



Testimony of Beth McConnell
Policy Director, Philadelphia Association of CDCs
On Bills No 200329 and 200330, the FY21/Year 46 Consolidated Plan and Amendments
to the FY20/Year 45 Consolidated Plan
Before the Committee on Finance, Philadelphia City Council

June 8, 2020

Good afternoon Chairperson Green and other members of the committee. My name is Beth McConnell, and I'm the Policy Director at the Philadelphia Association of Community Development Corporations (PACDC) testifying on Bills 200329 and 200330.

PACDC urges City Council and the Kenney Administration to restore the General Fund commitment to the Philadelphia Housing Trust Fund for the FY21/Year 46 Consolidated Plan.

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 commitment is in conflict with that statute.

This will eliminate more than \$9.8 million for rental housing production and preservation, and millions for the successful Philly First Home Buying program that provides 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 the stability homeownership provides in these trying times. These programs are important for our economic recovery, creating jobs and tax revenue.

While the Administration has proposed using additional CDBG CARES dollars to boost housing counseling, legal services, and the NAC program, the need for those programs to rise to the challenge and prevent eviction and foreclosure is enormous, particularly in light of much needed legislation to create an eviction diversion program that was approved by Council's Housing Committee on Friday. Additional HTF dollars are also needed to stabilize affordable housing units that operate without profit margins and razor thin cash flow at a time when so many of their tenants are expected to get behind on their rent.

We applaud Mayor Kenney for proposing to continue funding for most of our commercial corridor programs, but after the unrest and physical damage to corridor businesses last week, 40% cuts to programs that help businesses fix up their storefronts or make internal improvements is no longer a wise decision. There are small businesses on almost every

commercial corridor that will not have adequate insurance to replace broken glass, repair facades, re-stock inventory, or make other repairs necessary in order to re-open. Cuts to programs like the Storefront Improvement Program, InStore, the Business Security Grant program, and cuts to Commerce staff could not come at a worse time. These business owners need grants for repairs, legal and technical assistance, and the support of our corridor managers to recover.

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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