



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

RESOLUTION NO. 240897

Introduced October 10, 2024

Councilmember Young

RESOLUTION

Joining the City of Pittsburgh in calling on Congress to pass H.R. 9002, the “Revitalizing Downtowns and Main Streets Act”.

WHEREAS, As with many cities across the U.S., the City of Philadelphia’s commercial office market has been experiencing great uncertainty following the COVID-19 pandemic and massive economic changes in office needs and work habits; and

WHEREAS, As a result of these unprecedented changes, the City of Philadelphia’s Center City office market has suffered significantly higher vacancy rates, with large amounts of office spaces available for sublease, and a sharp overall decline in utilization; and

WHEREAS, The impacts of these trends have led to many Center City office buildings defaulting, risking significant declines in property tax revenue for the City, and an overall lack of market vitality; and

WHEREAS, The City of Philadelphia has taken a number of steps to address the problem, and has been collaboratively working with various Center City stakeholders, including regional and downtown-focused civic groups, major corporate employers, real estate professionals, labor unions and trades councils, and housing advocates to identify solutions to immediately address Philadelphia’s looming office market crisis; and

WHEREAS, One of the strategies where the City of Philadelphia already excels is encouraging the conversion of existing office buildings into mixed use residential structures; and

WHEREAS, The conversion of existing office buildings into residential structures is very difficult in a challenging economic environment characterized by high construction costs, high interest rates, existing floor plans unsuitable for residency, and few remaining office buildings in Philadelphia for conversion; and

City of Philadelphia

RESOLUTION NO. 240897 continued

WHEREAS, There are currently 975 conversion projects in Philadelphia in 2024, with 1701 Market Street at the forefront; and

WHEREAS, A significant potential source of federal funding for office conversion projects is the bipartisan Revitalizing Downtowns and Main Streets Act (H.R. 9002), recently introduced by Representatives Mike Carey (R-OH) and Jimmy Gomez (D-CA) in the U.S. House of Representatives, which would provide \$15 billion in tax credits to spur the conversion of underutilized office and other commercial buildings into housing, helping to revitalize American city centers while increasing the supply of affordable housing; and

WHEREAS, On September 10, 2024, The Pittsburgh City Council adopted a similarly titled resolution calling on its own Council to support the efforts of Congress in passing H.R. 9002. Recognizing the critical role that the Revitalizing Downtowns Act could play in revitalizing not just Center City Philadelphia, but many of America's great cities while creating thousands of new affordable housing units and construction jobs, Philadelphia City Council wishes to formally offer its support of the passage of The Revitalizing Downtowns Act; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby joins the Council of the City of Pittsburgh in calling on Congress to pass H.R. 9002, the "Revitalizing Downtowns and Main Streets Act", assisting American cities by providing tax credits to spur the conversion of underutilized office and other commercial buildings into housing, thus helping to revitalize city centers while increasing the supply of affordable housing.