



NKCDC

*Testimony from Andrew Goodman, Community Engagement Director
Bills No. 180351 and 180347
May 22, 2018*

Dear Finance Committee Members:

We are grateful to City Council for giving us the opportunity to submit testimony regarding Bills #180351 and #180347. We support these bills as essential steps at a crucial juncture in Philadelphia’s history as we struggle to preserve mixed-income communities and are reminded of “the centrality of home, without which nothing else is possible.”

The greater Kensington area is a perfect microcosm of the urgent need for more quality affordable housing. These models of tight-knit, mixed-income communities that have brought so much wealth to developers’ pockets for the last 18 years; it is now time they start putting money in to help preserve them before it’s too late.

One need look no further than the large-scale development happening right now in Kensington to see how immediate of a value this Construction Impact Tax could have. In just the last six months, the Somerset Neighbors Zoning Committee has seen 310 market-rate housing units proposed across three highly visible vacant lots along the underutilized Lehigh freight rail overpass. The fact that such large-scale brownfield redevelopment is financially viable in a neighborhood that still hasn’t seen its market spike yet is proof that this Tax can be shouldered by the development community, and that we need to act now before it’s too late.

Further, the fact that these developments are happening less than one block away from the site of four active homeless encampments is also a reminder of how fragile the concept of “affordability” can be, and how these bills must be structured to reflect this reality. We recommend that half the funds in the Construction Impact Sub-Fund be targeted for Philadelphians below 30% AMI to help both the homeless and the under-employed. We also recommend requiring long-term affordability for projects subsidized by the Construction Impact Tax Sub-Fund – at least 15 years for home ownership and 50 years for rental – to ensure much needed stability.

Just last year, NKCDC opened 50 subsidized apartments, helped 500 Philadelphians avoid foreclosure, and provided over 400 residents with downpayment and closing cost assistance. Philadelphia has a massive unmet need for affordable homes, and we are ready to fill that gap. Both these bills help replenish needed resources lost through federal budget cuts. If approved, we stand ready to boost these programs in our race against the clock to ensure affordability and neighborhood choice for any Philadelphian who wants it. Thank you again for the opportunity to speak with you today.

Andrew Goodman
Community Engagement Director