

THE PEOPLE'S PLATFORM FOR A JUST PHILADELPHIA

END 10-YEAR TAX ABATEMENT

THE PROBLEM

- **The tax abatement is costing Philadelphia millions in essential funds for our city and our communities.**
- The 10-year tax abatement was created to spur new development when the city had faced decades of disinvestment. But now, Philadelphia is no longer a city with few economic prospects — Center City is proving to be a robust economic engine and “the fastest growing place to live” in Philadelphia.
- The tax abatement has taken millions of dollars away from our schools and the city, subsidizing large developments while long-term Philadelphians struggle to pay their rising property taxes. Last year alone, the abatement cost the School District \$61 million and the City General Fund \$50 million.
- Meanwhile, our schools are filled with lead, asbestos, mold and pests, and housing costs in the city are skyrocketing. Ending the abatement could fund 912 teachers or 848 counselors or remediate lead for 120 schools. It could also fund 700 new affordable rental apartments, nearly 700 accessible home repairs and 795 mortgage or utility assistance grants. At a time when our city and School District budgets are tight, **huge handouts to megadevelopers are completely unaffordable.**
- The tax abatement has also contributed to the acceleration of gentrification in low-income areas, leading to loss of control of land to wealthy developers.
- While proponents of the abatement say that it has helped fuel development in the city, therefore bringing in tax revenue that wouldn't exist otherwise, the Controller's Report in 2018 highlighted that other factors such as “increasing urbanization and millennial population growth” were large parts of the development boom.
- The abatement has also **not led to uniform development** at all – instead development has been concentrated in ten neighborhoods that make up nearly 59% of the abated properties, particularly Center City, Northern Liberties and Point Breeze. This has led to tensions with long-term residents who are seeing increased property taxes from the abatement, while new residents pay nothing.

OUR SOLUTION

- **End the 10-year tax abatement.**
- To repair the impacts the tax abatement has had on housing costs, allocate money coming back to the City from abatement to the Affordable Housing Trust Fund to prioritize low-income housing.
- Call on the School District of Philadelphia to prioritize money coming in to the schools from ending the abatement go towards cleaning up toxic schools.

CITY COUNCIL ACTION

- Pass the bill to end the 10-year tax abatement.
- Pass an appropriations bill to allocate future City money that would have been abated to the Affordable Housing Trust Fund, particularly for families making less than 30% of Area Median Income.
- Pass a resolution calling on the School District of Philadelphia to allocate future School District money that would have been abated to cleaning up toxic schools by hiring, training, and reorganizing hundreds more permanent cleaning and maintenance staff in the District and creating a facilities taskforce of stakeholders for oversight.

