



May 2, 2017

Dear Honorable Members of the House Finance Committee:

On behalf of the nearly 50 businesses and organizations that make up the NAP Coalition, we write to urge your support for HB 645, legislation that will increase funding for the Neighborhood Assistance Program (NAP). This bill, sponsored by Rep. Bernie O'Neill (R-Bucks) and Rep. Dom Costa (D-Allegheny), is currently in the House Finance Committee. We encourage your support when this bill comes up for a vote.

The NAP is a different kind of tax credit. Corporate sponsors make dedicated contributions directly to local nonprofit organizations, engaging corporations directly in local economic revitalization efforts. Additionally, dedicated corporate leadership is deployed pro-bono in NAP neighborhoods, assisting with financing, marketing and other efforts, creating true public-private partnerships.

The program revitalizes communities by providing long-term, sustainable support for locally-based revitalization organizations in low income neighborhoods. The tax credit leverages additional resources into the community, and builds community technical capacity and infrastructure. Without this important source of funding and these important partnerships with businesses, Pennsylvania's struggling communities would not be able to rebuild their economies and improve their quality of life.

The tax credit saves the Commonwealth and local municipalities' money through revitalization efforts in distressed and Act 47 communities. There is also a proven track record of building sustainable tax bases and increasing tax revenues for both local municipalities and the Commonwealth of Pennsylvania. The tax credit enhances PA and local sales tax revenue, enhances PA and local income tax revenue, and enhances local real estate property tax revenue in targeted communities. That success is shown by the growing number of communities seeking to make use of this innovative and effective program.

As you may know, the NAP tax credit was created in 1971. The current \$18 million cap has never been lifted. The result is that in recent years, the PA Department of Community and Economic Development has received at times over \$50 million in requests (*and matching corporate commitments of funding*) but had to reject more than half of those applicants. HB 645 will increase the NAP's cap to \$36 million.

In order to revitalize communities across the Commonwealth faster by leveraging the financial commitments of businesses, the Neighborhood Assistance Program needs to grow.

Again, when HB 645 comes up for consideration in the House Finance Committee, we ask for your vote in support of increasing funding for the Neighborhood Assistance Program from \$18 million to \$36 million so that more of Pennsylvania's communities will have access to all the resources they need to build better futures.

Sincerely,

The NAP Coalition
[Membership List Attached]