

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON HOUSING, NEIGHBORHOOD
DEVELOPMENT AND THE HOMELESS

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, November 14, 2019
1:59 p.m.

PRESENT:

COUNCILMAN ALLAN DOMB, CHAIR
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILMAN DEREK S. GREEN
COUNCILWOMAN HELEN GYM
COUNCILMAN AL TAUBENBERGER

BILL 190860 - An ordinance amending Title 7 of
The Philadelphia Code, entitled "Housing
Code," by adding a new Chapter 7-200, entitled
"Preservation of Affordable Housing"...

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COUNCILMAN DOMB: Good

afternoon. This hearing is called to order, and I want to recognize the presence of a quorum of Committee members. Members of the Committee in attendance are, to my far left, Councilmember Al Taubenberger, Councilmember Helen Gym. To my immediate right, Vice Chair of this Committee, Councilmember Jannie Blackwell, and to my far right, Councilmember Derek Green.

This is the public hearing of the Committee on Housing, Neighborhood Development and the Homeless. The purpose of this public hearing is to hear testimony on Bill No. 190860 sponsored by Councilmember Derek Green.

I'd like to ask the Clerk to please read the title of the bill before this Committee today.

THE CLERK: Bill No. 190860, amending Title 7 of The Philadelphia Code, entitled "Housing Code," by adding a new Chapter 7-200, entitled

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2 "Preservation of Affordable Housing;" all
3 under certain terms and conditions.

4 COUNCILMAN DOMB: Councilmember
5 Green, would you like to make a statement
6 on this bill?

7 COUNCILMAN GREEN: Thank you,
8 Mr. Chair. This is a piece of
9 legislation that some organizations in
10 the affordable housing community, from
11 Regional Housing Legal Services as well
12 as LISC, had talked to me about the need
13 for this issue.

14 We have a significant
15 affordable housing concern in the City of
16 Philadelphia. I've seen, from my work
17 and experience from being an attorney for
18 the Office of Housing and Community
19 Development over 15 years ago, have seen
20 the reduction in affordable housing units
21 in the City of Philadelphia, especially
22 units where the City and/or state or
23 federal government provide some sort of
24 subsidy to get those units developed. At
25 that time, we were not having the same

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2 level of construction that we do now, and
3 what's happening, that a number of these
4 units are transitioning to market-rate
5 housing.

6 As someone that has a
7 background of small business, a former
8 small business lender, entrepreneur, I
9 definitely don't want to impact the
10 market, but to the extent that we can
11 preserve affordable housing units when
12 we're losing so many, that's the goal of
13 this piece of legislation.

14 I know there's going to be some
15 additional amendments that are being
16 proposed by the Administration. I'm open
17 to working with a number of parties and
18 stakeholders on this legislation to
19 provide the best bill going forward.

20 Thank you, Mr. Chair.

21 COUNCILMAN DOMB: Thank you.

22 Thank you very much.

23 Will the Clerk please call the
24 first panel of witnesses.

25 THE CLERK: Anne Fadullon,

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2 Department of Planning and Development.

3 (Witness approached witness
4 table.)

5 MS. FADULLON: Sorry about
6 that. Working on the next 35 pieces of
7 legislation.

8 Good afternoon, Chairperson
9 Domb, Councilmember Green, and members of
10 the Housing, Neighborhood Development and
11 the Homeless Committee. I'm Anne
12 Fadullon, Director of the Department of
13 Planning and Development, and I'm here to
14 testify on Bill No. 190860.

15 The bill amends the
16 Philadelphia Housing Code by adding a new
17 Chapter on the Preservation of Affordable
18 Housing. The bill provides a regulatory
19 framework through which extended notice
20 would be required for developers of
21 government subsidized housing projects of
22 an impending action that may result in
23 the loss of affordable units. Further,
24 the bill defines a mechanism by which
25 eligible parties would be offered the

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2 opportunity to purchase the property in
3 order to maintain affordability.

4 The Department of Planning and
5 Development is open to a variety of
6 mechanisms to preserve affordable rental
7 housing, and we believe further
8 discussion is warranted on the proposed
9 bill to ensure it achieves its intended
10 goal. The Department looks forward to
11 working with City Council, affordable
12 housing developers, and the
13 Administration to consider how to
14 operationalize this bill in the most
15 effective manner.

16 I'm happy to answer any
17 questions. Thank you.

18 COUNCILMAN DOMB: Councilmember
19 Green.

20 COUNCILMAN GREEN: Thank you,
21 Mr. Chair.

22 Ms. Fadullon, thank you for
23 your testimony. Also thank you for the
24 work that your office is doing in
25 reference to this legislation.

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2 Can you give us some
3 perspective on your thoughts regarding
4 affordable housing in the City and some
5 of the challenges that are currently
6 going on.

7 MS. FADULLON: I'm sorry. Can
8 you repeat the last part of your
9 question.

10 COUNCILMAN GREEN: If you could
11 give some perspective on your thoughts
12 based on your experience currently in
13 your current role and also in your prior
14 role in development of some of the
15 challenges we have regarding affordable
16 housing in the City.

17 MS. FADULLON: Challenges that
18 we've had regarding affordable housing?

19 COUNCILMAN GREEN: Just in
20 general, yes.

21 MS. FADULLON: So I think I've
22 talked about this a little bit or a lot a
23 bit. I think a lot of our challenges are
24 different than sort of what is taking a
25 lot of energy on the national level,

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which is really about very high-cost cities and having a limited supply. We don't necessarily have those exact same issues here, so we don't -- our issue isn't necessarily that we just need to build more, more, more, more. Our issue is more that we have very old housing stock and we have very low incomes. So a lot of it is about how do we preserve the existing stock we have.

For example, if you consider housing or our buildings similar to how you consider other infrastructure, we're a 350-year-old city. We're talking about how do we replace our roads, our bridges, our sewer system, all those things that are starting to deteriorate, because they've been around a long time. The same thing is true of our buildings.

A huge percentage of our buildings are not only 40 years old, but they're 50 years old, 60 years old, 70 years old. So our buildings are starting to -- are more than starting to

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deteriorate. So a lot of our effort is
around how do we preserve that.

I think another issue for us
around affordable housing, particularly
preservation, is that we used to get a
lot more federal dollars, so we were able
to produce a lot more units. A lot of
those units are now starting to age out
of their compliance periods, and they are
at risk of being lost, because we don't
have the same amount of dollars to
recapitalize. And so I think we are
working very diligently with a lot of the
advocates about how do we come up with
different solutions in order to be able
to preserve those units.

And I have to say one other
thing. I'm sorry. And, again, getting
to very old units with very low incomes,
we have to really continue to push on the
income issue, because costs are not going
to go down for producing housing, and if
income continues to stay flat or decline,
that disconnect, that disparity, it's

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2 only going to get greater and greater and
3 greater.

4 COUNCILMAN GREEN: Right. I
5 would agree with you. I think the number
6 one issue in the City of Philadelphia is
7 poverty. One of the best ways to address
8 poverty is by increasing jobs, and the
9 best creator of jobs are small
10 businesses.

11 And I also -- well, before I go
12 to my next point, what's the current
13 amount of dollars, without giving a
14 specific number but just a range, of
15 dollars that the City receives under the
16 Consolidated Plan?

17 MS. FADULLON: So from the
18 federal government, we receive about,
19 between HOME dollars and Community
20 Development Block Grant, I'd say it's in
21 the area of about 50 million. Then we
22 get another 33 and a half million from
23 continuum of care that ends up going to
24 the Office of Housing -- I'm sorry;
25 Office of Supportive Housing, which I

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2 think is Liz Hersh's shop. So all told
3 from the federal government, we probably
4 get in the vicinity of about \$100
5 million.

6 From the state, our shop
7 doesn't get as much money. We get a few
8 million, which is kind of a passthrough.
9 And then from our Housing Trust Funds,
10 thanks to this body and the
11 Administration, we have about, I would
12 say, \$13 to \$15 million a year coming
13 through the recording fee piece and then
14 we have gotten \$20 million over the last
15 two years in the other fund.

16 COUNCILMAN GREEN: And part of
17 the issue of why we've had to create a
18 Housing Trust Fund, and actually I have
19 another bill to try to provide additional
20 dollars to the Trust Fund, especially for
21 the lowest income individuals with regard
22 to a density bonus, but part of that is
23 that we at the local level have had to
24 make up for the lack of resources that
25 we've been receiving at the federal

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2 level.

3 When I used to represent the
4 Office of Housing and Community
5 Development, we were probably getting in
6 the Con Plan well over \$200 million. So
7 I can only imagine -- that's just City of
8 Philadelphia. When you look at other
9 cities around the nation, the lack of
10 resources we've been receiving through
11 the Community Development Block Grant or
12 our Consolidated Plan has gone down
13 dramatically.

14 I participate as part of the
15 large City Council for the National
16 League of Cities, and I talk to my
17 colleagues in a number of cities about
18 the fact that we are not receiving the
19 dollars that we used to to address
20 affordable housing, and I'm specifically
21 concerned in reference to cities on the
22 East Coast who are old like Philadelphia
23 and also have the same level of
24 resources. Whereas, Boston, they have
25 more resources than we do per capita, but

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2 other cities like Baltimore,
3 Philadelphia, you look at Wilmington,
4 there's other cities, East Coast cities,
5 that have an older infrastructure having
6 the same issues.

7 So willing to work with you on
8 addressing some of these issues, and I
9 agree that because we have such an older
10 housing stock, things become much more
11 expensive and the dollars that we can use
12 to support affordability in our city is
13 very important.

14 So thank you.

15 MS. FADULLON: Thank you.

16 COUNCILMAN DOMB: Thank you,
17 Councilman Green.

18 I have a question for you, Ms.
19 Fadullon. Very nice testimony, by the
20 way. Thank you.

21 Do we offer financial literacy
22 courses to people in these programs or
23 entrepreneurship courses to anyone in any
24 affordable housing units, that they could
25 take those courses for free to help them

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2 advance their own personal position in
3 life?

4 MS. FADULLON: So we do offer
5 some financial literacy services through
6 our housing counseling agencies. We have
7 increased the funding for that. It's not
8 sufficient funding to be able to do it
9 with everybody, but, yes, that is
10 something that we have been working on to
11 expand that.

12 And then also I would say with
13 our tax credit projects, they are
14 required to have supportive services as a
15 component of that, and oftentimes part of
16 that supportive services that they offer
17 is financial counseling, budget training,
18 those kinds of things to help people
19 increase their income, be able to budget,
20 and hopefully build some up to eventually
21 potentially have the ability to move out
22 of a tax credit unit into a homeownership
23 unit. And I know Andy Frishkoff is here
24 with LISC, and they do a lot of that work
25 as well.

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COUNCILMAN DOMB: Okay. Thank
you. Thank you for your testimony today.
Thank you.

MS. FADULLON: Thanks. Thank
you.

THE CLERK: The next witness is
Andrew Frishkoff, who is the Executive
Director of the Local Initiatives Support
Corporation, or LISC.

(Witness approached witness
table.)

MR. FRISHKOFF: Good afternoon,
Chairman Domb, members of the Committee,
especially Councilwoman Blackwell, who
represents the district in which I live,
and Councilmember Green. My name is
Andrew Frishkoff. I'm the Director of
LISC Philadelphia, Local Initiatives
Support Corporation, and I would like to
present testimony regarding Bill No.
190860 specifically about preservation of
affordable housing through Right of
Notice and Right of First Refusal.

I would like the permission, if

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2 it's okay, to bring up two colleagues
3 from Community Legal Services and
4 Regional Housing Legal Services in case
5 there are questions that they would be
6 better able to answer than I.

7 COUNCILMAN DOMB: That's fine.
8 (Witnesses approached witness
9 table.)

10 MS. SCHLOSSBERG: Good
11 afternoon. Thank you to the panel and to
12 particularly Councilmember Green and
13 Chairman Domb. My name is Dina
14 Schlossberg and I am a Deputy Director of
15 Regional Housing Legal Services, and our
16 organization is an active member of the
17 Preservation Network that I believe Andy
18 is going to talk about.

19 MS. GARLAND: Good afternoon.
20 My name is Rachel Garland. I'm the
21 Managing Attorney in the Housing Unit at
22 Community Legal Services and also a
23 member of the Preservation of Affordable
24 Housing Network.

25 MR. FRISHKOFF: So I'd like to

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thank Councilmember Green for his
leadership in introducing this bill, to
all the Councilmembers on the Committee
for your commitment to preserving
affordable housing in the City of
Philadelphia.

These are precarious times for
lower-income families and individuals,
making the need for affordable housing
development and preservation especially
acute. One in four households in
Philadelphia struggle to pay rent.
Philadelphia lost nearly 24,000
market-rate apartments with rents of \$750
or less in the past 15 years, and an
estimated 10,000 units of affordable
housing may be at risk of loss in the
next 20 years in Philadelphia due to
expiring funding contracts from federal
agencies or through Low Income Housing
Tax Credit expirations.

As most of you are aware, safe,
quality, affordable housing creates
opportunities for stable employment,

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serves as a foundation for educational advancement, and continuity of healthcare provision. With the disappearance of naturally occurring affordable housing, preservation of publicly assisted affordable housing becomes increasingly crucial. Publicly assisted affordable rental housing uses federal subsidies such as the Section 8 project-based program and the Low Income Housing Taxing Credit program to support construction and affordable rents for seniors, people with disabilities, and other lower- and moderate-income households.

Unfortunately, publicly assisted housing is also at risk due to expiring subsidy contracts and affordability requirements. Data from the National Housing Preservation Database suggests by 2035 as many as 10,000 units may be at risk, and every Council district in the City of Philadelphia may have at least 100 at-risk units. This is especially

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sobering when we consider the publicly
assisted properties that have been lost
previously.

For example, in 2016, nearly
220 lower-income seniors were displaced
when the building owner of Overmont House
converted the property to student
housing. The property had been
subsidized through Federal Housing
Finance Funding and provided Section 8
subsidies to seniors for 40 years.

Foundation for the Future:
Developing Philadelphia's Housing Action
Plan is the companion to the City's
Housing Action Plan that was released
earlier this year. It includes core
recommendations and strategies to address
at-risk properties and preserve
affordable rental housing in the City,
which include improving available and
actionable data about publicly assisted
affordable rental properties so we can
actually know more clearly what the state
of properties are and when they may

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actually be coming up for subsidy renewal or expiration; strengthen the capacity of residents, owners, and others to repair, recapitalize, and manage properties; develop new financing options and revenue streams to preserve at-risk properties; and enact new laws and regulations to support long-term preservation of affordable rental housing.

Bill No. 190860 falls within this fourth strategy. The goal of this bill is twofold:

Right of Notice: Owners to provide a 24-month notice when affordability periods or rent subsidy contracts expire so the City and interested advocates and purchasers have time to develop a preservation plan.

Right of First Refusal:
Opportunity for a qualified non-profit developer, government agency, and/or a tenant association to purchase the property and commit to keeping it affordable.

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The two-year process will create an opportunity for developers and building owners to engage in an open and transparent process for preserving affordable housing. The timeline provides owners with -- that owners will provide notice to the City. The City will have ten days to forward the list of properties to eligible parties and post publicly. Eligible entities have 180 days to provide bona fide offers to owners. And if no bona fide offer is received, the owners can secure a purchaser and must notify the City of purchase price. Eligible entities have an additional 60 days to reach a matched agreement of sale. And throughout the process, owners can market the property and sell to an entity that agrees to affordability restrictions.

Through discussions within the Preservation Network, I am aware that there are requests to clarify some of the proposed timelines in the bill and that

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2 the Administration is proposing some
3 technical amendments. LISC is not
4 opposed to any such friendly amendments
5 that will strengthen the bill. I would
6 also support language that specifies the
7 need for a regulatory framework that can
8 be completed prior to the date that the
9 provisions of Bill 190860 would take
10 effect.

11 As we know, Philadelphia is
12 experiencing a period of economic and
13 population growth. In tandem with the
14 other three preservation strategies
15 included in Foundation for the Future,
16 Bill No. 190860 will further
17 Philadelphia's prosperity by helping
18 residents stay in their homes and
19 neighborhoods while they seek further
20 economic opportunities.

21 Thank you.

22 COUNCILMAN DOMB: Thank you for
23 your testimony.

24 And the Chair would like to
25 recognize Councilmember Green.

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COUNCILMAN GREEN: Thank you,
Mr. Chair.

I've heard some perspective
regarding this legislation, that it would
impact the ability for the City to have
additional affordable housing going into
the future. I wanted to get your
perspective on that position and also how
this legislation may impact in a negative
way the affordable housing market.

MR. FRISHKOFF: I don't know
that there's any clear indication and no
data that I'm aware of from other cities
that enactment of these provisions would
have a deterrent effect on creation of
new affordable housing proceeding
forward. This simply creates a
regulatory framework to allow for a
disposition of properties, if the owners
choose to sell, which would allow for new
owners to maintain affordability.

I think the other thing I would
just state is that, generally speaking,
preservation of affordable rental housing

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2 generally is a less expensive task than
3 creation of new affordable rental housing
4 for the same residence. Generally it may
5 take \$350,000 per unit to create a new
6 affordable rental unit, and it may take
7 as little as 40,000 or up to 200,000
8 typically for preservation.

9 So the other thing I think we
10 would want to look at in the calculus is
11 maintaining affordability of these units
12 is greater than creation of new just in
13 terms of the cost benefit to the public.

14 COUNCILMAN GREEN: So you're
15 saying from a cost-benefit analysis, it's
16 more expensive to build additional
17 affordable housing units than to preserve
18 existing affordable housing units. And
19 considering that we have a declining
20 number of affordable units and a limited
21 amount of resources, anything that we can
22 do to maintain the number of our existing
23 units, even though that number is not
24 enough, is something that you would be
25 supportive of?

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2 MR. FRISHKOFF: Yeah. So I
3 would say so we don't have enough
4 affordable units, but a reduction in the
5 existing number is a cost that we cannot
6 afford for our city, and it simply would
7 cost almost twice as much to keep pace
8 for any units that we lose to create a
9 new replacement unit.

10 COUNCILMAN GREEN: Any other
11 commentary from members of the panel?

12 MS. GARLAND: I think the other
13 important aspect is that the affordable
14 housing that we stand to lose right now
15 is often in neighborhoods of opportunity,
16 and in order to build new affordable
17 housing, we're not going to be able to
18 build them in the same neighborhoods of
19 opportunity. And so in an attempt to
20 stop the concentration of poverty in
21 certain neighborhoods, it's really
22 important that we are able to hold onto
23 the affordable housing in the
24 neighborhoods -- sorry. I believe it's
25 important that we be able to hold onto

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2 the affordable housing that currently
3 exists in neighborhoods of opportunity,
4 such as University City.

5 COUNCILMAN GREEN: When you say
6 "neighborhood," just for the record can
7 you define how you view neighborhoods of
8 opportunity. It can be a different
9 phrase for different people.

10 MS. GARLAND: So neighborhoods
11 of opportunity are neighborhoods that are
12 close to public transportation, close to
13 jobs, close to good schools, close to
14 people's places of employment that help
15 lift families out of poverty as opposed
16 to neighborhoods that are further away
17 from these other opportunities. And for
18 children, there are statistics that show
19 that if you grow up in a neighborhood
20 where you have access to a good
21 education, to food, to your parents being
22 able to go to work, you're much more
23 likely to be able to pull yourself out of
24 poverty than if you live in a
25 neighborhood where you're far away from

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2 these things.

3 And so it's important that we
4 as a city be able to look holistically
5 where we currently do have affordable
6 housing and how do we continue to
7 preserve affordable housing in those
8 specific neighborhoods and not just look
9 in totality at the City and say, well, we
10 have X number of affordable housing units
11 and it doesn't really matter where they
12 are in the City.

13 MS. SCHLOSSBERG: Thank you.
14 Yes. I just want to echo what Rachel has
15 just described. We are very concerned
16 that residents that are living in
17 neighborhoods that are moving towards
18 stability, moving towards transforming --
19 particularly transforming kind of
20 economics, that the people who live in
21 those units have an opportunity to reside
22 in that community over a longer period of
23 time.

24 We can answer also if there are
25 any technical questions about this bill.

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2 I know it -- we'd be happy to answer any
3 of the technical questions as we -- if
4 you have any questions about what
5 eligible party or Right of First Refusal,
6 et cetera.

7 COUNCILMAN GREEN: If you could
8 maybe just for the sake of the record
9 just walk through the kind of timeline to
10 give a little perspective on the thinking
11 that went into the aspects of notice as
12 well as the aspect of the Right of First
13 Refusal.

14 MS. SCHLOSSBERG: Sure. I'll
15 start. You guys chime in.

16 So the way it's perceived or
17 the way it's described is that if a party
18 who has a covered or protected action is
19 interested in, say, selling their
20 building or perhaps deciding in advance
21 that they're no longer interested in
22 having a long-term contract for, say,
23 project-based Section 8, they're required
24 to give notice that -- it would be as
25 Andy Frishkoff has described, 24 months,

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2 in advance of the action that you intend
3 to take.

4 That notice has to be provided
5 to the City of Philadelphia, to the
6 local -- the District Councilperson, to
7 the Office of Department of Planning at
8 the City, and also has to go to Community
9 Legal Services and to the tenants. And
10 that notice is simply to advise that the
11 party is interested in taking that
12 action; that once that notice has been
13 provided, the City has ten days to
14 provide that notice to a group of already
15 pre-qualified parties who have been
16 pre-qualified to be able to enter into an
17 agreement and the opportunity to purchase
18 their property, if that is the action, if
19 the party is intending to sell.

20 For the first six months after
21 the notice has been provided, the seller
22 may only enter into an agreement with one
23 of those pre-designated eligible parties.
24 It doesn't stop a seller from marketing.
25 It doesn't stop a seller from having

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conversations. It's simply asking the sellers to take a pause and allow the coordinated, I guess, network to find a buyer who might be interested in keeping the property affordable for a longer period of time.

At the end of that six-month period if there is not an eligible party that has come forward that has reached an agreement with the seller -- we can't make a seller enter in an agreement they don't want to enter into, but if at the end of that six-month period if there is no agreement, the seller or the property owner is free to take other action.

If that property owner enters into a contract or an agreement with another party who is not an eligible party, they are then required to give those material terms back to the City so the City has another 60 days -- that's the Right of First Refusal -- to try to find a purchaser who would be willing to keep the property or interested in

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2 keeping the property affordable over a
3 longer period of time.

4 COUNCILMAN GREEN: I have no
5 other questions.

6 Thank you, Mr. Chair.

7 COUNCILMAN DOMB: Thank you,
8 Councilmember Green.

9 Thank you for your testimony.
10 I do have one or two questions I wanted
11 to ask you.

12 The 8,600 affordable homes and
13 apartments that you currently have in
14 Philadelphia, what's the average rent of
15 those properties?

16 MR. FRISHKOFF: So these are
17 the ones where LISC has financed or done
18 equity investments in the National Equity
19 Fund. So I would say typically they are
20 in the range of \$750. That will vary
21 both by the age -- so some of them we did
22 30 years ago. Others more recently will
23 probably have a higher rent, and it will
24 also depend on the unit size.

25 COUNCILMAN DOMB: And the other

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2 question, just as a suggestion, because
3 it's something that's important to all of
4 us. Are you familiar with Benefits Data
5 Trust?

6 MR. FRISHKOFF: Yes.

7 COUNCILMAN DOMB: So I have
8 carried this chart, it's pretty ratty, in
9 my pocket. But it shows there's \$450
10 million of federal money that we leave on
11 the table, and I'm just wondering if
12 there's any way that you could connect
13 those people, the 8,600 people, to these
14 programs, or maybe you're already doing
15 that, but the more we can get this money
16 in their hands, the better it will be for
17 everybody.

18 MR. FRISHKOFF: I think we can
19 all do a better job. There have been
20 efforts, some of which were led by HUD,
21 to try to create information networks for
22 both Housing Authority residents as well
23 as residents in other federally assisted
24 properties. I don't know the current
25 status of those. We try to do it in

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2 partnership, but I think we could do
3 better. And I do think if the Benefits
4 Data Trust were able to have the contact
5 list -- that's all the key for them in
6 their model -- then it would be possible
7 for their model to be --

8 COUNCILMAN DOMB: So would it
9 be okay for us to set up something with
10 Benefits Data Trust and your firm to see
11 if we can get a better --

12 MR. FRISHKOFF: So the only
13 caveat being since we're the lender and
14 not the owner of record, we would be able
15 to do referrals, but we wouldn't have the
16 list of the residents. But, yes, we'd be
17 happy to be an intermediary in that
18 conversation.

19 COUNCILMAN DOMB: Because the
20 more we can get this money out, the
21 better.

22 Thank you. Thank you for your
23 testimony.

24 Any other questions?

25 (No response.)

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2 COUNCILMAN DOMB: Seeing none,
3 thank you for your testimony.

4 (Thank you.)

5 THE CLERK: The next witness
6 will be Jacob Fisher, Regional Vice
7 President of Pennrose, LLC.

8 (Witness approached witness
9 table.)

10 MR. FISHER: Good afternoon,
11 Chairman Domb, Vice Chair Blackwell,
12 Councilman Green, distinguished members
13 of the panel. Thank you very much for
14 the opportunity to testify today. My
15 name is Jacob Fisher. I'm Regional Vice
16 President with Pennrose, LLC. On behalf
17 of my company and its owners, Richard
18 Barnhart, Mark Dambly, and Tim Henkel,
19 I'm here to speak in opposition to the
20 proposed legislation. As developers and
21 proponents of affordable housing, we
22 recognize that the intent of this bill is
23 to extend affordability, but we feel that
24 the legislation takes the wrong approach.

25 First, the bill presumes that

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any sale or expiration of an
affordability covenant means that the
project will inevitably become market
rate. This has not historically been the
case. Over Pennrose's 40-year history,
we have developed 1,559 units of
affordable housing in 34 separate
developments in Philadelphia. Over that
time period, we have occasionally sold or
otherwise transferred ownership of our
properties to our non-profit partners.
In some cases, rather than sell, we have
secured new resources to renovate a
property and extend its affordability;
for example, Regent Terrace in Southwest
Philadelphia. In 1988, we converted a
dilapidated, vacant historic building
into 80 affordable housing units. Then
17 years later, in 2005, we secured
resources to renovate it and extend the
affordability for another 30 years. We
did the same thing a few years later with
96 units in Strawberry Mansion. And in
only one case have we sold a property

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2 which was then converted to market rate,
3 which was Cloisters in West Philadelphia
4 in Councilwoman Blackwell's district. It
5 consisted of 110 units which went to
6 market rate, which means that 1,449 of
7 the units that we have developed in
8 Philadelphia remain affordable.

9 The second problem that we have
10 with the bill is that it interferes with
11 the design of the Low Income Housing Tax
12 Credit program. The tax credit program,
13 which is hands down the most successful
14 engine for the development of affordable
15 housing in the history of this country,
16 has helped to fund almost all of
17 Pennrose's Philadelphia developments.
18 Participation in this program requires
19 many trade-offs. The tax credit
20 developer foregoes the potential
21 short-term gain from developing, leasing,
22 and selling a market-rate property.
23 Instead, commits to keeping the property
24 affordable for a minimum period of 30
25 years, maintaining the property,

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investing in capital improvements,
funding operating deficits as needed, and
basically doing the right thing for that
period of time. In doing so, the
developer earns a fee and earns the
opportunity that at the end of 30 years,
the property would have the potential,
under the right conditions, to be sold at
a market price, with minimal regulatory
impediment. This bill, which would be
applied to any affordable property
regardless of when it was developed and
how much time is left on its
affordability covenant, reneges on this
original premise of the tax credit
program.

Finally, the timelines required
by this bill create problems for tenants,
owners, and potential buyers. Providing
a two-year Notice of Intent to Sell will
cause unnecessary stress for residents.
It creates an atmosphere of uncertainty,
where in reality the property may never
become market and the tenant may not have

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2 anything to be concerned about.

3 The required two-year notice
4 may also impact an owner's ability to
5 sell and a buyer's interest in buying.
6 Whether you're selling an apartment
7 complex or selling a house, time is of
8 the essence in any real estate
9 transaction. An offer available today
10 may not be there in six to eight months
11 because market conditions may have
12 changed, interest rates have gone up, or
13 buyers moved on to another property. The
14 bill slows things down too much. It
15 requires that the owner delay the wider
16 marketing of their property for six
17 months. Then it requires that the owner
18 offer a Right of First Refusal to a group
19 of eligible buyers that already did not
20 buy the property during the initial
21 period. These waiting periods may
22 diminish the value of the property by
23 making buyers less interested or it may
24 kill the possibility of a sale by turning
25 buyers off completely.

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It's not clear how distorting the market in this way serves the intent of extending affordability. Rather, it penalizes developers and creates a more inhospitable environment for developing affordable housing in the City.

If the goal is to preserve affordable housing, here are some suggestions to modify the bill or to introduce a new program. One is to create a fund that helps firms to acquire properties coming out of compliance or to help owners re-syndicate their properties and extend the affordability period, as Pennrose did with Regent Terrace and in Strawberry Mansion.

Second, provide housing vouchers to tenants in properties that might be subject to sale and conversion to market rate to ensure that they have ongoing opportunities to pay an affordable rent either in their current community or another one.

Finally, consult with

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2 developers to determine appropriate
3 timelines that work with market
4 conditions and do not impede developers'
5 ability to sell.

6 Pennrose would be pleased to
7 work with this Committee and others to
8 design -- on the design of any program or
9 bill that would create new and preserve
10 existing affordable housing, but we feel
11 that this proposed bill is not the answer
12 as drafted.

13 Thank you very much for the
14 opportunity to present to this Committee.

15 COUNCILMAN DOMB: Thank you for
16 your testimony.

17 Councilmember Green, I think
18 you have some comments.

19 COUNCILMAN GREEN: Thank you,
20 Mr. Chair.

21 Mr. Fisher, thank you for being
22 here to testify. If I'm correct, you
23 previously worked for at that time I
24 think it was the City's Office of Housing
25 and Neighborhood Preservation; is that

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2 correct?

3 MR. FISHER: No. I worked
4 under Mayor Street on the Neighborhood
5 Transportation Initiative.

6 COUNCILMAN GREEN: Right. But
7 part of the Street Administration under
8 NTI, which was working closely, which was
9 the Office of Neighborhood Transportation
10 Initiative, which also worked closely
11 with the Office of Neighborhood
12 Preservation, which was the name after it
13 was the Office of Housing and Community
14 Development, and now it's Department of
15 Community Development. The names have
16 changed quite a bit.

17 MR. FISHER: If you say so, I'm
18 agreeing.

19 COUNCILMAN GREEN: But clearly
20 you've worked in City government, worked
21 with a number of different housing
22 agencies over time and very familiar with
23 the work that's done by the various
24 departments in your previous role before
25 you joined Pennrose as a Regional Vice

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2 President.

3 So I'm looking at your
4 testimony, and I just had a few
5 questions, if you can maybe provide some
6 more clarity. In the second paragraph of
7 your testimony, you make reference to the
8 fact that the bill presumes that any sale
9 or expiration of an affordable covenant
10 means that the project will inevitably
11 become market rate. Can you give some
12 perspective on that?

13 MR. FISHER: Well, so when Andy
14 Frishkoff testified earlier, he cited
15 some statistics that basically talked
16 about, I think he said, 10,000 units
17 or -- correct me if the number, but those
18 are properties that I guess will be
19 coming out of compliance -- either coming
20 out of a compliance period or coming out
21 of some long-term subsidy contracts, and
22 the potential is there, to sort of the
23 mind of the drafters of the bill, that
24 any one of those properties could become
25 market rate. And so it presumes that the

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2 end of a compliance period means that
3 there is a move towards that property
4 becoming market rate.

5 COUNCILMAN GREEN: So the fact
6 that this legislation as currently
7 drafted -- and I'm open to working with
8 some amendments. I know the
9 Administration has some amendments that
10 will be forthcoming. But the mere notion
11 that legislation that requires some type
12 of notice and a Right of First Refusal,
13 you're saying that the legislation, just
14 by having those two steps, presumes that
15 all LIHTC properties become market rate?

16 MR. FISHER: Yeah, or presumes
17 that they're in danger or susceptible to
18 becoming market rate.

19 COUNCILMAN GREEN: But they are
20 susceptible to become market rate,
21 because if you look at your second
22 paragraph -- I'm sorry; the third
23 paragraph of your testimony, you talked
24 about your second problem with the bill
25 is that it interferes with the design of

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2 the Low Income Housing Tax Credit
3 program. So give me some perspective how
4 it interferes.

5 MR. FISHER: So the Low Income
6 Housing Tax Credit program, which was
7 established in 1986 as part of the Tax
8 Reform Act, creates the incentive for a
9 public-private partnership, and that
10 partnership is built on a private entity,
11 which could be a for-profit or a
12 non-profit, developer to find a piece of
13 land, put together the financing for a
14 deal that will be affordable in
15 exchange -- and then present that project
16 to the financing agencies. The financing
17 agencies award tax credits to that
18 program, to that project, and the
19 developer has the opportunity to sell
20 those credits to a private investor, and
21 in exchange for the resources that come
22 from that sale, the developer is agreeing
23 to a number of things.

24 One, they're agreeing to
25 provide all of the guarantees, the

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2 operating deficits, the construction
3 guarantees, completion guarantees that
4 you're going to lease it up to people
5 that are in fact income qualified, for a
6 period of time, and that period of time
7 is 30 years. And in exchange for those
8 resources, the developer is making that
9 commitment for 30 years. And the way
10 that the program is drafted is that after
11 that 30 years, the compliance and the
12 deed restrictions are lifted, and so the
13 developer has choices of what to do with
14 that property, whether it's to sell it,
15 whether it's to continue to own it, keep
16 it affordable, whether it's to convert it
17 to market rate if the conditions in the
18 neighborhood where it is allow for it.
19 They have options. And this would --
20 this legislation would seem to not
21 eliminate those options, but certainly
22 slow them down and make it more difficult
23 and more onerous at the back end of that
24 compliance period for the developer to
25 take the next step, whatever that's going

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2 to be.

3 COUNCILMAN GREEN: Right. Slow
4 down the options to sell it from a
5 market-rate perspective.

6 MR. FISHER: Correct. Or sell
7 it at market, whether it's to -- because
8 it also --

9 COUNCILMAN GREEN: Well, sell
10 it at market and market rate, aren't they
11 synonyms?

12 MR. FISHER: Well, there's
13 market for affordable. There's market
14 for market rate. Those might be two
15 different numbers. They could be the
16 same number. And it also limits the pool
17 of potential buyers at the outset, and
18 this bill requires that those potential
19 buyers are all non-profits. Well,
20 there's plenty of for-profits out there
21 that buy and sell affordable housing and
22 maintain affordability. So this seems to
23 create a pretty tight circle of who could
24 be your potential buyer.

25 COUNCILMAN GREEN: Granted. I

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2 mean, that's one of the revisions I'm
3 looking in the legislation, that if
4 you're a for-profit or non-profit entity
5 committed to keeping a Low Income Housing
6 Tax project affordable, you should be
7 able to purchase the property at market,
8 and that's something that we're looking
9 to amend.

10 But looking at your testimony,
11 when you say it interferes, it gives a
12 perspective that it's a presumption that
13 market-rate developers -- well, those who
14 want to sell this project at market rate
15 will be interfered with. So that
16 contradicts with your initial perspective
17 of the presumption.

18 MR. FISHER: How does it --

19 COUNCILMAN GREEN: Well, you're
20 saying that the legislation presumes that
21 any project will inevitably become a
22 market-rate project, but then you're also
23 saying that we don't want to have
24 restrictions on the ability for options
25 for a developer that takes a 30-year

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commitment to then be able to sell to a
market-rate developer. So your
presumptions are somewhat in
contradiction, because you can't say in
the first set that this legislation
believes that all projects that have a
tax credit project become market rate,
but then you're also concerned about the
option to be able to sell at a
market-rate perspective.

MR. FISHER: Well, it seems to
treat -- I mean, we can certainly debate
what the testimony says. I mean, it
seems to treat the potential that
properties will go -- like the potential
that any of these properties coming out
of their compliance period will go market
rate and uses, I would say, a
sledgehammer approach to say before
you -- once that compliance period comes
off, we want to take -- we're worried
that you're going to take this market
rate, and so here's a whole system of
regulations and notice periods and Rights

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2 of First Refusal that will sort of limit
3 for a period of time your flexibility as
4 the owner of this property that's owned
5 it for 30 years and done the right thing
6 to take whatever the next step is with
7 your property.

8 COUNCILMAN GREEN: And so your
9 perspective is that this legislation in
10 reference to both a notice requirement of
11 Right of First Refusal is a sledgehammer
12 approach that Pennrose does not support?

13 MR. FISHER: Yes.

14 COUNCILMAN GREEN: Okay. Is
15 that a new perspective?

16 MR. FISHER: New to?

17 COUNCILMAN GREEN: Is it new
18 that Pennrose does not support this type
19 of dynamic of Right of First Refusal?

20 MR. FISHER: No. So I think
21 what Pennrose is in support of is
22 flexibility to take whatever approach to
23 disposition or the retention or the
24 re-syndication or the extension of
25 affordability periods that we have at our

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disposal when these compliance periods
expire and not to be limited by sort of a
change of the rules from when we
started -- for when we built the property
and what was expected at the tail end,
not to be limited by that. And that's,
again, not to say that it goes market.
There's much more -- there are many
examples of these properties staying
affordable without the advent of some
other system of regulations that sort of
limits how the property is disposed of.

COUNCILMAN GREEN: I guess my
point is that you now believe that a
Right of First Refusal is a sledgehammer
approach?

MR. FISHER: Well, so I think
that the sledgehammer side of it is you
have to wait six months to -- you have to
market for six months to this limited
group of non-profit buyers, which, by the
way, I disagree that it takes six months
to figure out whether you want to buy a
property or not, and then after six

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months, go and market that widely, either
as -- you're now opening the circle of
who you're marketing to and saying, hey,
what's the price, whether it's market,
whether it's affordable, figuring out
what that price is and then going back to
this group that already didn't buy it the
first time and say, here's another bite
at the apple. That buyer in the middle
who waited the six months and then made
the offer, what's their incentive to make
an offer, whether they're offering for
market or affordable, if they know
someone can come and scoop it out from
under them based on this Right of First
Refusal?

COUNCILMAN GREEN: Well, we can
go back and forth on that, but I just
find it interesting, and I'll somewhat
close, that Pennrose now is taking the
perspective that this is a negative
approach. Back in the mid '90s, Pennrose
worked with Center in the Park for Maple
Village, and in that development there

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2 was a Right of First Refusal included in
3 that project. That was done some years
4 ago. And so Pennrose was willing to
5 participate in the Right of First Refusal
6 then. You would think they would want to
7 participate in similar projects for other
8 developments around the City of
9 Philadelphia for a Right of First
10 Refusal, which similarly just provides an
11 opportunity for the non-profit entity to
12 try to purchase the project and keep it
13 affordable. And it's something that I
14 think that we need to do going forward
15 because of the lack of affordable housing
16 units that we have in the City of
17 Philadelphia. It's just interesting that
18 it was okay then, but it's not okay now.

19 Mr. Chair, I'm finished my
20 question.

21 MR. FISHER: May I respond to
22 that? And, Councilman, and this is I
23 think an important distinction to say
24 that, yes, we have accepted and we
25 continue to accept Rights of First

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Refusal on projects with non-profit partners, with housing authorities, with cities all the time. I think that the difference here and the reason that it's objectionable is that it wasn't part of the project and now it's being imposed later on by the City after the fact to a project that is already at some stage of its compliance period. So it is for that purpose changing what the deal was with respect to that particular project.

But I agree that we have accepted Rights of First Refusal on deals and continue to do so if that's what's negotiated up front and that's the terms of getting into the project.

COUNCILMAN GREEN: I was going to finish my question, but since you opened the door. So it seems like in those situations where you have a non-profit that may have counsel or they themselves have the perspective that they need to negotiate a Right of First Refusal at the time of the project,

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that's okay in order for it to be acceptable for Pennrose, but for other organizations that may not have that same level of expertise, it's not okay. So it's good if you're negotiating a Low Income Housing Tax Credit project and you have a non-profit partner that has the skill set and expertise to say we want to have a Right of First Refusal of this project to make sure that we have the ability to purchase this project when the 30-day time period is up, that's okay in that perspective, but for others who may not have the same level of expertise to request that at the negotiating and bargaining table, that's not okay.

I mean, you don't have to answer, but that's clearly what I'm gathering, that if some non-profits have that ability, then we'll be forced to negotiate that because we're now bargaining, but for others that may not have the same level of expertise, so be it. We want to be able to have the

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2 options to be able to sell it if we need
3 to at market rate, even though we've made
4 an investment in this project through
5 public dollars to make this project go
6 forward for affordable housing.

7 Thank you, Mr. Chair.

8 COUNCILMAN DOMB: Thank you,
9 Councilman Green.

10 I have a few questions. I'm
11 not that familiar, so I'm going to ask
12 you some basic questions.

13 Pennrose, give me an example of
14 your company. When you sell a property,
15 you said most of the properties you've
16 sold are going back into affordable or
17 are you redoing them into affordable
18 housing?

19 MR. FISHER: Correct.

20 COUNCILMAN DOMB: When you made
21 those decisions to stay with affordable
22 housing versus going and selling one of
23 the properties for profit, what's the
24 analysis you use to determine that?

25 MR. FISHER: So it's based on

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the situation and the opportunities. So
if there is -- in a lot of cases, just
back to the last set of questions from
Councilman or statements from Councilman,
we have an investment in a neighborhood,
we have a non-profit partner, we have
some other reason why it's really
important that it needs to stay
affordable, then that unit will stay
affordable. In the one case where we
sold a development, there was a market
opportunity and the developer wanted to
purchase it and convert the units to
for-sale units.

COUNCILMAN DOMB: Is the
long-term goal of people who do this Low
Income Housing Tax Credit program after
30 years to sell it at market rate?

MR. FISHER: It's not, no. No.
I think that certainly for us and for
other developers, we're committed to
doing affordable housing, and it's hard
to build a business based on, hey, in 30
years, I might have an opportunity to do

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something with the property. That's not how we work. It's much more calculated. We want to build. We, by the way, have an affiliated property management company, so we manage and maintain the properties that we develop, and our ability and our business is really built on being able to do more affordable housing developments. And so the care that we take to maintain our properties is really what enables us to get more resources to do more of these projects in the future.

COUNCILMAN DOMB: Can you explain to myself and anyone else who might be listening in simple terms the Low Income Housing Tax Credit program, how does that actually work.

MR. FISHER: So the Low Income Housing Tax Credit, as I mentioned, it's a public-private partnership, and the key pieces of it are a site and a developer. So the developer secures a site and then applies for tax credits, and the tax

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2 credits are allocated by a housing
3 finance agency. In Pennsylvania it's the
4 Pennsylvania Housing Finance Agency,
5 which is a steward of the tax credits,
6 which come from the federal government,
7 from the IRS.

8 COUNCILMAN DOMB: Give me an
9 example of tax credits. What are you
10 talking about? Is this a
11 dollar-for-dollar?

12 MR. FISHER: So the tax credit
13 is a reduction in the tax bill of the
14 corporate entity that purchases that.

15 COUNCILMAN DOMB: Is that a
16 dollar-for-dollar reduction?

17 MR. FISHER: So it's a
18 dollar-for-dollar reduction, and it's
19 typically purchased at a discount. So
20 the buyer of the tax credits might pay 95
21 cents for a dollar's worth of tax
22 credits, and the tax credits when
23 monetized, they will provide something
24 like 60 to 70 percent of the equity
25 needed to build a project. So it's a

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2 significant resource. It's a scarce
3 resource. It's allocated to states based
4 on population. \$2.15 of tax credits are
5 allocated per person in a state, and
6 there's a lot of competition. There's a
7 lot of great developers, both for-profit
8 and non-profit, that are competing for
9 these resources all over Philadelphia and
10 all over the Commonwealth.

11 COUNCILMAN DOMB: And after 30
12 years, if you owned one of these
13 properties, could you go back in and try
14 to reapply for tax credits again, or you
15 can't, if you did some renovation work?

16 MR. FISHER: You can. You can,
17 yeah.

18 COUNCILMAN DOMB: So that's the
19 motivation to keep doing, I guess, then,
20 right?

21 MR. FISHER: Right. And in
22 doing that and the trade-off there -- and
23 this was one of the suggestions at the
24 end of my testimony. There's frequently
25 other dollars that are really needed to

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2 help make that deal work, but the public
3 benefit there is that not only are you
4 getting a re-up of the property and a
5 freshening up, but signing on to an
6 additional 30 years of affordability for
7 that property.

8 COUNCILMAN DOMB: Okay. Thank
9 you.

10 I'd like to recognize my
11 colleague Councilman Taubenberger.

12 COUNCILMAN TAUBENBERGER: Thank
13 you, Mr. Chairman.

14 The tax credits you spoke of,
15 they are federal tax credits, correct?

16 MR. FISHER: Correct.

17 COUNCILMAN TAUBENBERGER: And
18 then they would go to the entity who owns
19 the property?

20 MR. FISHER: They're awarded to
21 the property owner and then sold to an
22 investor, and the proceeds from that sale
23 are what fund the development.

24 COUNCILMAN TAUBENBERGER: And
25 who would then be the buyer of those?

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2 MR. FISHER: So the buyer could
3 be anybody. The buyer could be utility
4 companies, it's banks, it's retirement
5 funds. It's a whole --

6 COUNCILMAN TAUBENBERGER:
7 Always being private entities?

8 MR. FISHER: They're always
9 private because you need a tax liability
10 in order to have the tax credit be
11 meaningful.

12 COUNCILMAN TAUBENBERGER:
13 Right. Okay. Very good. Thank you very
14 much.

15 MR. FISHER: Thank you.

16 COUNCILMAN TAUBENBERGER:
17 Mr. Chairman, thank you.

18 COUNCILMAN DOMB: Thank you,
19 Councilman.

20 Seeing there's no other
21 questions, thank you for your testimony
22 today.

23 MR. FISHER: Thank you for your
24 time.

25 THE CLERK: The next witnesses

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2 are Miltreda Kress and Jennifer Bennetch.

3 (Witnesses approached witness
4 table.)

5 COUNCILMAN DOMB: Good
6 afternoon, and thank you for your
7 patience, and please state your name for
8 the record and go forward with your
9 testimony.

10 MS. KRESS: Good afternoon. My
11 name is Miltreda Kress. I'm here because
12 as of October 24th, I was living in my
13 home for four years, three months.
14 October 24th I was unlawfully locked out
15 of my home by a slumlord, Yup Lin Sun,
16 who owns many different properties in
17 Philadelphia, who does not -- she does
18 not have a license for any of her
19 properties, no rental suitability.

20 We went through court and
21 everything. There was a judgment placed
22 on me because I did lawfully hold the
23 rent for two months due to toxic black
24 mold that has made me, my fiance, his
25 father, and my children sick. Two of my

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kids have now been put on asthma pumps,
and I have difficulties where I'm now
seeing specialists for the toxic black
mold that I've been breathing in for the
past four years. I never realized how
bad it was until just recently, so I
started to try to do something about it
so we can maintain our health while being
in the property. And there's also fire
codes on the house now that were just
placed on after we started this process
of going back and forth with the
landlord.

The judge in the case, I
satisfied the judgment that was imposed
against me so that I could stay in my
home. The judge satisfied the judgment,
but denied me repossession of the house,
even though state law says if we pay the
judgment, we stay.

To this date, we're still
homeless. I have been given list after
list after list of places to go for
affordable housing and resources. I have

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not been able to get help nowhere. I
work two jobs. During the day I work for
the City of Philadelphia and at night I
work for a pizza shop doing pizza
deliveries. My fiance works, and my
father-in-law is a disabled vet who gets
a pension check. So he gets about \$2,000
a month for disability and his pension.

My concern here is that the
resources we're being told are out there,
I don't seem to qualify for the
resources, yet I have nowhere to live. I
have nobody that's willing to help me.
I've been reaching out to people. I've
been going to places for almost a month
now. I have one week to get my stuff out
of this house, and they're not even
letting me in the house to get my
belongings. I've been there for over
four years. I have a lot of stuff there.

I don't know what I'm going to
do. My fiance's father, he's disabled
and he's a vet, and he can't even get us
help. So one of the concerns that I have

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here today that needs to be addressed,
that one of the issues to homelessness in
the City is when you are being unlawfully
evicted from your home and you're
supposed to be served papers and the
Sheriff's Department isn't serving you,
the courts aren't serving you, the
landlords aren't serving you, why is the
courts and the judges helping these
landlords, these slumlords, put people
and families out on the streets and
nobody seems to help and there's
nothing -- nowhere for me to go to even
get help. I've been to everywhere, and I
don't know where else to go. So I just
figured I'd come down here and put that
on the record.

Thank you.

COUNCILMAN DOMB: Thank you. I
would like to say this: After this
hearing, if you give us your name and
phone number, we'll see what we can do to
help you. I'm not sure we can, but we
will try our best.

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2 MS. KRESS: I really appreciate
3 it. Thank you.

4 COUNCILMAN DOMB: Thank you.

5 COUNCILWOMAN BLACKWELL: I will
6 as well.

7 MS. KRESS: Thank you so much,
8 Mrs. Blackwell.

9 COUNCILMAN DOMB: Can you
10 please state your name for the record.
11 Thank you very much.

12 MS. BENNETCH: Jennifer
13 Bennetch.

14 Okay. So I'm not really
15 actually opposed to the legislation and I
16 do believe that it's well intended and
17 will prove to be beneficial, and I do
18 think that this legislation should pass.
19 However, I just wanted to come and talk
20 about really shifting perspectives when
21 we're talking about affordable housing.

22 As this woman sitting next to
23 me just said, like government subsidized
24 housing is not affordable housing, and
25 that's the thing that we cannot sit back

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and do, is allow a city to be created
where the only place for poor,
low-income, and middle-income families to
live is in government subsidized housing,
because not everybody qualifies for it.
Not everybody has somewhere to stay while
they're waiting for it.

We have a Housing Authority,
who I have their eviction data from the
years 2013 to 2018. They're evicting
between 8,000 to over 10,000 families a
year. So this is 10,000 families a year
being evicted from public housing. So
now they're not going to qualify for any
other low-income housing programs. So
where do people go?

We can't keep only focusing on
this aspect. We need to incentivize the
private landlords who are providing
affordable housing. There's nothing for
them and they're being targeted by L&I,
they're being fined, they're being taxed
out, and that's how like the situation
that this woman is in.

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You can't take your paycheck
and find a place to go, but you're
probably \$200 annually over the limits to
qualify for any of these subsidies and
these assistances, and even if you do
qualify, where do you go while you're
waiting on it?

But we're not talking about the
Housing Authority. Why are we making any
legislation about this Housing Authority
that's selling and auctioning and
bartering and just playing with the lives
of poor people in our neighborhoods?
They have eradicated affordability in
North Philadelphia. In my neighborhood
five years ago, you could come and you
could get an apartment with your
paycheck. Now there's nowhere to be
afforded in North Philadelphia. They
seized 1,330 properties through eminent
domain in 2015. Since they've seized
these properties, they have sold and
auctioned off almost 800 or disposed of
in other ways properties that are all

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2 within walking distance of the land that
3 was seized through eminent domain.

4 So when we're talking about
5 preserving affordability, that we need to
6 talk about preserving affordability for
7 folks who don't qualify for or can't wait
8 for public housing. We need to talk
9 about putting some accountability on this
10 Housing Authority, because this Housing
11 Authority is just selling everything off
12 and they don't care. And it's not only
13 affecting the people that live in PHA,
14 but it's also affecting the people that
15 live outside of PHA, like how my taxes
16 have quadrupled in the past four years.

17 So we can't just keep just
18 talking about this, like government
19 subsidized housing should not be the only
20 affordable housing. People shouldn't be
21 cordoned off where everybody with a
22 mental disability lives here and
23 everybody who has been incarcerated
24 before lives here and everybody who is a
25 single mother lives in this building and

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2 everybody who is a veteran lives in this
3 building. Like what are we, in Nazi
4 Germany? Like we need to just really
5 raise the perspective of this.

6 I think that there should be a
7 moratorium against the Philadelphia
8 Housing Authority buying, purchasing,
9 acquiring, obtaining, or otherwise
10 disposing of any land until they can
11 house the people on the waiting list. If
12 they're evicting between 8,000 and 10,000
13 people a year and the application process
14 has been closed since the year 2013, how
15 do they still have over 40,000 people on
16 this housing list? Like what is
17 happening in this Housing Authority? And
18 then they're spending \$45 million on the
19 headquarters, but they can't even get to
20 the people on their waiting list.

21 So we just need to really open
22 the perspective on this whole affordable
23 housing thing.

24 Thank you.

25 COUNCILMAN DOMB: Thank you for

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2 your testimony.

3 Any questions from the panel?

4 (No response.)

5 COUNCILMAN DOMB: Thank you
6 very much for your testimony. Thanks for
7 coming in today. Thank you.

8 Is there anyone else here to
9 testify today on any of these bills?

10 (No response.)

11 COUNCILMAN DOMB: Seeing none,
12 we're just waiting for a quorum.

13 (Brief pause.)

14 COUNCILMAN TAUBENBERGER: I'm
15 here.

16 COUNCILMAN DOMB: I realize the
17 benefit of being the Chair of a
18 committee, nicer arms and the chairs are
19 on wheels. I didn't realize that.

20 Okay. Thank you. We'll now
21 move into our public meeting, and the
22 Chair recognizes Councilmember Blackwell
23 for a motion on the amendment to Bill No.
24 190860.

25 COUNCILWOMAN BLACKWELL: Thank

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2 you very much, Mr. Chairman. I move that
3 the amendment to Bill No. 190860 be
4 approved.

5 COUNCILMAN DOMB: Do I hear a
6 second?

7 (Duly seconded.)

8 COUNCILMAN DOMB: It's been
9 moved and properly seconded that the
10 amendment to Bill No. 190860 be approved.

11 All in favor?

12 (Aye.)

13 COUNCILMAN DOMB: The ayes have
14 it, and Bill No. 190860 has been amended.

15 The Chair again recognizes
16 Councilmember Blackwell for a motion on
17 the bill before the Committee today.

18 COUNCILWOMAN BLACKWELL: Thank
19 you, Mr. Chairman. I move that Bill No.
20 190860, as amended, be voted out of this
21 Committee with a favorable
22 recommendation. Furthermore, I move that
23 the rules of Council be suspended so as
24 to permit first reading of said bill at
25 our next session of Council.

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2 (Duly seconded.)

3 COUNCILMAN DOMB: It's been

4 moved and properly seconded.

5 All in favor?

6 (Aye.)

7 COUNCILMAN DOMB: Any opposed?

8 (No response.)

9 COUNCILMAN DOMB: The ayes have
10 it, and Bill No. 190860, as amended, will
11 be reported out of Committee with a
12 favorable recommendation and with a
13 suspension of the rules so as to allow
14 for the first reading of said bill at our
15 next session of Council.

16 This concludes our public
17 meeting, and thank you. Thank you all
18 for being here too. Thank you very much.

19 (Committee on Housing,
20 Neighborhood Development and the Homeless
21 concluded at 3:00 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the
proceedings, evidence and objections are
contained fully and accurately in the
stenographic notes taken by me upon the
foregoing matter, and that this is a true and
correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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