



Testimony Regarding City Council Bill # 210681
Regarding the Neighborhood Preservation Initiative Program Statement & Year 1 Budget
Andrew Toy for PACDC
October 6th, 2021

Good morning Chairman Green and City Council Finance Committee. My name is Andy Toy and I am the Policy Director for the Philadelphia Association of Community Development Corporations (PACDC). Thank you for listening to PACDC's testimony regarding details of the Neighborhood Preservation Initiative Program Statement and Year 1 Budget on behalf of many CDCs and partners in Philadelphia.

First of all, we applaud City Council and President Clarke on this bold initiative to bring more resources sooner to communities suffering from inequity, violence, lack of economic opportunities, substandard and unaffordable housing, struggling neighborhood commercial corridors, and deteriorating neighborhood infrastructure. We see this as an important effort to positively impact all of these issues now, while understanding that this is an ongoing effort.

However, we do have concerns about the lack of clear targeting for most of these resources to ensure that disadvantaged residents and communities with the greatest needs will benefit from these investments. While we understand there is an interest in having flexibility to carry out this work, we think that a core principle of an investment of public resources at this scale should be to address barriers faced by communities of color and neighborhoods that have experienced a lack of new investment for too long. **Our overall recommendation is that there be clarity that no NPI Program beneficiaries' incomes will exceed 120% of Area Median Income, and that at least 80% of NPI Program dollars will benefit households earning below 80% of AMI.**

In particular, within some of the Program Descriptions, the target population incomes and geographies representing the most disinvested, often BIPOC neighborhoods, are not specified or could be better targeted to those with the highest needs. We know that in Philadelphia **42% of households fall below 50% of the Area Median Income (AMI) or \$47,250** for a family of 4, while **60% of households fall under 80% of AMI or \$75,600** for a family of 4, and **69% fall under 100% of AMI or \$94,500** for a family of 4. We recommend focusing the bulk of resources on those families at 80% of AMI and below, given that more than half of all Philadelphia households fall below 80% of the AMI. With limited resources it's important to promote equity by ensuring those with the greatest needs are able to connect to those resources.

Programs that could use more specificity in income eligibility or neighborhood guidelines include the **Rental Assistance Program**, the **Small Landlord Loan Program**, the **Blueprint for Homeownership** (no income or housing cost limits indicated for forgivable loans up to \$100,000 per homebuyer), and **PhillyFirstHome** (providing forgivable loans with a bar at 120% AMI).

In addition, knowing that those with great needs often have the most difficulty negotiating the application processes or never even know these resources exist, there is a need for **increased investment in our neighborhood outreach and housing counseling** infrastructure to help families navigate these processes. We do see support for housing counseling and legal assistance within **Tangled Title** and **Eviction Diversion**, but not to assist first-time homebuyers through the PhillyFirstHome program, which could be addressed by making housing counseling an eligible use of PhillyFirstHome Program funds.

While all of the Programs/Activities are important, we believe that a couple deserve greater support in Year One funding. In particular, given the hardships of many struggling small neighborhood businesses over the past year and a half and the critical role Commercial Corridors play as community assets, we believe the \$3.8 million allocated to **Neighborhood Small Business Programs** for both Direct Support to Small Businesses and Investments in Neighborhood Commercial Corridors is inadequate. We would also like to see targeted support for mixed-use development on commercial corridors by funding affordable residential redevelopment above businesses that helps make the projects more viable and supports corridor growth and safety. And the homeless face the greatest housing needs in the city, yet **Permanent Homeless Housing** is only allocated \$3.8 million.

Finally, PACDC and the communities we represent support transparency so that there is a clear track record of how this critical new resource is being spent, who the beneficiaries are, and where in the City resources are being invested, in order to advance our goal of equitable development. We recommend a bi-annual **reporting process** be a part of the Program, which is important in ensuring transparency, keeping programs on track towards their goals, and being able to adjust the budget in the future to maximize impact over the next 4 years.