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Coalition for Affordable Communities Calls for Anti-Speculation Measures

City's leading community, disability, faith, labor, and urban agriculture organizations joined by Councilman and more than 150 supporters for release of new research and first policy proposal

PHILADELPHIA, PA. The Philadelphia Coalition for Affordable Communities (PCAC) is calling for the establishment of an Anti-Speculation Tax on the practice of “flipping houses,” with funds raised from the levy going toward preserving and expanding affordable, accessible houses and green space in gentrifying neighborhoods. The group – composed of the city’s leading community, disability, faith, labor and urban agriculture organizations – was joined on Tuesday by 2nd District City Councilman Kenyatta Johnson and more than 150 supporters to mark the release of its first municipal policy proposal under its campaign, *Development without Displacement*.

The proposal calls for increasing the Realty Transfer Tax by 1.5% on properties in the City of Philadelphia that are resold less than two years after being purchased and directs the additional revenue to the Philadelphia Housing Trust Fund. PCAC organizers say the new tax has the potential to generate up to \$12 million per year – nearly doubling the current resources in the fund - without raising taxes or creating new fees for a large majority of residents.

“Philadelphia has tackled a declining population for decades and our recent resurgence has meant big changes in our housing market” said Nora Lichtash, executive director of the Women’s Community Revitalization Project and a principal organizer of the PCAC. “As housing costs skyrocket, income levels for most Philadelphians are shrinking and what we end up seeing are long-term residents being pushed out of their communities. Our proposal allows development to continue but will make developers who ‘flip’ houses contribute to a fund that helps expand affordability in our city.”

In 2013, more than 6,000 real estate transactions in the City were repeat sales of properties that had previously been sold at least once within the prior 24 months, an estimated total value of \$782 million. Many of these transactions have been concentrated in gentrifying neighborhoods, exacerbating the problem of displacement caused by development.

“Philadelphia is experiencing increased development investment, which is exciting because it helps revitalize many of our neighborhoods.” said Councilman Johnson. “My work in vulnerable communities has shown me that we need to maintain a level of affordability in our neighborhoods so that we prevent displacement and avoid income isolation. By increasing our investment in affordable housing, we are in a position to make a real impact.”

Now entering its 10th year, the Philadelphia Housing Trust Fund provides funding to support the development of new affordable homes, helps existing homeowners make critical repairs, and prevents foreclosures and homelessness. It dedicates 50% of its proceeds to improving housing options for families earning less than \$20,000 per year and has provided housing opportunities to more than 14,000 low- and moderate-income families, seniors, disabled, and homeless people to date.

The coalition’s proposal says that an additional \$12 million investment in the Philadelphia Housing Trust Fund has the power to create 240 units of newly-constructed affordable rental apartments, support 150 existing homeowners seeking critical home repairs and 112 home modifications to assist those with disabilities, stabilize 272 households facing homelessness, and provide 240 grants for capital improvements and infrastructure for community gardens and food-producing green spaces.

“This is not about being anti-development,” said Lichtash. “Increased development is a positive for our communities and city as a whole. We just need to make sure it happens responsibly so that everyone can share in the benefits.”

The coalition is working to expand and protect affordable, accessible housing and green space in neighborhoods undergoing gentrification. Since PCAC’s launch last September, organizers have been developing legislation to ensure that as the city’s neighborhoods recover and thrive, individuals and families from all income levels benefit.

Inspired by recent legislative accomplishments by member groups, the PCAC now boasts more than 30 member groups representing roughly 75,000 Philadelphians. For more information about the PCAC and its proposal, please visit www.PhillyAffordableCommunities.org.

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