

Good morning and thank you for this opportunity to testify before this committee.

My name is Tony Campisi and I serve as Executive Director of the Pennsylvania and Delaware Valley Chapter of Community Associations Institute. CAI is a 31,000 member national organization dedicated to building better communities. CAI provides information, education, and resources to association governed communities, including condominiums, cooperatives and homeowner associations, and the professionals that support these communities. The Pennsylvania chapter represents an estimated 15,000 such communities across the Commonwealth, including approximately 900 communities with thousands of housing units within the City of Philadelphia. Tens of thousands of Philadelphians call these association-governed communities home.

CAI's Pennsylvania Legislative Action Committee supports adoption of City Council Bill 110130, which would provide a credit against the tax for owners of condominiums, cooperatives and planned community units who do not receive regular City refuse, recycling and bulk item collection services. The bill would remedy the City's failure to provide municipal trash collection to these residents.

Councilman Kenney introduced legislation over a decade ago that extended eligibility for residential municipal trash collection to include owners of cooperatives and condominiums. On June 13, 2002 the Bill was adopted by City Council. Then-Mayor John Street returned the bill to City Council without his signature, with a letter stating that the City would not enforce the law. In response, City Council filed suit to compel the Administration to enforce municipal refuse collection from community associations in the City. This step was supported by all members of City Council, including then-Councilmember Michael Nutter, now Mayor of Philadelphia. In 2005, the Pennsylvania Supreme Court denied Mayor Street's appeal in the case, and affirmed the Commonwealth Court's opinion in favor of City Council as the final ruling in the case.

Unfortunately for owners of condos, co-ops and planned community units in the city, the issue of refuse collection remains unresolved. While the City has extended an offer of weekly curbside collection, the volume of trash that these communities accumulate makes this an unsanitary solution that would cause many other health and neighborhood concerns. Therefore, the City's condominium, cooperative, and planned community residential unit owners continue to pay for a city service that they cannot use.

It has been suggested that a tax credit such as the one provided in this Bill may not pass Constitutional muster because it may create a separate and distinct class of residential real estate. I would suggest the city has already accomplished this by its refusal to adequately provide a municipal service to what the city considers a distinct class of residential property owner. And the reason why may in fact reside in the common understanding and interpretation of what a condominium is, or is not, under state statute. Pennsylvania's Uniform Condominium Act, adopted in 1980 by the state legislature, along with two companion acts – the Real Estate Cooperative Act adopted in 1992 and the Uniform Planned Community Act, adopted in 1997 – define the creation, management and governance of association-governed communities in Pennsylvania. It is important, however, to note here that the three forms of ownership defined under these statutes simply define a legal form of home-ownership. They do NOT define a physical structure or a type of building. This is critical to the issue we are here to discuss today in the

following manner. A condominium does not translate to a high rise or mid rise building just as a planned community does not translate to a sub-division with one acre lots in a suburban setting. A condominium, under state statute, may be a 25 story building with ten units per floor in Society Hill. It may be a townhouse community with four or six units connected in a row in South Philadelphia. It may be a 396 residential unit community consisting of single-family, detached homes, townhouses and condo units currently under construction at The Arbors at Eagles Point in the Byberry section of the Far Northeast. The point I make here is simple. A condominium, cooperative or planned community unit is nothing more than a single family home. These communities are not commercial buildings comparable to apartment buildings, owned by a single owner. These communities are a series of individual homes owned by many individual owners. A condominium association, in whatever physical structure it assumes, is no different than a block of row homes in any one of your council districts. A block of row homes consists of single family homes that line the sides of a block, connected by a shared common vertical wall, and each owned by an individual owner. A high rise condominium building consists of single family homes that line a hallway and that share a common vertical wall, stacked upon each other, with another common horizontal wall consisting of a ceiling in the unit below, and a floor in the unit above. Turn a high-rise condominium on its side and all you have is a series of individually-owned row homes that you might find on an average block in South Philadelphia, University City or Fishtown. Tell me why the owner of a condo should be treated any differently than the owner of a row home? Under current city practice, condo owners are treated differently – are treated as a distinct class of residential real estate – yet they pay the same municipal taxes, and that is inherently unfair.

This is an issue not limited to the City of Philadelphia. Community associations across Pennsylvania, and in fact across the nation, deal with this very same issue. In most states, owners in community associations pay municipal taxes for services that are, in many cases, not provided to residents who live within the association, including road maintenance, refuse collection and other municipal services. The owners who reside in these community associations pay for these services twice – once through municipal or property taxes and again when they privately contract for the services not provided by the municipal government. CAI has provided council with examples of how other cities across the state and nation have dealt specifically with the municipal trash issue.

Here in Philadelphia, Councilman Kenney is proposing that the City offer a tax credit of up to \$200 per residential unit to address the disparity in collection services. CAI supports this legislation as a way to erase the inequality that has been permitted to exist in the collection of municipal refuse from condominiums, cooperatives and planned communities in this city for far too long.

Thank you.