



Nicetown Community Development Corporation

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Working Together To Put The Nice Back In "The Town"

Testimony of Majeedah Rashid
Chief Operating Officer – Nicetown CDC
Bill No. 180351: Construction Impact Tax
Bill No. 180347: Housing Trust Fund Sub-Fund

Date: June 6th, 2018

Good morning, Council President Clarke, Councilman Squilla, Councilwoman Sanchez and esteemed Council. My name is Majeedah Rashid, and I am the COO of the Nicetown CDC and a Board member of PACDC. I am here to testify in support of Bills 180351 (Construction Impact Tax) and 180347 (HTF Sub Fund) I thank you for allowing me to testify today.

Since 1999, our organization has implemented a succession of neighborhood plans that prioritize affordable housing development. We have built a successful track record of affordable housing development from scattered site housing preservation and redevelopment to our scale mixed use developments on Nicetown's commercial corridor. Our biggest challenge is keeping enough affordable housing projects in the pipeline to meet the needs and that means identifying adequate funding. Despite our success, securing adequate funding has been the number one challenge to implementation of our plans. Even more frustrating is the difficulty pre-qualifying those with low-moderate incomes to obtain loans for mortgages and home improvement loans.

Decades of inequitable policies have created segregation and displacement, including red-lining and gentrification. Recent studies and news reports disclosed high concentrations of redlining across the nation- particularly in Philadelphia in Nicetown and surrounding neighborhoods, of which our Councilwoman Cindy Bass made us aware. This, and the lack of affordability are barriers for those with low to moderate incomes seeking mortgage or home improvement loans. In Nicetown, potential gentrification is right at our boundary with proposed new market rate developments in close proximity to our Nicetown Court I & II affordable developments – literally on "the other side of the tracks" of the historic Wayne Junction train station. Nicetown and adjacent neighborhoods are currently and have been historically low to moderate income, in fact the area is one of the City's most impoverished. Our efforts to eliminate poverty includes budget counseling to help those with annual incomes under \$40,000 get educated financially and get access to resources. These are the ones that have a real need to access any new resources, not households making \$100k who may also try to take advantage.

Our affordable housing planning by no means aims to build entire communities of low income housing. Quite to the contrary, our goal is to effectively address the need for affordable housing with balanced and equitable development towards a mixed income community. My testimony appeals to the City of Philadelphia to correct past mistakes by preventing any more threats of gentrification and redlining.

Bill No. 180347 for the Housing Trust Fund SubFund would boost resources for affordable rental and homeownership as well as critically needed housing counseling and closing assistance. **We recommend that the Bill should be amended to ensure that at least half of the funds obtained should be targeted for households below 30% AMI.**

Attention must be paid to any proposed tax exemptions for large institutional non-profits who have significant resources. Their projects do not necessarily benefit low-income households, yet the bill will tax affordable housing developments that serve low-income Philadelphians. To prevent this, **we recommend that the legislation be amended to create a 100% rebate for affordable housing** developments that meet the following criteria: Homeownership projects, should be sold to households at 80% AMI or below; rental units should be rented to households at 60% AMI or below (as averaged by all units in the development).

We recommend amending the language in Bill No. 180347 (Housing Trust Fund SubFund) to allow for more flexible use of these funds, such as more support for housing counselors who play a vital role in helping to improve financial status and credit scores to gain access to down payment and closing cost assistance.

These bills with recommended amendments will make measurable improvement and permanent changes towards affordable and equitable development.

For that, we are in full support and it is our hope that Council is too.

Respectfully Submitted,



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