



**Testimony of Beth McConnell
Policy Director, Philadelphia Association of CDCs
On Bill No 200287, the FY21 Operating Budget
Before the Committee of the Whole, Philadelphia City Council**

May 27, 2020

My name is Beth McConnell, and I'm the Policy Director at the Philadelphia Association of Community Development Corporations (PACDC) testifying on Bill 200287.

PACDC urges City Council and the Kenney Administration to restore the General Fund commitment to the Philadelphia Housing Trust Fund for FY21.

Bill No 180744 approved by Council in 2018 as the compromise to the Construction Impact Tax legislation required an appropriation to the HTF at least equal to expiring tax abatements in the preceding year. The Mayor's proposed FY21 budget to eliminate that General Fund commitment is in conflict with that statute.

This will eliminate more than \$9.8 million for rental housing production and preservation, and the successful Philly First Home Buying program that distributed more than \$5.7 million over the last year in grants to first time home buyers. This will negatively affect our lowest income tenants who desperately need a safe, affordable home and hurt low- to moderate-income buyers who deserve a shot at the stability homeownership provides in these trying times. These programs are important for our economic recovery, creating jobs and tax revenue.

Philadelphia should ensure a minimum Housing Trust Fund contribution of 20 million this year. If legislation pending in Council is adopted to extend eviction moratoriums and prevent rent increases for 12 months, these HTF funds will be needed to stabilize affordable housing units that operate without profit margins and razor thin cash flow to ensure tenants are living in units that are well maintained and operated.

We applaud Mayor Kenney for proposing to continue funding for most of our commercial corridor programs.

These programs are absolutely vital to ensure we have the staff on the ground in our neighborhoods helping businesses re-open safely, access grants and loans they need to survive, and keep the corridors clean and safe.

PACDC urges Council and the Administration to direct more funds to the PHL COVID-19 fund run by Commerce and PIDC which quickly and effectively provided vital support to help very small businesses during the shut-down. Targeting those funds to businesses that cannot access state or federal programs is critical to create more equity in the recovery process.

We are concerned that a 50% decrease in general funds to the Commerce Department could lead to a loss of staff our neighborhood CDCs and BIDs rely on to work in partnership with them to support small businesses and chart a path to economic recovery.

The continued commitment to the CDC Tax Credit Program is also vital, as it provides support to CDC economic development work. But we are concerned that some business tax credit partners will have suffered significant revenue losses and be unable to make their scheduled CDC contributions. Council and the Kenney Administration should ensure that those funds are made up through grants to CDCs so that vital economic development work is not halted or interrupted.

Thank you for the opportunity to testify.

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