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House of Representatives commonwealth of pennsylvania harrisburg

July 25, 2023

The Honorable Josh Shapiro Governor of Pennsylvania 508 Main Capitol Building Harrisburg, PA 17120

Dear Governor Shapiro,

Recently Johnstown officials sent correspondence to your office listing their priorities for the city. While I am willing to work with Johnstown officials on the other measures contained in the requests for state funding and project priority list forwarded to me by Mayor Janakovic and Mr. Pasquerilla, I strongly disagree with two aspects of their plan.

First, I cannot and will not support a special exception that would allow Johnstown to continue taxing employees in the city with an increased Local Services Tax (LST) of \$3 per person per week. After many years of state oversight, Johnstown has left the Act 47 distressed status that permitted this higher tax rate in the first place.

As such, the LST should revert to the non-Act 47 rate of \$1 per person per week. Anything more than that amounts to a tax INCREASE. I understand that keeping the LST at \$3 per week would raise extra money – but it also means taxing workers at a rate 200 percent higher than what it needs to be.

I urge city officials to abandon this quest for higher taxes, and wish to say that if they press ahead with this LST tax plan, and should that effort succeed, this higher tax rate would be implemented without my support and over my protest.

Second, Johnstown officials are seeking your support as Governor for a \$500,000 U.S. HUD Choice Neighborhood Planning Grant. According to their request, they seek this federal funding to "set Johnstown up for as up for as much as \$50 million in HUD implementation grant funding."

While I can agree with the stated goal of transforming public housing in Johnstown, if this effort does not simultaneously significantly REDUCE the number of public housing units in the county, it will ultimately do nothing to address the serious problems Johnstown and Cambria County face by having 1,900 public housing and Section 8 voucher units – a number that FAR exceeds true local need.

This has been proven by a slew of recent news stories and information gleaned from Right-to-Know Law requests, which have documented how Johnstown and Cambria County have been adversely impacted by an excess of public housing units.

Governor, I believe before throwing your weight behind this particular project you should be made aware that:

- Johnstown has FIVE TIMES the amount of public housing units as other cities its size.
- 80 families per month (mainly from Philadelphia) are moving to Johnstown just to live in public housing.
- 50% of the Johnstown Housing Authority's 1,504 public housing units are occupied by people who came from outside Cambria County.
- \$12,500 is the average household income of those relocating here for public housing.
- Many of these residents stay long enough to obtain a Section 8 voucher, then return to where they came from, sticking the JHA with a rent bill that has reached \$1.8 million per year.

Now is the time to correct Johnstown's overabundance of public housing operated by the JHA by making sure any transformation includes right-sizing our public housing to meet the demands of our community – and only our community.

Unless this matter is explicitly addressed as a condition of securing huge amounts of additional HUD project funding, I don't think Johnstown or the region will ever be positioned to make a turnaround. We cannot continue putting an imported burden on our police, schools, hospitals and social services. And we certainly cannot engineer any meaningful economic rebirth by bringing in public housing residents and importing poverty from Philadelphia and elsewhere.

Sincerely,

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Frank Burns State Representative 72<sup>nd</sup> Legislative District

CC: Mayor Frank Janakovic Mark Pasquerilla