable homes for low income Philadelphians in this budget, or in prior years. The Building Industry Association (BIA) estimates that \$169 million in new, annually recurring property tax revenue will soon be generated as a result of expired 10-Year Tax Abatements. It is time for City Council and Mayor Kenney to justify the continued existence of the tax abatement by earmarking revenue it is attributed with generating to the Housing Trust Fund. The Trust Fund can then invest those dollars in creating more

affordable homes, repairing and preserving existing affordable homes, and ending homelessness. It is the equitable thing to do.

PACDC urges City Council and the Kenney Administration to provide more General Fund resources to boost the Corridor Cleaning program to \$1 million, not cut it by \$20,000. Unfortunately, the preliminary Consolidated Plan now being developed by DHCD proposes to cut the budget for corridor cleaning by \$20,000. On average, CDCs pick up 12 bags of garbage every weekday thanks to this program. A cut to the cleaning program means that more litter will pile up in our neighborhoods because either one corridor will no longer get funding for sidewalk sweeping, or some groups will see cuts in their already bare-bones cleaning contracts. Dirty sidewalks deter shoppers and investment. We should be investing in making more corridors clean, not backtracking to dirtier Philadelphia business districts.

We urge City Council to expand the CDC Tax Credit Program. The CDC Tax Credit program is literally a lifeline for 40 CDCs and intermediaries. It is the reason why those CDCs have staff and resources to invest in planning and implementing long-term neighborhood economic development. This work takes time and dedication, especially in our most distressed neighborhoods. But there is more demand for the program than available slots, and several high-performing CDCs in our neighborhoods have not been able to get in, including CDCs in Germantown, Olney, and South Philadelphia, to name just a few. Investments in this kind of work pays off: the work of CDCs had a \$3.3 billion economic impact in the city alone over a 20 year period, including tax revenue paid to the City, jobs, spending in the local economy, and boosting of property values.

We look forward to working with you to strengthen Philadelphia's commitment to programs that advance a more equitable Philadelphia. Thank you for the opportunity to testify.

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