



TESTIMONY OF BRANDON ALCORN, OPERATIONS MANAGER,
REBUILDING TOGETHER PHILADELPHIA
Bills No. 180351 & 180347 FINANCE COMMITTEE – June 6, 2018

Chairwoman Blackwell and Members of the Finance Committee,

Thank you for the opportunity to testify today in favor of the bills establishing the Construction Impact Tax and Housing Trust Fund Sub-Fund.

Rebuilding Together Philadelphia provides free, safe and healthy home repairs to low and middle income homeowners through two primary programs: Block Builds and Vo-Tech in the House! Block Builds utilize between 100 and 300 volunteers, neighbors, and homeowners to repair 10 to 30 clustered homes over several days. With three Block Builds each year in three different neighborhoods, RTP repairs 75 homes per year. Vo-Tech in the House! allows vocational students to put their classroom skills to work to repair homes for seniors. Throughout the year, students provide essential plumbing, electrical, masonry, and carpentry repairs that they have learned in their construction curriculum. Every year, Vo-tech in the House! serves 25 homeowners, age 62 or older. Since 1988, RTP has provided over \$30 million worth of repairs to transform over 1,500 vulnerable houses into safe and healthy homes.

We applaud the recent efforts by Council to support low and middle income homeowners and renters – working to eliminate the wait list for the Basic Systems Repair Program (BSRP), the new loan program for affordable home repair, eviction prevention efforts and others. But these bills you're considering today are an important next step. Even with recent increases, the current funding sources for the Housing Trust Fund are woefully inadequate. The combination of City, for-profit and non-profit resources dedicated to providing and maintaining housing are not sufficient to meet the needs of Philadelphians. On every block we work on, there are people we have to turn away. Every day we get requests from residents with desperate needs but who we cannot serve.

Furthermore, while the effort to eliminate the backlog of BSRP projects is laudable, it does not address future needs nor does it serve all low and middle-income homeowners in need of repairs. BSRP only serves homeowners up to 150% of the federal poverty guidelines, but based on our experience there are many Philadelphia homeowners above that income limit who still cannot afford the repairs they need and will not qualify for the new home repair loan program. Even for homeowners who do meet the income guidelines for BSRP, home maintenance is an ongoing need and more funds are needed to prevent a long waitlist from developing again.

We need the development community, which has benefited from 18 years and counting of tax abatements on new construction, to contribute to a more equitable city through the Construction Impact Tax. We see first-hand the construction changing the neighborhoods we serve – Mantua, Belmont, Eastern North Philadelphia, Kensington and others. Homeowners tell us there are two people knocking on their door: our staff and developers offering to buy their houses for cash.

Residents should not be forced to choose between living in houses in disrepair or selling their house. The Construction Impact Tax is a critical next step in making sure that these residents -- who have lived in these neighborhoods for decades -- can continue to live and thrive in their homes and in their communities.

To provide access to more affordable housing across Philadelphia, flexibility is key. We strongly urge Council to amend the language in Bill No. 180351 to allow for more flexibility of use. Philadelphia's affordable housing needs vary by block and by neighborhood, and they will change over time. Bill No. 180351 only makes funds available for production, down payment and closing cost assistance. This would prevent the City from using any of the Construction Impact Tax funds to preserve or repair existing affordable homes, address legal hurdles that prevent residents from receiving services they should be eligible for, respond to emerging needs such as emergency housing for displaced populations, or smart strategies to prevent homelessness so we don't further strain our affordable housing system.

The most affordable house is the house someone is already living in, making home preservation and repair the most cost-effective way to sustain access to affordable housing. For just \$11,000 per house, Rebuilding Together Philadelphia is able to make the critical basic systems repairs to address roofing, plumbing and electrical hazards while also ensuring the residents in the house are safe from falls, free from risks due to environmental hazards like mold and lead paint, and asthma triggers.

Implementing the Construction Impact Tax and adding the flexibility for the funds to be used for home repairs and other housing services would mean more people like Robert Johnson are able to stay in their homes. We worked in Mr. Johnson's home in Belmont this past spring. Mr. Johnson is an army veteran, having served stateside in World War II. He is 90 years old, has emphysema, arthritis and, when we were working in his home, was wheelchair-bound and recovering in a rehab facility after a bout with the flu. His son Robert Johnson Jr., who is disabled and suffers from asthma, was born in the house 59 years ago and has returned home to care for his father. Unfortunately, their home was endangering their health and their lives. Roof leaks were leading to mold growth in the bedroom. There were plumbing leaks in the kitchen, bathroom and basement. The basement stairs were on the verge of collapse, along with the cabinets in the kitchen. There was no working oven in the house. With a combination of our resources and resources from the Housing Trust Fund, we were able to provide repairs to address all of those health hazards (see attached pictures).

In all 100 houses we work in each year, there are stories like Robert Johnson's -- of Philadelphia residents who once again have a chance to live in their neighborhoods of choice and in homes that are safe and healthy. Unfortunately, without more resources for the Housing Trust Fund, there are thousands more Philadelphians who deserve that same chance but who won't get it. So thank you to Council President Clarke, Councilman Squilla, and Councilwoman Sanchez for introducing these two bills, and I strongly urge you to support them as the next step in our commitment to build a more equitable Philadelphia.