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COUNCIL OF THE CITY OF PHILADELPHIA

3

COMMITTEE ON RULES

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, November 16, 2006
1:25 p.m.

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PRESENT:

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COUNCIL PRESIDENT ANNA C. VERNA

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COUNCILWOMAN JANNIE BLACKWELL

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COUNCILMAN DARRELL L. CLARKE

13

COUNCILMAN FRANK DiCICCO

14

COUNCILMAN JACK KELLY

15

COUNCILWOMAN DONNA REED MILLER

16

COUNCILMAN BRIAN J. O'NEILL

COUNCILWOMAN BLONDELL REYNOLDS BROWN

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BILLS 060637, 060732, 060740, 060743, 060762
and 060797

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V A R A L L O Incorporated

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Litigation Support Services

Eleven Penn Center

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1835 Market Street, Suite 600

Philadelphia, Pennsylvania 19103

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215.561.2220 215.567.2670

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COUNCIL PRESIDENT VERNA: Could

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I have your attention, please. Thank

4

you.

5

This is a public hearing of the

6

Committee on Rules, and I would ask

7

Mr. McPherson to please read the title of

8

Bill No. 060740.

9

MR. MCPHERSON: An ordinance to

10

amend the Philadelphia Zoning Maps by

11

changing the zoning designations of

12

certain areas of land located within an

13

area bounded by Tacony Creek, Rising Sun

14

Avenue, Adams Avenue, West Hill Creek

15

Drive, Hill Creek Circle, South Hill

16

Creek Drive, Adams Avenue and Bingham

17

Street.

18

COUNCIL PRESIDENT VERNA: Thank

19

you.

20

Good afternoon, Mr. Kramer.

21

Please identify yourself for the record

22

and proceed with your testimony.

23

MR. KRAMER: Good afternoon,

24

Madam President and members of the Rules

25

Committee. My name is William Kramer. I

1 11/16/06 - RULES - BILL 060637, ETC.

2 am the Senior Zoning Planner in the
3 Development Planning Division of the City
4 Planning Commission. I am here today to
5 testify on Bill No. 060740, which was
6 introduced by Councilmember Tasco on
7 October 5th of this year.

8 This bill rezones a 2.1-acre
9 parcel of land located in an area
10 adjacent to the Tacony Creek and Rising
11 Sun Avenue from a zoning designation of
12 R-9 Residential to a zoning designation
13 of C-3 Commercial. It is a response to
14 the continued growth of an industrial use
15 within the City.

16 This bill rezones a portion of
17 land to allow for the construction of a
18 surface parking lot containing 258 spaces
19 for use by employees of Cardone
20 Industries. Cardone Industries has a
21 plant located on the opposite side of
22 Rising Sun Avenue from this site and has
23 insufficient parking for all its
24 employees. This leads to many employees
25 parking in the surrounding densely

1 11/16/06 - RULES - BILL 060637, ETC.
2 populated residential community, which
3 not only adds to the parking congestion
4 for the existing residents but also
5 represents a significant safety risk for
6 the Cardone employees as they then must
7 walk in the street to get to work.

8 A surface parking lot on this
9 parcel that is designated C-3 Commercial
10 will require a certificate from the
11 Zoning Board of Adjustment at a minimum.
12 This classification was used in this
13 matter because currently the Zoning Code
14 contains no zoning classification that
15 permits a parking lot as a matter of
16 right.

17 The proposal calls for the use
18 of a porous parking surface to be used at
19 this site and will be designed so as to
20 limit the environmental impact of the lot
21 and work in harmony with the natural
22 environment in order to enhance the
23 surrounding public areas.

24 The City Planning Commission at
25 its meeting of November 14, 2006

1 11/16/06 - RULES - BILL 060637, ETC.
2 considered Bill No. 060740 and
3 recommended that it be approved. The
4 Commission believes that this proposal
5 will improve the quality of life for the
6 existing residential community, as well
7 as affording an opportunity for growth
8 for one of the City's major industrial
9 companies.

10 I would be happy to answer any
11 questions.

12 COUNCIL PRESIDENT VERNA: Thank
13 you, Mr. Kramer. Can you tell us for the
14 record how many off-street parking spaces
15 will be available as a result of this
16 rezoning?

17 MR. KRAMER: The plans
18 currently call for 258 parking spaces to
19 be created.

20 COUNCIL PRESIDENT VERNA: And
21 do I understand that all of these spaces
22 will be for the exclusive use for
23 employees from the Cardone Industries?

24 MR. KRAMER: Yes, ma'am, that
25 is correct.

1 11/16/06 - RULES - BILL 060637, ETC.

2 COUNCIL PRESIDENT Verna: Thank
3 you.

4 Do we have any other questions
5 from members of the Committee?

6 (No response.)

7 COUNCIL PRESIDENT Verna:
8 Seeing none, I would ask Mr. McPherson to
9 please call our next witness.

10 MR. McPHERSON: Vincent
11 Dougherty.

12 COUNCIL PRESIDENT Verna: Good
13 afternoon. Please identify yourself for
14 the record and proceed with your
15 testimony.

16 MR. DOUGHERTY: Good afternoon,
17 Madam Chair.

18 COUNCIL PRESIDENT Verna: Good
19 afternoon.

20 MR. DOUGHERTY: And members of
21 the Committee on Rules. My name is
22 Vincent Dougherty. I'm the Assistant
23 Director of Commerce and the Director of
24 the Mayor's Business Action Team for the
25 City of Philadelphia.

1 11/16/06 - RULES - BILL 060637, ETC.

2 I'm here today to express the
3 Commerce Department's strong support of
4 Bill No. 060740, a bill which will change
5 the zoning of an area generally bounded
6 by Rising Sun Avenue, Adams Avenue,
7 Tacony Creek and Bingham Street. This
8 rezoning will allow Cardone Industries,
9 the City's largest and arguably the
10 fastest growing manufacturing firm, to
11 acquire the property across from the
12 company's Rising Sun facility in order to
13 build a much-needed secure parking lot
14 for its employees.

15 The proposed site for this
16 parking lot is a vacant lot owned by the
17 Philadelphia Housing Authority. The
18 property, while part of the Hill Creek
19 Development, sits well below the
20 development itself and is effectively a
21 separate parcel from the development.
22 The site has been unused for years and
23 has been a maintenance and security
24 property for PHA.

25 Cardone Industries is in great

1 11/16/06 - RULES - BILL 060637, ETC.

2 need of secure off-street parking.

3 Presently most of Cardone's employees are
4 forced to park along a mile-long stretch
5 of busy Rising Sun Avenue or in spaces
6 leased by Cardone at shopping centers a
7 block away. This situation not only
8 creates a very dangerous traffic problem
9 along this section of highway, but also
10 puts Cardone employees at risk as they
11 walk up to a half a mile to their cars.

12 The Commerce Department, in
13 conjunction with the Mayor's Office of
14 Transportation, Philadelphia Industrial
15 Development Corporation, the Streets
16 Department and Councilwoman Tasco's
17 office, have worked with Cardone over the
18 last ten years to resolve this parking
19 problem. Many options to alleviate this
20 problem have been tried during that time.
21 These include carpooling, shuttle service
22 from other Cardone sites. We have
23 searched for alternate sites within the
24 vicinity that may be acquired and
25 developed for parking. They looked into

1 11/16/06 - RULES - BILL 060637, ETC.
2 building a multi-story parking lot,
3 parking garage, on site, and also
4 leasing, as I mentioned before, spaces at
5 local shopping centers. Unfortunately,
6 none of these options satisfactorily and
7 permanently resolved the problem.

8 The parking facility at this
9 site is a major step in permanently
10 resolving this parking problem and is
11 extremely important to Cardone and its
12 employees. Resolving Cardone's parking
13 problem at that plant is a critical piece
14 of the Commerce Department's ongoing
15 efforts to assure Cardone Industries
16 remains and grows here in the City. It
17 is for this reason that the Commerce
18 Department strongly supports this project
19 and this legislation.

20 This concludes my prepared
21 testimony and I'd be more than happy to
22 answer any questions.

23 COUNCIL PRESIDENT VERNA: Thank
24 you, Mr. Dougherty. Your testimony is
25 that this will become a, quote, secure

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2 parking lot, end of quote. What security
3 is proposed to be provided?

4 MR. DOUGHERTY: From my
5 understanding, it will be fenced and they
6 will have a security gate at the front, a
7 security guard positioned right on Rising
8 Sun at the front of the parking lot.

9 COUNCIL PRESIDENT VERNA: Thank
10 you.

11 Are there any questions from
12 members of the Committee?

13 (No response.)

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much.

16 Our next witness,
17 Mr. McPherson.

18 MR. MCPHERSON: Philip
19 Grutzmacher.

20 COUNCIL PRESIDENT VERNA: Good
21 afternoon.

22 MR. GRUTZMACHER: Good
23 afternoon. I do have copies of my
24 testimony, if you would care to have
25 them.

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2 Good afternoon. My name is
3 Philip Grutzmacher. I'm a Democratic
4 Committeeman in the 35th Ward, an officer
5 and member of the Zoning Committee of the
6 Lawncrest Community Association, a member
7 of the Friends of Pennypack Park, a
8 member of the Friends of Tacony Creek
9 Park and a volunteer for the Natural
10 Lands Restoration Trust. Today I speak
11 as an interested citizen only.

12 I have come to testify in
13 opposition to Bill No. 060740 that
14 changes the zoning designation in the
15 area boarded by Rising Sun Avenue and
16 Tacony Creek from an R-9 designation to a
17 C-3 designation. My objections to the
18 bill can be summarized as concerns that
19 the bill constitutes bad land use
20 planning and raises serious environmental
21 issues.

22 First, this bill is bad land
23 use planning. This bill constitutes spot
24 zoning which is of questionable legality.
25 Any comprehensive remapping of this area

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2 would find two area shopping centers at
3 Rising Sun and Adams Avenue, both with
4 current vacancies. More commercially
5 zoned land is not needed in this area.
6 In addition, the area being rezoned is
7 surrounded by residential and park uses,
8 so the C-3 designation is inconsistent
9 with the surrounding uses.

10 Furthermore, the
11 reclassification from R-9 to C-3
12 designation reduces the protections
13 afforded the neighbors of this property
14 in the future. Any commercial use
15 proposed for this property can be handled
16 as a variance to the R-9 zoning through
17 normal Zoning Board of Adjustment
18 procedures. This process would protect
19 the neighbors in the future from a whole
20 list of potential uses permitted as a
21 matter of right in the C-3 district,
22 including gas stations and fast-food
23 restaurants, which are certificated uses
24 in the C-3 district. As you know, under
25 the certification process, the legal

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2 burden shifts from the applicant to those
3 who would protest the granting of the
4 certificate.

5 Second, the development allowed
6 by this bill raises serious environmental
7 concerns. This proposed change to the
8 Zoning Map would allow development to the
9 edge of Tacony Creek with limited setback
10 requirements. The setbacks required by
11 the Zoning Code are much smaller than
12 those suggested by current best practices
13 to limit storm water runoff. Building
14 upon this or paving this area would
15 exacerbate storm water runoff problems in
16 the Tacony Watershed and increase
17 non-point source pollution, a problem
18 where the Water Department already
19 struggles to meet federal standards.

20 Additionally, building upon or
21 paving this lot reduces the City's open
22 space, a valuable asset in limited
23 supply. The Managing Director's Office
24 is currently in the process of preparing
25 a comprehensive plan for green space in

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2 the City in recognition of its

3 contribution to the quality of life in

4 the City and the increased property

5 values directly linked to open space.

6 The loss of open space contiguous to a

7 park in this context is unforgivable. It

8 demonstrates a continued attitude on the

9 part of decision-makers who view open

10 space only as a land bank until a better

11 future use comes along. The construction

12 of the High School of the Future on

13 Fairmount Park ground and the current

14 attempt to expand Fox Chase Cancer Center

15 into Burholme Park are two recent

16 examples of this shortsighted view. A

17 superior plan for this plot is its

18 integration into Tacony Creek Park.

19 Finally, while the construction

20 of a parking lot on this plot appears to

21 address a parking problem in the area,

22 that outcome is far from certain. As

23 long as parking on surrounding streets is

24 legal, it will continue. It is a

25 short-term solution at best. Many

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2 businesses in the City thrive without
3 providing any parking for their
4 employees.

5 I urge the Committee to reject
6 this bill.

7 Thank you.

8 COUNCIL PRESIDENT VERNA: Thank
9 you very much.

10 Are there any questions from
11 members of the Committee for this
12 witness?

13 (No response.)

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much, sir.

16 Our next witness.

17 MR. McPHERSON: George Zauflik.

18 COUNCIL PRESIDENT VERNA: And
19 after George is?

20 MR. McPHERSON: Fred Maurer.

21 Mr. Maurer, if you're here,
22 come to the witness table, please.

23 Good afternoon, sir. Please
24 identify yourself for the record.

25 MR. ZAUFNIK: Good afternoon.

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2 My name is George Zauflik. I am a
3 Vice-President for Cardone Industries,
4 and on behalf of our Chairman and CEO,
5 Michael Cardone, Jr., and Gary Adams, our
6 Director of Government Relations, who is
7 here with me today, and over 4,000
8 employees here in Philadelphia, we thank
9 you for this opportunity.

10 Our purpose today is to request
11 the City rezone a vacant parcel of land
12 across the street from one of our main
13 facilities on Rising Sun Avenue in
14 Northeast Philadelphia. This will allow
15 us to expand by providing us with
16 additional area for employees to park.
17 This will improve our ability to hire
18 more employees, and this property is not
19 a part of Fairmount Park.

20 As you will hear today, this
21 land is near a creek, and we are proud to
22 be able to describe for you how our
23 project with this cutting-edge design
24 will enhance and benefit the creek and
25 the environment. We will be including an

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2 80-foot setback for our project, and in
3 that setback we will be planting an
4 80-foot environmental buffer area.

5 I would like to emphasize some
6 overall themes on the outset. This is
7 not a project that will save us money.
8 This is something that we will do at
9 great expense. This is not a project
10 that we want to do, but this is a project
11 that we need to do. This is not a
12 project for management. It's a project
13 for our employees.

14 Cardone Industries is committed
15 to the City of Philadelphia. We started
16 here in 1970 with five employees. We
17 continue to grow and now have over 4,000
18 employees working here in the City. Over
19 70 percent of our employees live here in
20 Philadelphia, and our workforce
21 represents over 50 nationalities,
22 speaking over 30 languages.

23 We are under strong pressure to
24 export jobs out of the country. We do
25 have two facilities in Mexico and

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2 Belgium, but Philadelphia is our home and
3 we want to stay. More than that, we want
4 to grow here in Philadelphia.

5 As a result of the change in
6 the industry, our business now has an
7 opportunity to grow substantially, and we
8 need your help. Our employees,
9 especially at our Rising Sun facility,
10 have a shortage of safe parking spaces.
11 We have over 1,600 employees there
12 working two shifts a day. We have tried
13 everything to find parking for them. We
14 have provided incentives to use mass
15 transit, we have leased off-site remote
16 parking in area shopping centers and have
17 run shuttle services, but we still have a
18 shortage of parking. You can see this in
19 the aerial photograph contained in Tab B
20 of your materials.

21 Our people have to park along
22 Rising Sun, which is not safe. They have
23 to park in the residential streets in the
24 area, which is not fair to the community.
25 We have employees that arrive at 4:30 in

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2 the morning and sleep in their cars until
3 their start time just to get a parking
4 space. Other employees park and then
5 walk through the streets to get to work.
6 Not long ago one of our employees parked
7 his car and while walking to work was
8 struck and killed by a motorist.

9 For our solution, I'd like to
10 direct you to Tab C in your materials.
11 This is a parking area we would like to
12 construct. It will be located on vacant
13 land currently owned by the Philadelphia
14 Housing Authority. PHA has classified
15 this land as excess land and have agreed
16 to sell it to us. On the plan, please
17 notice the large 80-foot-wide planted
18 environmental buffer indicated in green.

19 We recognize that the parking
20 area is near Tacony Creek. We do not
21 take this lightly. Due to our commitment
22 to environmental stewardship, plus the
23 requirements of ISO 1401 and in 2003,
24 Cardone received the Governor's Award for
25 Environmental Excellence, for this

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2 particular project, we have hired the
3 best environmental consultants in the
4 field. We've asked them to make sure
5 that we don't harm the environment at
6 all. And we are pleased, and we think
7 you will be, too, because what we now
8 have is a design that will enhance and
9 benefit the creek and the environment.

10 Cahill Associates, one of the
11 country's leading firms in water resource
12 management, designed for us a
13 state-of-the-art, environmentally
14 friendly parking area comprised of a
15 pervious surface that will allow
16 rainwater to soak through the parking lot
17 into the ground below, where there will
18 be a specially constructed subsurface
19 area. Mr. Dan Wible, a professional
20 engineer from Cahill, is here today and
21 will testify as a part of our second
22 panel.

23 The environmental aspects of
24 the design have been reviewed and
25 approved by the Integrated Watershed

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2 Management Program of the Philadelphia
3 Water Department. A letter of approval
4 from the Water Department is attached in
5 your materials at Tab D. As you can see,
6 the Water Department acknowledges that
7 the proposed design will exceed the
8 requirements contained in the City's new
9 storm water regulations, which became
10 effective earlier this year.

11 Because we are adjacent to
12 Fairmount Park, we have provided our
13 plans to the Fairmount Park Commission
14 and asked for their comment. The
15 Commission has confirmed that the land is
16 not Fairmount Park property and it would,
17 therefore, not result in the loss of any
18 parkland. The Commission acknowledged
19 our company in using an environmentally
20 sensitive design for this project and a
21 letter from the Commission is included in
22 your materials at Tab E.

23 We have also hired Dick Orth of
24 the traffic consulting firm of Orth
25 Rogers & Associates here in Philadelphia.

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2 Mr. Orth analyzed both the internal
3 circulation of our proposed parking lot
4 and the flow of traffic signalization and
5 parking capacity along Rising Sun Avenue.
6 He has worked with the Streets Department
7 on this project. Mr. Orth is here today
8 and will be a part of our second panel.

9 Before I close, I would like to
10 give you a road map of other witnesses we
11 have here today. As I mentioned, our
12 second panel will consist of Dan Wible of
13 Cahill Associates and also Dick Orth.
14 Our third panel will consist of
15 Ms. Fatima Carreira, the Vice-President
16 of Service Employees International Union,
17 SEIU, Local 252, as well as Mr. Jesse
18 Dawkins, an employee and Shop Steward.
19 And on our fourth and final panel, we
20 will have Mr. Ray Will, a neighbor and
21 Assistant Block Coordinator, who will
22 present a petition from the neighborhood,
23 and Ms. Jackie Olbrich, a Block
24 Coordinator.

25 Before I hand off the

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2 microphone, I would like to again thank
3 you for this opportunity. I look forward
4 to continuing to play a leadership role
5 as a part of Philadelphia's manufacturing
6 base, and with your help, we look forward
7 to providing additional jobs.

8 I am pleased to introduce
9 Mr. Paul Deegan of PIDC. Thank you for
10 your time.

11 COUNCIL PRESIDENT VERNA:
12 You're welcome.

13 Are there any questions from
14 the members of the Committee?

15 (No response.)

16 COUNCIL PRESIDENT VERNA: Thank
17 you very much, sir.

18 MR. ZAUFLIK: Thank you.

19 COUNCIL PRESIDENT VERNA: Are
20 you Mr. Maurer?

21 MR. BONNIE: I'm Mr. Bonnie. I
22 was going to --

23 COUNCIL PRESIDENT VERNA:
24 You're not next.

25 Mr. Deegan.

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2 MR. DEEGAN: Good afternoon,
3 Madam Chair. My name is Paul Deegan. I
4 represent PIDC. And briefly, I'm here to
5 express the support of our President,
6 Peter Longstreth, and PIDC for this
7 project.

8 I don't think I can improve on
9 Vince Dougherty's testimony. The
10 Commerce Department has been working
11 years and years on this project. But we
12 are particularly pleased to support the
13 rezoning on behalf of Cardone Industries.
14 Cardone is a long-time PIDC client that
15 has met or exceeded -- and usually
16 exceeded -- all our expectations in terms
17 of job growth, economic development and
18 commitment to the community.

19 The property is adjacent or
20 down the street from the company's
21 facility at Rising Sun and Adams and is
22 considered excess by PHA. Cardone's
23 purchase and reuse of the property will
24 benefit the company, the Housing
25 Authority and the surrounding area. For

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2 all of these reasons, PIDC wholeheartedly
3 supports this bill.

4 Thank you, and I'd be happy to
5 answer any questions that you may have.

6 COUNCIL PRESIDENT VERNA: Thank
7 you very much, Mr. Deegan.

8 Any questions or comments from
9 members of the Committee?

10 (No response.)

11 COUNCIL PRESIDENT VERNA: Thank
12 you again.

13 MR. DEEGAN: Thank you.

14 COUNCIL PRESIDENT VERNA:
15 Mr. Maurer.

16 MR. MAURER: I do have some
17 written testimony for the Clerk's use.
18 It looks to me like I have to modify a
19 lot of it because of what's happening
20 presently.

21 Before I begin my written part
22 of it, let me point out that I came here
23 in response to the legal notice and the
24 bill that's before us. I did not come
25 here to talk about Cardone. And I see

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2 Cardone came here with all their big
3 guns, with all their friendships to
4 overwhelm us at this hearing.

5 This is not a hearing about
6 Cardone. This is a zoning hearing about
7 zoning, is it a permissible zoning item
8 for this thing. I think the zoning
9 committee of the Rules Committee is
10 supposed to hear zoning, not whine for
11 Cardone and their pleasures. If we want
12 to talk environment and parking and
13 Cardone, I think it should be done in a
14 forum that's before.

15 Since this was not in the bill,
16 in the heading of the bill about Cardone,
17 we came totally unprepared to talk about
18 Cardone. I came here to talk about
19 zoning, and I think, in essence, that's
20 what I want.

21 I have to modify a little bit,
22 because now I see my friend here from the
23 license commission came here. I may have
24 to modify a little bit. However, if I
25 drift away, it's because my testimony is

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2 designed to handle the question that you
3 presented before me, what is the zoning
4 for this area.

5 My name is Fred Maurer. I
6 recall my Councilwoman Tasco said to me
7 once that if you see a zoning notice,
8 then immediately appear, because once the
9 deal is done, the community damage is
10 permanent. So I am using her advice.

11 This proposed ordinance, zoning
12 plan, is to change public housing uses of
13 green space, open space into a private
14 commercial use that will harm the
15 surrounding residential communities and a
16 public park. This is a gross example of
17 spot zoning, and I'm sure it looks like a
18 pay-to-play motive with all these people
19 that are attesting on their behalf.

20 It is presented as a bland
21 trivial fact in the record, but I think
22 it represents the worst failings of good
23 government intentions for land zoning
24 philosophy.

25 The short bill text reveals

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2 nothing about the need or purpose for any
3 zoning change and what will it do after
4 the present zoning is changed from Code
5 R-9 to C-3 and the subtitle use.

6 Now, what you've heard here is
7 an aside to these Cardone things. I
8 didn't come here to talk about Cardone.

9 I ask the Committee, what is
10 the legal reason to merit any changes by
11 this bill? I ask, where is the
12 supporting testimony in the Planning
13 Commission?

14 I think what this man presented
15 today may be acceptable, but it should
16 have come before testimony as a document
17 and part of the bill, not to come later
18 on, sneak it in as evidence after the
19 fact. So I don't respect that man for
20 the way he produced that.

21 The Planning Commission is
22 supposed to plan and manage all zoning
23 laws, and their photographers made this
24 exhibit that's in the bill. They are
25 responsible to apply the laws, and the

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2 Rules Committee needs their testimony.

3 What they presented today may be their
4 testimony. I'll read it later whenever I
5 get the transcript made available to me.

6 No one has claimed that this is
7 an ancillary use for Hill Creek's own
8 public housing residents. I question the
9 validity of this zoning.

10 I note there is no real true
11 evidence, findings of fact, to merit this
12 change. What you've heard here was a
13 proposal from the advocates, not from the
14 independent finders.

15 I think Exhibit A, which is
16 part of the bill, exhibits a false
17 picture of the lot that is being zoned
18 before you. It is shown as a horseshoe
19 to connect C-2 zone plots with an
20 inconsistent zone of C-3.

21 In my testimony, I want to use
22 copies of the City Planning Commission
23 maps, and in the back of my testimony for
24 the Clerk, I did provide the maps that
25 are here that are in the order of C, D

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2 and E.

3 Instead of a horseshoe that's
4 on the map, the plot is square, with two
5 special wings of only partial zones on
6 its wings. One side is Adams Avenue two
7 blocks long. The other fourth side is
8 Tacony Creek. The whole plot is a single
9 integrated Hill Creek housing project.

10 The two land zonings of R-9 and
11 C-2 that are on the plot were a
12 compromise in an after-the-fact
13 assessment by the Planning Commission,
14 because the project was built with
15 federal funds and well before The
16 Philadelphia Code existed. Now this R-9
17 zone is dense with cellblock houses.

18 The special C-2 zone wings on
19 there only relate to the support
20 buildings and they are not true
21 commercial zonings on the map. The east
22 wing that's on the map once had a steam
23 generator and incinerator buildings. It
24 is now the rubbish point. So the east
25 wing is not true commercial zoning.

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2 The west wing C-2 zone was
3 service buildings that was modified for
4 LaSalle University, their medical nursing
5 center for the Hill Creek Project and
6 local residents. It is funded as a
7 charity service now called Rising Sun
8 Medical Service under the Philadelphia
9 Medical Health Corporation, a federally
10 funded non-profit agency. So these west
11 wing buildings are not true commercial
12 zoning.

13 Exhibit A omits a major space.
14 When you look at that map, you'll see
15 there's a hole, the major space that
16 fronts Adams Avenue in a horseshoe crest.
17 I would ask you, how can you determine
18 what are the adjacent zones if you omit
19 the major use that's on the plot?

20 In my testimony I submit three
21 exhibits, C, D and E to show my exhibits.
22 Exhibit C and D demonstrate the whole
23 existing plot. They're the maps that I
24 got from the City.

25 I note that the major land use

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2 is residential. The official record for
3 500 Adams Avenue plot at the ZBA says 55
4 buildings, housing units 335, including a
5 medical center converted from six
6 residential units. I observe that there
7 are no true commercial zones inside this
8 zone plot, and the outside infills are
9 zoned R-9. The real commercial zones are
10 across Adams Avenue in Forman Mills and
11 Rising Sun Plaza where they are truly
12 zoned C-2.

13 I ask, has our City Planning
14 Commission requested more commercial
15 zones are needed in this area? Was there
16 a demographic study of commercial needs?
17 I don't know. It has not been presented
18 in any forum, and I'd like to see those
19 materials, put it in now. I have not
20 been privy to anything that the other
21 departments are doing, but I do know what
22 you put in the bill and I can only talk
23 about that.

24 This bill assigns zoning C-3 to
25 an isolated land island inside of an R-9

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2 plot with only one slot entrance onto
3 Rising Sun Avenue.

4 When I read the Zoning Code
5 Book for Code C-3, which is a commercial
6 district, its features are, A,
7 self-service laundry; B, self-serve dry
8 cleaning; C, things that are in zone C-2;
9 and, D, a car wash; and, E, a heliport.
10 Now, this reference to a C-3 which refers
11 back to Code C-2, those features are for,
12 one -- Feature 1 is an enclosed building
13 with a roof. Feature 2 is for sales of
14 good at retail. Feature 3 is a rendering
15 of services to the ultimate customer.
16 The text in this bill does not include
17 commercial features such as this Zoning
18 Code mandates. The bill merely gives a
19 code number for non-land use space, not
20 for a commercial retail service in an
21 unclosed building with a roof.

22 If there is no retail or
23 wholesale, commercial ultimate customer,
24 then it is not commercial district C-3
25 and this bill needs to be denied.

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2 I present in my Exhibit C a
3 section of the City Planning Commission
4 Zoning Map. The whole plot, excluding
5 C-2, is all R-9 inside the loop that's
6 inside Hill Creek. Outside the loop,
7 Code 9 is on the outside of the Hill
8 Creek loop. It's a large area that needs
9 to be understood. This Zoning Map has
10 only one fault, because that it connects
11 into Fairmount Park Commission lands and
12 that -- there is a portion of Fairmount
13 Park land that's there that was not coded
14 REC. I don't know why that Zoning Map
15 was not included in Fairmount Park lands.
16 That's part of this boundary.

17 On Exhibit A, it does not show
18 the code REC that I've just talked about.
19 It only shows R-9. But on Exhibit B,
20 that slot that I'm talking about is shown
21 as a vacant slot with no zoning. But I
22 tell you, it is not vacant land, because
23 that slot is Fairmount Park land.

24 Exhibit A and B show the east
25 side is Bingham Street as a borderline.

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2 That is misleading, because the
3 borderline is the rear property line of
4 private houses facing Bingham Street and
5 a church, and that's zoned R-9.

6 Exhibits A and B do not show
7 the adjacent lands or codes for your
8 study when you examine the bill that was
9 given to you.

10 For clarification, I submit
11 Exhibit D, a section of the City Planning
12 1973 Land Use Map. This older map gives
13 more accurate boundary lines and shows
14 the structures around the loop, the road
15 loop that's inside Hill Creek. It is
16 very complex, with buildings on both
17 sides of the road loop. It even has
18 cul-de-sac buildings.

19 The boundary lines of Fairmount
20 Park REC is shown as the inlet to the
21 square base. The reason for the large
22 R-9 area outside the loop is clear, that
23 it is adjacent to Tacony Creek Park in
24 the middle and between valley hills.

25 The reason why it was not

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2 filled up with housing is that the space
3 is unbuildable lands. It is a bottom of
4 a hill slope as riparian lands. The rest
5 of the plot, including Adams Avenue, is
6 the plateau and a portion of the valley
7 slope.

8 The hilly topography of our
9 City decided where to build these houses,
10 and non-buildable riparian lands are
11 supposed to be preserved in watershed
12 parks since the City Planning of 1907.

13 When we looked at the City
14 Planning Commission 1973 Land Use Map, we
15 see the R use is R. That's back to Hill
16 Creek. The R is for recreation use and
17 also a playground. So we have R-9 zoning
18 district located with a recreation use
19 and open space, playground. The plot is
20 not V, vacant lands. This R zone land is
21 the location that the bill proposes to
22 take and convert into a commercial C-3
23 use.

24 If you study this map, you'll
25 see the Hill Creek landowner is the

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2 United States Housing Administration. It
3 is federal property. The R use was a
4 federal mandate of open space dedicated
5 and held as recreation open space for its
6 Hill Creek residents. It is a private
7 park. It does not need interior survey
8 lines because it has a natural grade over
9 ten percent to define a building
10 boundary, with a great sledding winter
11 use.

12 The outline of the rectangles
13 that are on the map and closest to the
14 creek is a tennis backboard and a
15 basketball court as recreation fixtures,
16 not buildings.

17 There is one designated
18 residents parking place marked P in an
19 R-9 zone for the residents' needs. If
20 this bill is passed, the tenants R-9
21 parking needs are displaced.

22 I believe this bill proposes to
23 take the United States Housing
24 Administration's federal lands and
25 convert a portion into a commercial

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2 district C-3 for a private party user. I
3 question if City Council can pass a
4 zoning bill that mandates the United
5 States to concede or encumber lands by
6 local rezoning.

7 It seems to me that when the
8 City sold this land to the United States
9 Housing Administration with a fee simple
10 deed, that you first have to declare
11 eminent domain and make partitions.

12 I present also my Exhibit D, a
13 1991 Philadelphia Water Department plan
14 map. It presents the sanitary and storm
15 water infrastructure that is affected in
16 this land change. I think the Water
17 Department has utility rights that this
18 bill hampers.

19 What is not shown on this map
20 is a very recent ordinance that the City
21 passed to enlarge and replace and improve
22 the Rising Sun Avenue storm water system
23 because of complaints from Cardone
24 Industries.

25 The Exhibit D shows the old

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2 Water Department right-of-way before it
3 was enlarged. It cost the City about a
4 quarter million dollars to replace a
5 small sewer system with more capacity and
6 a new outflow chamber and a new surface
7 right-of-way that was developed with a
8 maintenance gravel path and landscaped
9 with mature trees and half fenced and
10 gated along Rising Sun Avenue.

11 If this bill is adopted, the
12 PWD treasury was wasted, and this
13 violates an existing ordinance and
14 Philadelphia Water Department zone
15 right-of-way improvements.

16 I think this bill takes
17 right-of-way land in conflict with
18 Philadelphia Water Department's superior
19 rights.

20 Now, the material that they
21 presented about the Water Department's
22 letter, I'd like to see that letter,
23 because no one has told me and that's not
24 in the bill, that the Water Department
25 has been consulted, but I'll hold that as

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2 an aside. We will certainly look at that
3 and see just what the Water Department
4 has committed.

5 Now, I think this bill has
6 major defects. These were not cured --

7 COUNCIL PRESIDENT VERNA:

8 Mr. Maurer.

9 MR. MAURER: I'm at the end.

10 COUNCIL PRESIDENT VERNA: Okay.

11 As you can see, we have a number of cases
12 scheduled today, and we have --

13 MR. MAURER: I have two
14 paragraphs left.

15 COUNCIL PRESIDENT VERNA: May I
16 finish, please?

17 And we do have a number of
18 witnesses that want to be heard. We want
19 to hear as many witnesses as possible,
20 not only on this bill but all of the
21 other bills, and I have somewhat of a
22 major concern, in that the weather
23 forecast is that we have a tornado watch.
24 So I would like us all to do whatever we
25 have to do at this hearing, and hopefully

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2 we'll all get home safely.

3 So if you will simply

4 conclude --

5 MR. MAURER: I'll allow my

6 written testimony to stand.

7 COUNCIL PRESIDENT VERNA: -- I

8 would appreciate it. And the

9 stenographer has a copy of your

10 testimony.

11 MR. MAURER: Yes. She's going

12 to have to amend it --

13 COUNCIL PRESIDENT VERNA: Which

14 will be transcribed in full.

15 MR. MAURER: I appreciate that.

16 Thank you.

17 COUNCIL PRESIDENT VERNA: Thank

18 you. Thank you very much.

19 And that would go for all

20 witnesses, please. Try to make it as

21 brief as possible. You can get your

22 point over very clearly and be brief.

23 Thank you.

24 MR. BONNIE: Thank you, Council

25 President. My name is Paul Bonnie and

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2 I'm counsel to Cardone Industries. My
3 purpose here is to try and save the
4 Committee's time just to give you a brief
5 overview of the witnesses that we have,
6 what they would say in one sentence if
7 they were here -- if they had time to
8 testify, and also just to address a
9 couple of comments that were already made
10 by critics of the bill.

11 The first is that this is not
12 spot zoning. There's commercial patches
13 of property all around here. This is
14 something that was carefully considered
15 by the Planning Commission. It was
16 reviewed by the Water Department, by the
17 Fairmount Park Commission. All have
18 provided letters that are in your
19 package, and none of those folks have any
20 problem with this project whatsoever.

21 The other point I'd like to
22 mention is that one of the other speakers
23 said, Well, gee, if we zone this C-3,
24 then Cardone in five, ten years or
25 whenever can put in any C-3 use, a gas

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2 station or a convenience store or
3 something like that. That is not our
4 intent. That is not our desire. We
5 won't do that. We have worked with the
6 Friends of Tacony Creek and will continue
7 to work with them to put together
8 whatever sort of assurances they need
9 that the only use of this lot would be
10 for a parking lot and that we would have
11 no problem waiving away our rights to any
12 other use that would be allowed by C-3.

13 I wanted to sort of go down the
14 row of our witnesses so that you can see
15 who is here and what they would testify
16 about if they had the time.

17 We would have testify
18 Mr. Daniel Wible.

19 Dan, just raise your hand.

20 Dan is a professional engineer
21 and he is all about the environmental
22 aspects of this project, could talk about
23 the buffer zone, could talk about the
24 under drain system.

25 We also have Mr. Dick Orth, who

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2 is here, back there, who could talk about
3 all the traffic engineering analysis and
4 review, and indeed the meetings he's had
5 with people from the Streets Department
6 in order to make sure that this is
7 synthesized with Rising Sun Avenue and
8 that there's no problem on that regard.

9 Both of those folks have
10 technical reports that are in your
11 materials and they have testimonies,
12 which I believe we had handed up a few
13 minutes ago.

14 We have two people from our
15 local union. That's SEIU Local 252.
16 Fatima Carreira right here and also Jesse
17 Dawkins. And those folks would tell you
18 how much of a need there is for this
19 parking lot. And indeed this is a
20 project that's very expensive to the
21 company and is not for management.

22 COUNCILMAN KELLY: Sir, may I
23 interrupt for a minute? I just want to
24 ask you, how many employees will be using
25 this parking lot? How many employees do

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2 you have right now that will be using
3 this parking lot; do you know?

4 MR. BONNIE: I can get you that
5 answer. If someone can come up and give
6 me that answer, I will be able to provide
7 that to you.

8 COUNCILMAN KELLY: At this
9 facility. I know you have 4,000
10 employees, but I just wanted to know how
11 many were going to be using --

12 MR. BONNIE: Well, we have
13 multiple shifts at our plant across the
14 street.

15 There's 258 spots in this lot,
16 but I would think more people would be
17 using it because they'd be using it at
18 different times of day.

19 COUNCILMAN KELLY: What is the
20 current use now?

21 MR. BONNIE: The current use is
22 a vacant lot.

23 COUNCILMAN KELLY: Vacant lot?

24 MR. BONNIE: Yeah. It's owned
25 by the Housing Authority and it's

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2 considered excess, and they've agreed to
3 sell it to us for this purpose.

4 COUNCILMAN KELLY: What would
5 you say, I guess, how it's being
6 maintained? Is it being maintained or
7 used in any recreational way?

8 MR. BONNIE: No, it's not.

9 COUNCILMAN KELLY: Who is
10 responsible for maintaining it?

11 MR. BONNIE: The Housing
12 Authority is responsible.

13 COUNCILMAN KELLY: That's
14 enough. Thank you.

15 MR. BONNIE: Sure.

16 And the last two people that we
17 would have testify is Mr. Ray Will and
18 also Ms. Jackie Olbrich, and they're a
19 Block Coordinator and Assistant Block
20 Coordinator from the immediate
21 surrounding residential area, and they
22 would testify about how Cardone employees
23 at present somewhat have to park in the
24 residential streets and that this would
25 be able to, in effect, give the

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2 neighborhood back the spots in front of
3 their homes, to a certain degree.

4 So all these folks are
5 available for testimony, if you would
6 like, Council President. I understand
7 the demands on time. If you have any
8 questions about any of it.

9 COUNCIL PRESIDENT Verna: We're
10 fine. Thank you very much.

11 MR. BONNIE: Thank you very
12 much.

13 COUNCIL PRESIDENT Verna: Thank
14 you very much. We appreciate you coming
15 in.

16 Do we have anyone else to
17 testify on this bill?

18 (No response.)

19 COUNCIL PRESIDENT Verna:
20 Seeing no one, I would ask Mr. McPherson
21 to please read the title of Bill No.
22 060637.

23 MR. McPHERSON: An ordinance
24 amending Chapter 14-1400 of The
25 Philadelphia Code, entitled "Parking and

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2 Loading Facilities," by exempting
3 mechanical access parking garages from
4 certain requirements, all under certain
5 terms and conditions.

6 COUNCIL PRESIDENT VERNA: Thank
7 you.

8 Mr. Kramer.

9 MR. KRAMER: Good afternoon,
10 Madam President and members of the Rules
11 Committee. My name is William Kramer. I
12 am the Senior Zoning Planner in the
13 Development Planning Division of the City
14 Planning Commission. I am here today to
15 testify on Bill No. 060673, which was
16 introduced by Councilmember Kelly on
17 September 14th of this year.

18 Bill No. 060637 amends Section
19 1402(9)(a)(.1) and 14-1403(6)(a)(.1)
20 which refer to Driveway and Aisles in
21 both the Residential and Commercial
22 sections of the Zoning Code. The bill
23 removes the requirement that 25 percent
24 of the lot or garage be provided for
25 access drives and aisles in connection

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2 with a mechanical access parking garage
3 as defined in Section 406.3.2 of the
4 Philadelphia Building Code. These
5 proposed changes to the Code are
6 consistent with parking policies of the
7 Planning Commission.

8 The City Planning Commission at
9 its meeting of October 17, 2006
10 considered Bill No. 060637 and recommends
11 that it be approved.

12 I would be happy to answer any
13 questions of the Committee. Thank you.

14 COUNCIL PRESIDENT VERNA: Thank
15 you.

16 Any questions from members of
17 the Committee of Mr. Kramer?

18 (No response.)

19 COUNCIL PRESIDENT VERNA:
20 Seeing none, the Chair recognizes
21 Councilman Kelly.

22 COUNCILMAN KELLY: Yes. Thank
23 you, Madam Chair. I just want to go on
24 record of why I introduced this
25 legislation. I think, number one, it's

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2 to bring the parking systems into the
3 21st century rather than the systems that
4 we use today are from the 19th century.
5 I think that this is not a new system by
6 any means. It's been used extensively
7 throughout Europe and Asia for over 15 to
8 20 years, and I think it's about time
9 that Philadelphia -- it's going to be the
10 first-class city, as what everyone
11 believes, that we're going to be on top
12 of this problem.

13 I think there's many, many good
14 points about this mechanical parking.
15 It's environmentally friendly. I think
16 it increases safety throughout, and I
17 think that what we're going to find is
18 that the parking systems that will have
19 this, it will give the developers a
20 matter of right to put the systems into
21 their plans, and I think this is really a
22 win-win-win situation for Philadelphia.

23 Thank you, Madam Chair.

24 COUNCIL PRESIDENT VERNA:

25 You're welcome.

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2 Mr. Kramer, as a practical
3 matter, is there some minimum amount of
4 space that should be required to be
5 reserved for access to mechanical parking
6 garages?

7 MR. KRAMER: Not within the
8 parking lot itself. The aisles and
9 driveways are superfluous when you have a
10 machine that's basically taking the cars
11 and putting them into cubicles. There's
12 no need for driveways and aisles. The
13 cars are off, which is the benefit of
14 these. They save on pollution in that
15 regard. You don't have running cars.
16 That's why you don't need the driveways
17 or aisles.

18 COUNCIL PRESIDENT VERNA: Thank
19 you.

20 Any questions of Mr. Kramer
21 from members of the Committee?

22 (No response.)

23 COUNCIL PRESIDENT VERNA: Thank
24 you.

25 Our next witness?

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2 MR. RAPPAPORT: Good afternoon.

3 My name is James Rappaport. I'm an
4 architect and I'm licensed to practice in
5 Pennsylvania and 32 other states in the
6 United States, and I practice as an urban
7 planner and urban designer, and I'm here
8 in support of this bill.

9 In my practice, working with
10 the Philadelphia zoning ordinance, there
11 is some frustration because the Building
12 Code, the Philadelphia Building Code,
13 allows mechanical parking and the zoning
14 ordinance requires these aisles and
15 access that isn't required for mechanical
16 parking.

17 In terms of raw numbers, you
18 can install a mechanical parking garage
19 in about a third of the cubic volume of
20 space, mostly below-grade parking, as
21 required by the zoning ordinance, when
22 compared to a park-and-lock garage with
23 ramps, and you can do so without the need
24 for mechanical ventilation or elevators
25 or fire stairs, because as it says in the

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2 Building Code, a mechanical parking
3 garage is one where patrons are not
4 allowed in the place where the parked
5 cars are located. And for that reason,
6 the engines are not on and so the
7 ventilation is not required.

8 I did a quick calculation a
9 couple of weeks ago. A 300-car parking
10 garage in mechanical parking would save
11 80,000 gallons of gasoline a year. So in
12 terms of architect speak, it's a very
13 green design idea. And in terms of
14 construction costs, perhaps a third of
15 the cost of the current ramped
16 park-and-lock kind of parking garage.

17 Additionally, in the post 9/11
18 era, the mechanical parking garages have
19 algorithms built into them to make them
20 safer. There is a technology for making
21 sure that if you leave your dog or your
22 baby in the back seat, it doesn't take
23 the car. And as you know, every year,
24 unfortunately, here in Philadelphia we
25 read some terrible God forbid story about

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2 a baby being left in a parking car. So
3 that technology is there.

4 The technology of sniffing for
5 other God forbids is also part of this
6 algorithm, and since no people are in the
7 parking garage, nobody is tinkering with
8 the cars or doing other God forbids. So
9 three God forbids in one sentence I'm
10 sorry for, but safe, secure, energy
11 efficient, cost effective, it is, as the
12 Councilman said, a win-win situation.

13 COUNCIL PRESIDENT VERNA: Thank
14 you.

15 Any questions from members of
16 the Committee of this witness?

17 (No response.)

18 COUNCIL PRESIDENT VERNA:
19 Seeing none, please identify yourself for
20 the record and proceed with your
21 testimony.

22 MR. LAZARUS: My name is Lee
23 Lazarus and I represent an automated
24 parking manufacturer that has numerous
25 installations around the world. These

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2 worked sufficiently well for many, many
3 years. In addition, I'm also
4 Vice-President of the Automated and
5 Mechanical Parking Trade Association, and
6 we also lend our support behind this
7 bill.

8 COUNCIL PRESIDENT VERNA: Thank
9 you.

10 Good afternoon. Please
11 identify yourself for the record.

12 MR. WIESEFF: Yes. Good
13 afternoon. My name is Max Wieseffer for
14 Parkmatic, and we also represent a number
15 of manufacturers, with systems in South
16 Korea and throughout Asia. And some of
17 the things I'd like to discuss about this
18 proven technology, these systems have
19 been around since the early 1950s and it
20 has been widely used in Europe and Asia
21 where land is at a premium. And there
22 are over 5,000 of these systems
23 operational worldwide. And basically
24 some of the things that we talked about
25 was the security. Since no one enters

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2 the garage other than vehicles, it
3 virtually eliminates vandalism or theft,
4 and there is also no personal danger of
5 having to walk down dark aisles while
6 looking for your car.

7 COUNCIL PRESIDENT VERNA: Thank
8 you very much.

9 Any questions from members of
10 the Committee?

11 The Chair recognizes Councilman
12 Clarke.

13 COUNCILMAN CLARKE: Thank you,
14 Madam President.

15 Just one quick question. With
16 respect to the mechanicals on the units,
17 what's the sound?

18 What happened maybe a couple
19 years ago in part of my district, an
20 operator was proposing to do a mechanical
21 parking garage and it was in proximity to
22 a residential community, actually
23 adjacent to the residential community,
24 and when they tried the systems out, you
25 could actually hear the motors in the

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2 residential unit next door.

3 MR. WIESEFF: Right. The older
4 systems that were constructed in the '60s
5 and '70s, yes, used roller bearings, but
6 now the new technologies, they use like a
7 polyurethane material. So there's
8 virtually --

9 COUNCILMAN CLARKE: This was a
10 couple years ago. It wasn't a long time
11 ago. This is a couple of years ago.

12 COUNCIL PRESIDENT VERNA:
13 Councilman Kelly, can you --

14 COUNCILMAN KELLY: Yes.

15 Councilman Clarke, I just want
16 to inform you that I saw this operation
17 in Washington, DC about a month ago, and
18 it's similar to hitting a button for an
19 elevator. You don't hear anything.
20 There was no noise whatsoever in this
21 building. The people just come in and
22 they swipe a card and the doors go up.
23 They get in their car and drive away.
24 It's similar to just a regular elevator.
25 There's no noise whatsoever that I --

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2 COUNCILMAN CLARKE: In that
3 particular system.

4 COUNCILMAN KELLY: In that
5 system.

6 COUNCILMAN CLARKE: Well, I
7 guess my question would be, are there
8 going to be certain standards that are
9 required for any of these mechanical
10 systems? Because the one that I looked
11 at, I mean, I stood in the resident's
12 house and I could hear the motor, errr,
13 errr, errr.

14 MR. LAZARUS: If I may, I think
15 what you were talking about is mechanical
16 parking systems. These are a little
17 beyond that. These are automated parking
18 systems. So these are fully enclosed
19 inside buildings. They're more analogous
20 to more mature handling, warehouses.

21 COUNCILMAN CLARKE: I
22 understand. This was a fully enclosed
23 parking system. You drive the car in, it
24 lifts it up, places it in a parking
25 space. I'm telling you, the noise you

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2 can hear next door, and I'm just asking
3 you, are they --

4 MR. WIESEFF: Those are
5 operated hydraulically, though mechanical
6 lifts that you see in New York and such,
7 and those operate by this motor with a
8 pump assembly. These systems are not
9 hydraulically operated. These are
10 similar to elevator motors that are in
11 the buildings. That's how these -- so
12 they're quiet. They're quiet systems.
13 They're not noisy like a hydraulic system
14 would be where you're running a pump and
15 feeding oil into these hydraulic systems.

16 COUNCILMAN CLARKE: All right.
17 I hear you. You're not answering my
18 question.

19 MR. LAZARUS: We haven't had
20 any issue with decibel levels outside of
21 our structures, inside the structures
22 also. We've been regulated most
23 jurisdictions as it is. I'm sure the
24 building department of Philadelphia would
25 also be curious, so on a

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2 project-by-project basis, I'm sure
3 they'll raise the same issue, and if they
4 felt the noise issue has been resolved,
5 I'm sure they would approve a project at
6 that time.

7 COUNCILMAN CLARKE: Okay.

8 Thank you.

9 Thank you, Madam President.

10 COUNCIL PRESIDENT VERNA: Thank
11 you.

12 Any questions or comments from
13 members of the Committee of these
14 witnesses?

15 (No response.)

16 COUNCIL PRESIDENT VERNA: Thank
17 you, gentlemen. Thank you.

18 Do we have anyone else to
19 testify on this bill?

20 (No response.)

21 COUNCIL PRESIDENT VERNA:

22 Seeing no one, I would suggest that
23 Mr. McPherson please read the title of
24 Bill No. 060743.

25 MR. MCPHERSON: Bill 060743, an

1 11/16/06 - RULES - BILL 060637, ETC.
2 ordinance to amend the Philadelphia
3 Zoning Maps by changing the zoning
4 designations of certain areas of land
5 located within an area bounded by Master
6 Street, Second Street, Thompson Street
7 and American Street.

8 COUNCIL PRESIDENT VERNA:
9 Mr. Kramer.

10 MR. KRAMER: Good afternoon,
11 Madam President and members of the Rules
12 Committee. My name is William Kramer. I
13 am the Senior Zoning Planner in the
14 Development Planning Division of the City
15 Planning Commission. I am here today to
16 testify on Bill No. 060743, which was
17 introduced by Councilmember Clarke
18 October 5th of this year.

19 This bill rezones a two-acre
20 parcel of land located at an area bounded
21 by Master Street, Second Street, Thompson
22 Street and American Street from a zoning
23 designation of G-2 General Industrial to
24 a zoning designation of partly G-2
25 General Industrial and partly C-3

1 11/16/06 - RULES - BILL 060637, ETC.

2 Commercial.

3 This bill rezones a portion of
4 land to allow for the construction of a
5 residential development consisting of 151
6 one and two-bedroom apartment condominium
7 units with parking for 155 spaces. The
8 U-shaped building will be a four-story
9 structure along Second and Thompson
10 Streets, with a seven-story wing parallel
11 to Master Street. For the frontage on
12 American Street, two one-story industrial
13 buildings will offer commercial
14 artist/craftsperson studio space with
15 dedicated parking.

16 This site was formerly the
17 ABSCO Steel site, which was a scrap metal
18 recycling facility. The use resulted in
19 major contamination of this site, which
20 the current owners are in the process of
21 mitigating under Pennsylvania Act 2
22 provisions. The proposed cleanup of the
23 site will greatly enhance the surrounding
24 neighborhood and the existing storm water
25 conditions. Additionally, the proposed

1 11/16/06 - RULES - BILL 060637, ETC.

2 building will be a green LEED-certified
3 structure.

4 The City Planning Commission at
5 its meeting of November 14, 2006
6 considered Bill No. 060743 and
7 recommended that it be approved to allow
8 for an appropriate residential reuse of
9 former industrial land in this block.

10 I would be happy to answer any
11 questions of the Committee.

12 COUNCIL PRESIDENT VERNA: Thank
13 you, Mr. Kramer. Who are the current
14 owners of the property and can you tell
15 us if they're also going to be the
16 developers, and, if not, who is?

17 MR. KRAMER: The current owners
18 is a Canus Corporation -- no. I stand
19 corrected. It's still ABSCO Steel at
20 this point, but this development proposal
21 came in from Canus Corporation. So that
22 deal must be in the works. They are the
23 proposed owners.

24 COUNCIL PRESIDENT VERNA: Could
25 you tell us what the overall cost of the

1 11/16/06 - RULES - BILL 060637, ETC.

2 project is?

3 MR. KRAMER: I do not have that
4 information.

5 COUNCIL PRESIDENT VERNA: So
6 I'm sure you don't know the source of
7 funding either, do you?

8 MR. KRAMER: I know that the
9 only portion of the funding I'm aware of
10 is, they have requested money from the
11 PENNVEST Corporation in order to help
12 with the remediation costs, somewhere in
13 the vicinity of \$7 million in cleanup
14 costs. I was just by the site this
15 particular week and I know that the site
16 is currently covered with tarps over most
17 of it, but there are still fairly large
18 piles of scrap steel left on the site.
19 And it's basically surrounded by, I'm
20 going to say, eight-foot-high steel
21 fencing around the entire site.

22 COUNCIL PRESIDENT VERNA: Do
23 you have any indication as to what the
24 dwelling units will cost upon completion?

25 MR. KRAMER: I do not know, but

1 11/16/06 - RULES - BILL 060637, ETC.

2 I know the architect for the project is
3 in the room.

4 COUNCIL PRESIDENT VERNA: Okay.
5 Any questions of Mr. Kramer from members
6 of the Committee?

7 (No response.)

8 COUNCIL PRESIDENT VERNA: Thank
9 you, Mr. Kramer.

10 Do we have anyone else to
11 testify on this bill?

12 Good afternoon. Please
13 identify yourself for the record and
14 proceed with your testimony.

15 MR. PATTERSON: Good afternoon.
16 Ronald Patterson with the law firm of
17 Klehr Harrison, 260 South Broad Street,
18 Philadelphia, PA 19102, on behalf of
19 Canus Corporation, which is the equitable
20 owner of the property, meaning that they
21 have it under agreement of sale.

22 I have some boards I would like
23 to show you just to get you acclimated.
24 The first board is a picture of the
25 existing condition. It was a steel

1 11/16/06 - RULES - BILL 060637, ETC.

2 salvage yard. It is contaminated with
3 PCBs, and as Mr. Kramer said, it will be
4 undergoing an environmental cleanup
5 beyond what is required by the PADEP and
6 EPA for residential standards.

7 The property is located along
8 the American Street corridor. It's
9 currently zoned G-2. The southern
10 portion, though, fronts on residential.
11 The northern portion, of course, fronts
12 on American, which is industrial. And
13 this zoning request would split the
14 property into two, allowing for the
15 southern portion to be residential and
16 the northern portion to be industrial.

17 What we're showing here is the
18 site plan showing the layout of the
19 building and also showing that there is a
20 significant buffer between the buildings
21 and the American Street corridor.

22 Our next exhibit shows what we
23 had initially proposed, and after meeting
24 probably nine or ten times with
25 Kensington South NAC, we were able to

1 11/16/06 - RULES - BILL 060637, ETC.

2 massage the building into a form which is
3 the next exhibit of what we're really
4 proposing to do, which keeps with the
5 streetscape on Second Street a four-story
6 building with condominium flats and also
7 with a seven-story building set more
8 towards Martin Street -- Master. I'm
9 sorry. Proposed now is 160 units and 160
10 parking spaces on site.

11 COUNCIL PRESIDENT VERNA: Thank
12 you.

13 MR. PATTERSON: We've also
14 offered up to the Committee my letter
15 dated November 16th. If you'd like
16 another copy, I'd be happy to approach
17 the bench.

18 This letter we promise -- and I
19 would ask the Committee to make part of
20 the record -- is our representation to
21 address the community group's concerns,
22 one being that the project will be built
23 as condominium and will remain owner
24 occupied. And so we're offering for the
25 record that we will create residential

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2 units as a condominium unit as opposed to
3 an apartment complex, and that we will
4 put a restriction in our condominium
5 association documents to limit any rental
6 by an owner to nothing less than one
7 year.

8 In addition, because this bill
9 was really meant specifically for this
10 project and to avoid any possibility that
11 if we happen to walk away, it would
12 remain C-3 and another development would
13 go in here, we're asking that Council
14 take action to invalidate the ordinance
15 by whatever means, putting it back to G-2
16 should this project or a version
17 materially different not be developed,
18 which would protect development of that
19 project on the property.

20 COUNCIL PRESIDENT VERNA: Thank
21 you, Mr. Patterson.

22 MR. PATTERSON: Thank you.

23 COUNCIL PRESIDENT VERNA: Are
24 there any questions from members of the
25 Committee?

1 11/16/06 - RULES - BILL 060637, ETC.

2 (No response.)

3 COUNCIL PRESIDENT VERNA:

4 Seeing none, thank you.

5 MR. PATTERSON: Thank you.

6 COUNCIL PRESIDENT VERNA: Do
7 you have anyone else to testify on this
8 bill?

9 MR. PATTERSON: If I may.

10 MR. BARR: Madam President,
11 Councilman Clarke, members of the Rules
12 Committee, thank you. I'm Sharon Barr
13 with Canus Corporation, the equitable
14 owners of the property.

15 I don't have a lot to add from
16 what's already been stated by Mr. Kramer
17 and Mr. Patterson. We're very excited
18 about this opportunity to reclaim a
19 contaminated site, clean it up and create
20 a vibrant new residential complex,
21 together with industrial units at such
22 time as that is possible.

23 I wanted to respond to your
24 question about the funding, just the cost
25 and the funding. We currently estimate

1 11/16/06 - RULES - BILL 060637, ETC.

2 that the overall project will be
3 approximately \$50 million. We have not
4 finalized the construction financing yet,
5 but as Mr. Patterson pointed out, we have
6 applied for -- I'm sorry; it was
7 Mr. Kramer -- to the Pennsylvania
8 Infrastructure Investment Authority for
9 funding for the remediation, the cleanup
10 of the site, basically removal of PCBs.
11 And we've received the support of PIDC
12 for that application, and we're very
13 pleased with that support.

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much.

16 MS. BARR: That's on the
17 PENNVEST loan. We haven't finalized the
18 financing for the construction yet.

19 COUNCIL PRESIDENT VERNA: The
20 Chair recognizes Councilman O'Neill.

21 COUNCILMAN O'NEILL: Yes.
22 Approximately how much would the units be
23 marketed for?

24 MS. BARR: They are almost all
25 between \$230,000 and \$370,000. We're

1 11/16/06 - RULES - BILL 060637, ETC.

2 really trying to target the middle range
3 market in Philadelphia, not the luxury
4 market, trying to make it as consistent
5 as we can with the community. And by the
6 way, we have, as Ron mentioned, we've
7 been meeting since November of last year
8 with the Kensington South Community and
9 have received their enthusiastic support.
10 We're very proud of that. And, in fact,
11 we've refined the design to both meet the
12 needs of the residents as well as a
13 result of meetings with the Commerce
14 Department and the American Street
15 business owners.

16 COUNCILMAN O'NEILL:

17 Mr. Patterson mentioned an agreement not
18 to go forward with the zoning change if
19 this project doesn't happen.

20 MS. BARR: Right.

21 COUNCILMAN O'NEILL: There was
22 a project in Councilman DiCicco's
23 district before us about two weeks ago
24 that's been continued to later in
25 November, but there was a deed

1 11/16/06 - RULES - BILL 060637, ETC.

2 restriction in that case that pretty much
3 did the same thing. Is there a deed
4 restriction involved in this?

5 MR. PATTERSON: No, there
6 isn't, but we're happy to entertain any
7 agreement.

8 COUNCILMAN O'NEILL: That's up
9 to the community and you. It just was
10 the first time I had heard it and I
11 thought it was really --

12 MR. PATTERSON: That's frankly
13 where I got the idea, was from Councilman
14 DiCicco.

15 COUNCILMAN O'NEILL: He's full
16 of ideas.

17 MR. PATTERSON: He's a
18 proponent of that.

19 COUNCILMAN O'NEILL: Okay.
20 Thank you. That's all.

21 MR. PATTERSON: So it just
22 protects the neighborhood in case the
23 project doesn't go forward.

24 COUNCILMAN O'NEILL: Right.
25 Thank you.

1 11/16/06 - RULES - BILL 060637, ETC.

2 COUNCIL PRESIDENT VERNA: Thank
3 you.

4 Any other questions or comments
5 from members of the Committee?

6 (No response.)

7 COUNCIL PRESIDENT VERNA: Thank
8 you very much.

9 MS. BARR: Thank you.

10 COUNCIL PRESIDENT VERNA: Do we
11 have anyone else to testify on this bill?

12 Please approach the witness
13 table, identify yourself and proceed with
14 your testimony.

15 MR. FORKIN: Good afternoon,
16 Chairwoman, members of the Rules
17 Committee. My name is Tom Forkin. I'm
18 the President of the American Street Erie
19 Avenue Business Association. I'm here
20 today, along with several business owners
21 and concerned citizens, to testify
22 against the proposed rezoning ordinance
23 for the parcel of land bounded by Master
24 Street, Second Street, Thompson Street
25 and American Street.

1 11/16/06 - RULES - BILL 060637, ETC.

2 Now, I would like to preface my
3 remarks by saying that just a few minutes
4 ago I was talking to Mr. Patterson.
5 We're attempting to work out some
6 details. So I want to be fair and say
7 that we do share the common goal of
8 eliminating the ABSCO Steel scrap yard
9 site. It's a blight on the community.
10 It's a blight with the area businesses.
11 We applaud redoing this site in some form
12 or fashion.

13 We do have serious concerns
14 about some of the details of this
15 project, but I want to be clear and say
16 that it sounds like the developers and
17 their attorney are willing to try to work
18 some things out with us, which I was just
19 made aware of. So I want to temper my
20 remarks by saying that. We want to be
21 fair. We want to meet them halfway, but
22 we still have some philosophical concerns
23 about the project, and I'd just like to
24 quickly enumerate them, because I know
25 you've been through a long day.

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2 Number one, the rezoning does
3 run contrary to a number of previous
4 studies and recommendations, including
5 the 2002 American Street Industrial Urban
6 Renewal Plan and the American Street
7 Industrial Urban Renewal Area Plan, both
8 of which Kensington South participated
9 in.

10 Number two, the rezoning
11 eliminates valuable job-producing
12 industrial land, for the most part. I
13 mean, there's a dearth of industrial land
14 in the City of Philadelphia right now and
15 we're losing more of it.

16 Number three, unlike the
17 variance process, we really have not had
18 an opportunity to vet this project. I
19 commend the developers for meeting with
20 Kensington South. However, we're not
21 Kensington South. We're the business
22 association. I'll take my share of the
23 blame if there hasn't been adequate
24 communication, but there hasn't been
25 adequate communication. So the

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2 agreements that Ron Patterson talked
3 about were not hammered out with this
4 business association. They were hammered
5 out with the community group. And I'm
6 not sure the Councilman was fully aware
7 of that until today. So I will take my
8 share of responsibility for that to be
9 fair, but we are not Kensington South.
10 There's a very active business
11 association in that corridor that dates
12 back to the mid 1960s. There are
13 business owners here today with me that
14 represent several hundred neighborhood
15 jobs, and they're concerned about this
16 development. I think their concerns are
17 legitimate. They may have gotten a
18 little emotional at times. Maybe we
19 didn't phrase things the way we should
20 have, but there are legitimate concerns
21 about changing a gateway parcel into the
22 American Street industrial area to a C-3
23 commercially zoned site.

24 Ron Ramstead, who runs EG
25 Emil's, which is a turkey processing

1 11/16/06 - RULES - BILL 060637, ETC.

2 plant directly across the street, really
3 fears that he may have to relocate once
4 this project is up. You heard Sharon say
5 that these condo units are going to go
6 for \$300,000 or more. If someone buys a
7 condo for \$300,000, are they going to
8 want to be across the street from Ron's
9 plant? I think the answer is no.

10 So, I mean, these are fair
11 concerns that the business association
12 has that we have not really had an
13 opportunity to vet, and we would like
14 that opportunity to vet, and I applaud
15 Mr. Patterson for indicating he'd be
16 willing to do that half an hour or 20
17 minutes ago.

18 Just to continue very quickly,
19 we believe the rezoning could create a
20 myriad of traffic, safety, parking issues
21 with adjacent and heavy industrial
22 businesses. Once rezoned, although I
23 just saw Mr. Patterson's letter, if this
24 developer doesn't proceed, you have a C-3
25 commercially zoned site. Who is to say

1 11/16/06 - RULES - BILL 060637, ETC.

2 what may go in C-3? C-3 is a very broad
3 category, including penal institutions,
4 dance halls and amusement arcades. There
5 needs to be a recapture provision. And,
6 again, I did not see that until
7 approximately ten minutes ago, so I'm
8 trying to be fair here, but that to us is
9 critical. That's a critical element.

10 Number seven, a precedent will
11 be established whether we like it or not.
12 We know there's a 26-foot buffer, but a
13 precedent will be established on a parcel
14 of ground between Girard and Lehigh,
15 which has been for the last 30-plus years
16 industrial solely. Who is to say, again,
17 we may not creep northward on American
18 Street and say, Oh, there's a parcel at
19 Susquehanna, there's a parcel at Diamond
20 that would be a perfect residential or
21 commercial development? Where do we draw
22 the line?

23 So I just ask you not to rush
24 to judgment. I'd ask this Committee not
25 to rush to judgment.

1 11/16/06 - RULES - BILL 060637, ETC.

2 Would we be similarly
3 comfortable with rezoning PIDC industrial
4 parkland in the Northeast, Councilman
5 O'Neill, or in Eastwick? Would we be
6 similarly comfortable if we were rezoning
7 a two-acre parcel of PIDC and Red Lion
8 South or Byberry East or Byberry West?
9 Because essentially that's the way the
10 business owners feel about this corridor.
11 It's an urban, urban industrial park. It
12 may be a little chaotic. It may be a
13 little dirty, but they see it just as
14 much as PIDC sees their industrial
15 parkland, as there for businesses.

16 So I ask you please not to rush
17 to judgment. We're always willing to
18 meet. I would make myself available to
19 Mr. Patterson at any time to meet with
20 him to try to flesh these concerns out.

21 I thank you for your time.

22 COUNCIL PRESIDENT Verna: Thank
23 you very much.

24 Mr. Patterson.

25 MR. PATTERSON: If I may rebut

1 11/16/06 - RULES - BILL 060637, ETC.

2 briefly.

3 We have taken into account the
4 fact that the property lies between two
5 zoning classifications. Again, the
6 southern portion is along R-9; the
7 northern portion is along G-2. So in our
8 plan, we have looked into the fact that
9 we do have a 25-foot buffer along with
10 another 30 feet between that buffer and
11 the nearest building. That's kind of one
12 of the issues that we need to talk to
13 Mr. Forkin about. But we did take that
14 into account. We left the corridor for
15 residential -- I'm sorry; for industrial.

16 And, John, if you could show
17 the little plan at the bottom.

18 If the street ever gets
19 widened, we have proposed to put a series
20 of buildings that would be used for light
21 industrial use along American Street to
22 keep that use along that corridor.

23 COUNCIL PRESIDENT VERNA: Thank
24 you, Mr. Patterson.

25 Mr. Forkin, I see you want to

1 11/16/06 - RULES - BILL 060637, ETC.

2 be recognized.

3 MR. FORKIN: We're going to try
4 to talk. Twenty-five in a two-acre
5 parcel -- and we've talked to Ron about
6 this -- is not sufficient. These seven
7 or eight vanilla boxes are very
8 speculative. They may become storage.

9 MR. PATTERSON: Well, that's
10 your opinion.

11 MR. FORKIN: They may become
12 commercial. I mean, they may or may not
13 ever happen.

14 So, I mean, I didn't want to
15 get into this today, but I guess since
16 Ron wants to rebut what I have to say,
17 we're going to get into it. We don't
18 think that's sufficient.

19 COUNCIL PRESIDENT VERNA: Thank
20 you.

21 The Chair recognizes Councilman
22 Clarke.

23 COUNCILMAN CLARKE: Thank you,
24 Madam President.

25 Thank you all for coming today.

1 11/16/06 - RULES - BILL 060637, ETC.

2 Over the last couple of weeks it has
3 become clear to me that there hasn't been
4 adequate communication between the
5 business association and the developer,
6 and I don't know who is at blame or if
7 anyone is at blame, but the reality is
8 that there are some legitimate issues on
9 the table from both sides, and what I'm
10 going to ask today for the Council
11 President to do is to vote the bill out,
12 but I will hold the bill on the Calendar
13 without a rules suspension to allow, at a
14 minimum, a month to resolve those issues.

15 I do have some concerns about a
16 recapture provision, with the
17 understanding that this development may
18 not in fact happen. Unfortunately, that
19 happens more often than not. I'm
20 concerned about the broad level of this
21 particular classification.

22 So I'm not going to move this
23 bill. I'm going to leave it on the
24 Calendar until something adequately can
25 be worked out. I'm going to ask the

1 11/16/06 - RULES - BILL 060637, ETC.

2 Planning Commission and the Commerce
3 Department to be a part of that
4 discussion from the City and someone from
5 my office.

6 MR. FORKIN: Thank you.

7 COUNCIL PRESIDENT VERNA: Thank
8 you, Mr. Forkin.

9 Good afternoon. Please
10 identify yourself for the record.

11 MS. DiDOMENICO: I'm Lois
12 DiDomenico. I'm the Zoning Chair for
13 Kensington South Neighborhood Advisory
14 Council, and I came today on behalf of
15 the organization to voice support for the
16 rezoning of this parcel identified as
17 060743. As it's been alluded to, this
18 would permit largely residential, with
19 the exception of the strip on American
20 Street.

21 We take our positions from the
22 residents within a two-block area, and we
23 have been working over the past year
24 between design review committee meetings,
25 general community meetings, and the

1 11/16/06 - RULES - BILL 060637, ETC.
2 residents themselves voted positively on
3 this rezoning bill. And I have had
4 actually some discussions with
5 Mr. Forkin, and it's unfortunate that
6 there seems to have been an animosity
7 developing, but our feeling is, we have
8 nothing against businesses. The
9 residents were very, very well aware that
10 this strip on American Street would be
11 left to accommodate businesses on
12 American Street and that it would be kind
13 of viewed as a transitional block. It's
14 sort of a gateway to the solely
15 industrial parcels which are on American
16 and it would still accommodate the
17 desires of the residents on Second
18 Street, who have lived for many, many
19 years with a hideous scrap yard with all
20 of the dust and mess and environmental
21 concerns. And not to be argumentative,
22 but at that point, I didn't see any
23 business people coming to help out with
24 the residents' concerns, which have been
25 numerous.

1 11/16/06 - RULES - BILL 060637, ETC.

2 So this was -- you can be sure
3 that this is a bill that was
4 community-based support and we've worked
5 very closely with the developers, and
6 they have come from two large rather
7 unattractive buildings to what you saw
8 today as a result of the residents
9 spending all volunteer time, myself
10 included.

11 So I hope you will view it
12 favorably, and I thank you for the
13 opportunity to support it.

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much.

16 Any questions or comments from
17 members of the Committee of this witness?

18 (No response.)

19 COUNCIL PRESIDENT VERNA:
20 Seeing none, do we have anyone else to
21 testify on this bill?

22 (No response.)

23 COUNCIL PRESIDENT VERNA: I
24 would now ask Mr. McPherson to please
25 read the title of Bill No. 060762.

1 11/16/06 - RULES - BILL 060637, ETC.

2 MR. MCPHERSON: An ordinance to
3 amend the Philadelphia Zoning Maps by
4 changing the zoning designations of the
5 following area of the City: area
6 generally bounded by Tomlinson Road
7 extended, a Railroad Right-of-Way,
8 Bennett Road extended to a Railroad
9 Right-of-Way and Roosevelt Boulevard.

10 COUNCIL PRESIDENT VERNA:
11 Mr. Kramer.

12 MR. KRAMER: Good afternoon,
13 Madam President and members of the Rules
14 Committee. My name is William Kramer. I
15 am the Senior Zoning Planner in the
16 Development Planning Division of the City
17 Planning Commission. I am here today to
18 testify on Bill 060762, which was
19 introduced by Councilmember O'Neill
20 October 19th of this year.

21 This bill rezones 9.7 acres of
22 land located in the Somerton section of
23 the City on the northerly side of the
24 intersection of Tomlinson Street and Hoff
25 Street from a zoning designation of G-2

1 11/16/06 - RULES - BILL 060637, ETC.

2 General Industrial to a zoning
3 designation of R-1A Residential.

4 This bill rezones a parcel of
5 land to allow for the construction of 42
6 detached single-family dwellings on large
7 lots. The lots will exceed the
8 requirements of the R-1A Residential
9 district and are part of a new
10 subdivision that will require the placing
11 of a new City street on the City Plan.

12 The City Planning Commission at
13 its meeting of September 19, 2006
14 considered and approved a preliminary
15 plat for this site. Accordingly, Bill
16 No. 060762 is consistent with previous
17 policy of the Planning Commission and we
18 recommend that it be approved.

19 I would be happy to answer any
20 questions of the Committee. Thank you.

21 COUNCIL PRESIDENT VERNA: Thank
22 you, Mr. Kramer. What is the anticipated
23 market price for these homes?

24 MR. KRAMER: I heard numbers in
25 the area of \$400,000.

1 11/16/06 - RULES - BILL 060637, ETC.

2 COUNCIL PRESIDENT VERNA: Do we
3 have any indication as to when the
4 development would be completed?

5 MR. KRAMER: I have no idea
6 when they will actually complete that,
7 no, ma'am.

8 COUNCIL PRESIDENT VERNA: The
9 Chair recognizes Councilman O'Neill.

10 COUNCILMAN O'NEILL: Yes.
11 Madam Chair, for the record, I'd like to
12 mention that the developer met
13 extensively with the Somerton Civic
14 Association, the area residents and
15 worked out a proposal, along with my
16 office, in terms of density, type of
17 housing. And this is a blighted
18 industrial site that no one seems
19 interested in. Maybe not quite what the
20 last project was, but one where the area
21 neighbors have spoken, and I think it
22 will work out well for everybody, and I'd
23 like to thank the Planning Commission for
24 helping.

25 COUNCIL PRESIDENT VERNA: Thank

1 11/16/06 - RULES - BILL 060637, ETC.

2 you.

3 Any other questions or comments

4 from members of the Committee?

5 (No response.)

6 COUNCIL PRESIDENT Verna: Thank

7 you, Mr. Kramer.

8 Do we have anyone else to

9 testify on this bill?

10 (No response.)

11 COUNCIL PRESIDENT Verna: Do we

12 have anyone else to testify on Bill

13 060762?

14 (No response.)

15 COUNCIL PRESIDENT Verna:

16 Seeing none, I would ask Mr. McPherson to

17 please read the title of Bill No. 060797.

18 MR. MCPHERSON: An ordinance to

19 amend the Philadelphia Zoning Maps by

20 changing the zoning designations of

21 certain areas of land located within an

22 area bounded by Thompson Street,

23 Alresford Street, Salmon Street and

24 Juniata Street.

25 COUNCIL PRESIDENT Verna:

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2 Mr. Kramer.

3 MR. KRAMER: Good afternoon,
4 Madam President, members of the Rules
5 Committee. My name is William Kramer. I
6 am the Senior Zoning Planner in the
7 Development Planning Division of the City
8 Planning Commission. I am here today to
9 testify on Bill No. 060797, which was
10 introduced by Councilmember Krajewski
11 October 20th of this year.

12 This bill rezones a
13 5,300-square-foot parcel of land located
14 in an area bounded by Thompson Street,
15 Alresford Street, Salmon Street and
16 Juniata Street from a zoning designation
17 of L-4 Limited Industrial to a zoning
18 designation of R-10A Residential.

19 This bill rezones a portion of
20 land to allow for the development of
21 three additional single-family
22 residential units fronting on Juniata
23 Street. These will be in addition to the
24 20 units of single-family residential
25 development under construction in this

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2 block. The rezoning is consistent with
3 Bill No. 050463, which was previously
4 approved on July 8th of 2005.

5 The City Planning Commission at
6 its meeting of November 14, 2006
7 considered Bill No. 060797 and
8 recommended that it be approved in order
9 to allow for continued single-family
10 residential development in this block.

11 I would be happy to answer any
12 questions of the Committee.

13 COUNCIL PRESIDENT VERNA:

14 Mr. Kramer, the surrounding property is
15 zoned L-4; is it not?

16 MR. KRAMER: Yes, ma'am. It's
17 actually -- the bill has a slight error
18 in it, in that the initial bill had not
19 been updated on some of our maps. The
20 actual zoning classification is R-10A in
21 the northerly portion of this block. The
22 southerly -- or I should say the westerly
23 portion of the block, the portion that
24 is -- let me make sure I have the street
25 right.

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2 The portion of this block at
3 Thompson Street is currently R-10A
4 Residential, and this would just continue
5 that 10A Residential for a parking lot,
6 actually. It has been sold to the
7 developer, who is BK Enterprises, and it
8 has been sold to them, and so they've
9 requested that this additional 5,300
10 square feet be rezoned R-10A so that they
11 can add three more units into their
12 development.

13 COUNCIL PRESIDENT VERNA: So
14 it's the same developer?

15 MR. KRAMER: Yes, ma'am.

16 COUNCIL PRESIDENT VERNA: Okay.
17 Any questions or comments from members of
18 the Committee?

19 (No response.)

20 COUNCIL PRESIDENT VERNA: Thank
21 you, Mr. Kramer.

22 I would ask Mr. McPherson to
23 please read the title of Bill No. 060732.

24 MR. MCPHERSON: An ordinance
25 amending Title 14 of The Philadelphia

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2 Code, entitled "Zoning and Planning," by
3 adding a new Chapter establishing
4 inclusionary affordable housing, by
5 requiring that certain developments
6 consisting of a certain number of
7 dwelling units, provide a certain
8 percentage of those units for affordable
9 housing or provide other options for
10 affordable housing, all under certain
11 terms and conditions.

12 COUNCIL PRESIDENT VERNA: Thank
13 you.

14 MR. MCPHERSON: And the first
15 panel consists of the Administration and
16 PHA.

17 COUNCIL PRESIDENT VERNA: We're
18 going to recess and go into a public
19 meeting and then we will come back to the
20 public hearing again regarding this bill.

21 That being said, this will
22 conclude our public hearing and go into
23 our public meeting, and the Chair at this
24 time recognizes Councilman Clarke
25 regarding Bill No. 060637.

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2 COUNCILMAN CLARKE: Thank you,
3 Madam Chair. I move that Bill 060637 be
4 reported out of Committee with a
5 favorable recommendation.

6 (Duly seconded.)

7 COUNCIL PRESIDENT VERNA: It
8 has --

9 COUNCILMAN CLARKE: Madam
10 President, I move that Bill 060673 be
11 reported out of Committee with a
12 favorable recommendation and a request
13 for rules suspension as to allow reading
14 at the next session of Council.

15 (Duly seconded.)

16 COUNCIL PRESIDENT VERNA: It
17 has been moved and seconded that Bill No.
18 060673 be reported out of Committee with
19 a favorable recommendation; further, that
20 the rules of Council be suspended so as
21 to permit first reading at our next
22 Council session.

23 All in favor will say aye.

24 (Aye.)

25 COUNCIL PRESIDENT VERNA: Those

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2 opposed?

3 (No response.)

4 COUNCIL PRESIDENT VERNA: The
5 ayes have it and the motion carries.

6 The Chair recognizes Councilman
7 Clarke regarding Bill No. 060740.

8 COUNCILMAN CLARKE: Madam
9 President, I move that Bill 060740 be
10 reported out of Committee with a
11 favorable recommendation and rules
12 suspension as to allow reading at the
13 next session of Council.

14 (Duly seconded.)

15 COUNCIL PRESIDENT VERNA: It
16 has been moved and seconded that Bill No.
17 060740 be reported out of Committee with
18 a favorable recommendation; further, that
19 the rules of Council be suspended so as
20 to permit first reading at our next
21 session of Council.

22 All in favor will say aye.

23 (Aye.)

24 COUNCIL PRESIDENT VERNA: Those
25 opposed?

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2 (No response.)

3 COUNCIL PRESIDENT VERNA: The
4 ayes have it and the motion carries.

5 The Chair recognizes Councilman
6 Clarke for a motion on Bill No. 060743.

7 COUNCILMAN CLARKE: Madam
8 Chair, I move that Bill No. 060743 be
9 reported out of Committee, without rules
10 suspension.

11 (Duly seconded.)

12 COUNCIL PRESIDENT VERNA: It
13 has been moved and seconded that Bill No.
14 060743 be reported out of Committee with
15 a favorable recommendation.

16 All in favor will say aye.

17 (Aye.)

18 COUNCIL PRESIDENT VERNA: Those
19 opposed?

20 (No response.)

21 COUNCIL PRESIDENT VERNA: The
22 ayes have it and the motion carries.

23 The Chair recognizes Councilman
24 Clarke regarding Bill 060762.

25 COUNCILMAN CLARKE: Madam

1 11/16/06 - RULES - BILL 060637, ETC.

2 President, I move that Bill 060762 be
3 reported out of Committee with a
4 favorable recommendation and a request
5 for a rules suspension as to allow
6 reading at the next session of Council.

7 (Duly seconded.)

8 COUNCIL PRESIDENT VERNA: It
9 has been moved and seconded that Bill No.
10 060762 be reported out of Committee with
11 a favorable recommendation; further, that
12 the rules of Council be suspended so as
13 to permit first reading at our next
14 session of Council.

15 All in flavor will indicate by
16 saying aye.

17 (Aye.)

18 COUNCIL PRESIDENT VERNA: Those
19 opposed?

20 (No response.)

21 COUNCIL PRESIDENT VERNA: The
22 ayes have it and the motion carries.

23 Again, the Chair recognizes
24 Councilman Clarke regarding Bill No.
25 060797.

1 11/16/06 - RULES - BILL 060637, ETC.

2 COUNCILMAN CLARKE: Madam
3 President, I move that Bill 060797 be
4 reported out of Committee with a
5 favorable recommendation and a request
6 for rules suspension as to allow reading
7 at the next session of Council.

8 (Duly seconded.)

9 COUNCIL PRESIDENT VERNA: It
10 has been moved and seconded that Bill No.
11 060797 be reported out of Committee with
12 a favorable recommendation; further, that
13 the rules of Council be suspended so as
14 to permit first reading at our next
15 session of Council.

16 All in favor will say aye.

17 (Aye.)

18 COUNCIL PRESIDENT VERNA: Those
19 opposed?

20 (No response.)

21 COUNCIL PRESIDENT VERNA: The
22 ayes have it and the motion carries.

23 We will now return to our
24 public hearing regarding Bill No. 060732.

25 The Chair recognizes Councilman

1 11/16/06 - RULES - BILL 060637, ETC.

2 Clarke.

3 COUNCILMAN CLARKE: Thank you,
4 Madam President.

5 Madam President, I'd just like
6 to make a brief statement before we have
7 our hearing today on this seemingly very
8 controversial bill.

9 This particular bill was
10 introduced with the intention of bringing
11 to light an issue that I think all people
12 view as a problem. The level of
13 affordable housing in the City is quite
14 severe in terms of unavailability of
15 affordable housing.

16 When we crafted this bill, we
17 were looking at a narrowly tailored bill
18 that is not a cure-all to all the social
19 ills as it relates to affordable housing.
20 That was not the intent of the bill. The
21 bill initially attempted to look at a
22 category of individuals who did not
23 qualify for affordable housing because
24 they made too much money but not nearly
25 enough -- and they didn't make enough

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2 money to afford the high-end housing that
3 was being produced at a record pace in
4 the City of Philadelphia.

5 So the intent was to address
6 that individual who could possibly be a
7 family of four, individuals who could
8 possibly be a police officer and a school
9 teacher, want to live in the City, want
10 to purchase a new home, but there was not
11 adequate product being built.

12 As we moved ahead during this
13 process, it became increasingly clear
14 that on both sides of the issue that
15 people have some concerns that this bill
16 didn't go low enough as it related to the
17 median income and this bill may not
18 necessarily have been high enough as it
19 related to the development community. So
20 I have the distinct position and the
21 pleasure, I guess, in this particular
22 case of having everybody angry at me for
23 a bill that I thought was trying to do
24 the right thing. And I'm okay with that,
25 because I am battle tested and I believe

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2 in getting involved in an issue that I
3 think is the right thing to do. If it
4 requires a level of discord, that I'm
5 okay with that, because I think it is the
6 right thing to do, to craft something
7 that gives people an opportunity to have
8 affordable housing, not only in North
9 Philadelphia, not only in West
10 Philadelphia, not only in Kensington, but
11 to be able to have some level of
12 affordability on the waterfront and other
13 areas throughout the City of
14 Philadelphia.

15 As a member of this particular
16 Rules Committee, I have sat here on a
17 consistent basis time after time and I've
18 seen developments come through this
19 particular Committee and there's no
20 discussion about affordability and we
21 pass the bill because that's not a
22 requirement, and I thought crafting this
23 bill would get us to the level of
24 discussion that we could hopefully have
25 people buy into this whole issue about

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2 having inclusionary housing throughout
3 the City of Philadelphia, not in just
4 these specific geographical areas.

5 Now, understanding the nature
6 of concern and the discussion that I've
7 had with members on both sides of the
8 issue, I'm still looking for somebody who
9 agrees with me 100 percent, and I haven't
10 found that person yet, and that's okay.
11 I'm going to keep looking.

12 I understand that this is a
13 very complicated issue. It is a very
14 serious issue. It is an issue that is
15 going to require a substantial amount of
16 discussion from all parties. The only
17 thing that I ask that people do in the
18 discussion both in here and in the
19 subsequent discussion -- because it's not
20 going to be resolved today, it's just
21 that complicated -- that we be civil,
22 that we listen to people's ideas, we
23 listen to people's concerns, and
24 hopefully at the end of the day, we can
25 craft something that we can all feel good

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2 about.

3 It is not going to be something
4 that everybody is going to be 100 percent
5 happy with, because that just doesn't
6 happen in this world. So at the end of
7 the day, I hope we can have a reasonable
8 discussion and, in the subsequent
9 discussions, we can have people who are
10 willing to work, who are serious about
11 this issue, so we can come up with
12 something that works, and then at the end
13 of the day, we'll be in a position to get
14 at a minimum nine members of Council and
15 I will hope 17 members of Council to
16 support this very important initiative
17 from my perspective. So I just want to
18 say that today.

19 COUNCIL PRESIDENT VERNA: Thank
20 you.

21 COUNCILMAN CLARKE: Thank you.

22 COUNCIL PRESIDENT VERNA: Thank
23 you very much.

24 Mr. Hanna.

25 MR. HANNA: Good afternoon,

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2 Council President Verna, other members of
3 City Council. My name is Kevin Hanna. I
4 serve as the Secretary of Housing for the
5 City of Philadelphia. I'm here today to
6 testify on behalf of the Administration
7 on Bill No. 060732. This bill
8 establishes inclusionary zoning by
9 requiring developments of a certain
10 number of living units to provide a
11 percentage for affordable housing.

12 With me today are Carl Greene,
13 Executive Director of the Philadelphia
14 Housing Authority. Eva Gladstein is also
15 here, the Director of NTI.

16 The Administration supports the
17 concept of inclusionary zoning as a means
18 of creating and sustaining mixed-income
19 communities by providing additional
20 affordable housing opportunities in the
21 City of Philadelphia. However, there are
22 some serious concerns with this
23 particular bill, 060732, as it has been
24 presented. In particular, the Law
25 Department has raised legal concerns

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2 about the authority of City Council to
3 direct the executive branch of government
4 on how it is to enter into contracts or
5 use its property. In addition to
6 concerns about the legality of the bill,
7 as written, the Office of Housing and
8 Community Development has the following
9 concerns: Number one, the income range
10 to be assisted. It is recommended that
11 the income range to be assisted be
12 modified and the range lowered.
13 Households with higher incomes will be
14 served through the private market without
15 public intervention.
16 Two, number of living units in
17 the development to which this bill
18 applies. It is recommended that the
19 number of living units in a development
20 to which this bill applies be increased
21 from 20. Developments with as few as 20
22 units will find it prohibitively
23 expensive to include an affordable
24 component to their project without
25 significant outside; that is, City,

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2 subsidy.

3 Number three, payment in lieu
4 of participation. It is recommended a
5 provision be created for a payment into
6 an affordable housing fund in lieu of
7 participation. The existing Pilot
8 Mortgage Program may be appropriate, as
9 it provides a mechanism for downpayment
10 assistance to middle-income home buyers.
11 A sliding scale of payments may be
12 created based upon the number of
13 affordable units created and/or the
14 income group served.

15 Number four, incentives for
16 participation. It is recommended that
17 the incentives for participation by
18 developers be added to this bill. The
19 appropriate incentives need to be crafted
20 thoughtfully, after consultation and
21 negotiation with the stakeholders,
22 including housing developers, both for
23 profit and non-profit, and labor.
24 Incentives may include creating a density
25 bonus, relaxing certain parking

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2 requirements or modifying construction
3 practices.

4 And number five, the removal of
5 the ordinance from the Zoning Code. It
6 is recommended the ordinance be removed
7 from the Zoning Code. OHCD should be;
8 that is, the Office to Housing and
9 Community Development, should be given
10 responsibility for the implementation of
11 the ordinance through plan reviews.

12 In order to achieve the best
13 possible inclusionary zone bill for the
14 City, it is important to take the time to
15 consult and discuss the issues with the
16 effective parties and groups. The bill
17 needs to provide the right mix of
18 flexibility for "in lieu of" payments and
19 incentives for participation. This
20 dialogue cannot be rushed, ought not be
21 rushed. Therefore, the Administration
22 respectfully requests and agrees with the
23 Councilman's recommendation that the bill
24 be held in Committee to allow time to
25 pursue these discussions.

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2 Thank you for the opportunity
3 to testify today. I and my colleagues
4 would be more than happy to answer any
5 questions you might have of us.

6 COUNCIL PRESIDENT VERNA: Thank
7 you, Mr. Hanna.

8 Are there any questions of
9 Mr. Hanna?

10 The Chair recognizes Councilman
11 Clarke.

12 COUNCILMAN CLARKE: Thank you,
13 Madam Chair.

14 Good afternoon, Mr. Hanna.

15 MR. HANNA: Good afternoon.

16 COUNCILMAN CLARKE: I had a
17 couple of quick questions with respect to
18 your testimony. This bill may not
19 necessarily end up in the Zoning Code,
20 but when we looked at other models, some
21 of the other models were actually
22 inclusionary zoning housing. That can
23 change, and I understand the concerns
24 about that.

25 One of the issues I had is the

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2 OHCD being the monitoring entity, and
3 this was some discussion from your staff.
4 If it is not affordable housing or
5 housing that is funded through HUD or the
6 state or any other affordable housing
7 program, is it legal for your staff to
8 work on projects that are not funded
9 through an affordable housing component?

10 MR. HANNA: Yes, it would be.
11 The statute that directs the programs and
12 initiatives on which we can work speaks
13 to really two things, those projects for
14 which federal dollars are in fact
15 earmarked or people who are paid with
16 federal dollars working on those
17 particular issues. And given the fact
18 that federal dollars will be paid to me
19 and members of my staff to work on it and
20 given the fact that the targeted market
21 we're talking about gets squarely into
22 HUD CDBG guidelines, I don't see that as
23 being a problem.

24 COUNCILMAN CLARKE: So if they
25 fit the guidelines in spite of the fact

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2 that there's no direct federal subsidy,
3 you will still be qualified to work on
4 that?

5 MR. HANNA: That's correct.

6 COUNCILMAN CLARKE: Okay. You
7 indicated earlier that the City would
8 recommend some changes with respect to
9 the median family income and possibly
10 some lower on both sides of the scale.
11 Did you take into account that the
12 necessary subsidy that will potentially
13 be required by the developer or the City
14 or whomever?

15 MR. HANNA: Yeah. That is in
16 fact one of the reasons we'd like to go
17 back and have some discussions,
18 particularly with the developers. We
19 don't at this point have a specific point
20 or range that we feel strongly
21 recommending. I'd like to go back and
22 take a look at how other cities are doing
23 it to the extent that we can gather
24 empirical evidence to back up whatever
25 recommendation we might make. I'd like

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2 also the opportunity to go back and do
3 that.

4 But at this point, all we can
5 say, generally speaking, is that we'd
6 like to see the range lowered from 80 to
7 150, which I think is the way it's
8 written right now, to some range that
9 starts lower and caps out lower.

10 COUNCILMAN CLARKE: One other
11 issue in your testimony. We have
12 circulated among the members of this
13 Committee an amendment that will create a
14 third option, that in lieu of building of
15 the affordable housing on site or off
16 site, the developer will have an option
17 of committing to a fund that can be used
18 for affordable housing. So we'll be
19 doing that amendment today.

20 MR. HANNA: Okay.

21 COUNCILMAN CLARKE: Thank you.

22 COUNCILWOMAN MILLER: Good
23 afternoon.

24 MR. HANNA: Councilwoman.

25 COUNCILWOMAN MILLER: I just

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2 want to revisit the topic of income,
3 median income. It's your suggestion to
4 lower, to modify the 50 percent. Can you
5 say what that is in dollar amount?

6 MR. HANNA: Thirty percent of
7 AMI for a household of four would be an
8 annual income of \$21,650. Fifty percent
9 of AMI -- again, all of these numbers are
10 for a household of four -- would be
11 \$36,050. Eighty percent of AMI would be
12 \$57,700. And without boring you with
13 many more details, 150 percent of median
14 income would be \$108,165.

15 COUNCILWOMAN MILLER: Thank
16 you.

17 COUNCIL PRESIDENT VERNA: Are
18 there any other questions or comments
19 from members of the Committee?

20 COUNCILWOMAN MILLER: I do. I
21 have one.

22 COUNCIL PRESIDENT VERNA:
23 Councilwoman Miller.

24 COUNCILWOMAN MILLER: Well, I
25 can wait if -- are you going to stay,

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2 Kevin?

3 MR. HANNA: Yes.

4 COUNCILWOMAN MILLER: Because

5 I'm not sure. Probably either you or

6 either Carl Greene could answer this

7 question, but are either one of you

8 familiar with this Boston model? Someone

9 gave us this, but there's no name on it.

10 So I have no idea who submitted this.

11 COUNCILMAN CLARKE:

12 Councilwoman, that's actually information

13 from the folks in Boston. When we looked

14 at this inclusionary housing initiative,

15 we tried to find a city that was

16 regionally in proximity to the City of

17 Philadelphia, and the Boston model had

18 the three options, so we somewhat adapted

19 their particular version in this bill.

20 There has been an update from

21 the Boston model where they've actually

22 changed their AMI and I think they are

23 actually using the city's median income

24 as opposed to the AMI, but their housing

25 market is somewhat different. They've

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2 actually changed the numbers recently.
3 They've actually changed the numbers
4 upwards. So we're not looking to do
5 that. We're looking at possibly taking
6 into account the lower income individuals
7 and possibly do that.

8 But this is the Boston folks.
9 They were actually trying to get down
10 here to testify, but I think at the last
11 minute, they heard about the weather and
12 opted not to come down. But hopefully
13 they will be a part of the discussion. I
14 understand that contingent from the City
15 of Philadelphia is going to go to New
16 York possibly and talk to some of the
17 people in New York that are administering
18 an inclusionary housing program.

19 MR. HANNA: The hope is that
20 we'll take a trip to New York and to
21 Boston, among others, in order to get a
22 feel for what other cities are doing.

23 But to answer your question,
24 Councilwoman, I have not seen that piece
25 of paper.

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2 COUNCILWOMAN MILLER: Thank
3 you.

4 COUNCIL PRESIDENT VERNA:
5 You're welcome.

6 Any other questions or
7 comments?

8 (No response.)

9 COUNCIL PRESIDENT VERNA:
10 Seeing none, Mr. Hanna, thank you.

11 Mr. Greene, please identify
12 yourself for the record and proceed with
13 your testimony.

14 MR. GREENE: Hi. I'm Carl
15 Greene, Executive Director of
16 Philadelphia Housing Authority.

17 Good afternoon. I'm here today
18 to give my support to this bill under
19 consideration to provide for inclusionary
20 housing in the City of Philadelphia.

21 We certainly have seen a
22 tremendous growth in the property values
23 here in the City, both in the Center City
24 and the neighborhoods. I think that's
25 great news for the City, but one of the

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2 things that we've experienced in the
3 Martin Luther King homes development
4 where we had a lot of teachers and we had
5 a lot of police officers, nurses,
6 laborers, construction workers, people
7 whose income didn't quite qualify
8 traditionally for our program, in that
9 particular program we went a little
10 higher. We went to like 115 percent of
11 median. So we were able to sell to some
12 of those individuals.

13 So I think that a more balanced
14 housing delivery system is certainly
15 needed, and I think this bill is
16 certainly a good bill with respect to
17 addressing the needs of the workforce
18 housing, because I think that the
19 working-class folks here in the City are
20 sort of left out of the movement toward
21 the development of new housing that's
22 occurring both at the low end and what
23 we're building and most of the other CDCs
24 and tax credit suppliers are building,
25 and at the same time, the high end, of

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2 course, is taking care of itself.

3 I think that certainly
4 set-aside provisions where developers
5 will contribute a certain amount to a
6 housing fund would also help, provided
7 those funds were made available to
8 developers of affordable housing.
9 Certainly the Philadelphia Housing would
10 like to be able to certainly participate.

11 I think that middle-class,
12 middle-income families are certainly at
13 risk of leaving the City, because there's
14 not a targeted program to address their
15 needs. If you visit the Martin Luther
16 King home site at 13th and Fitzwater in
17 Councilman DiCicco's district in South
18 Philadelphia, you'll see that we sold a
19 lot of those houses to teachers.
20 Teachers, firemen, police officers,
21 nurses, janitors, laborers and other
22 folks who are living paycheck to
23 paycheck. So while these individuals may
24 not qualify for our traditional programs,
25 there's an overwhelming need to keep

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2 quality workers in the City to support
3 the businesses that are in the City.

4 We are certainly in complete
5 agreement with the housing advocates who
6 argue that we need more funding for
7 low-income housing. We have --

8 (Applause.)

9 MR. GREENE: We have tens of
10 thousands of people on our waiting list,
11 and the federal government has been
12 slashing funds to public housing over the
13 past several years. Nationally our
14 program has been reduced from 7.1 billion
15 to 5.6 billion over the last five years.
16 In spite of rising costs of utilities,
17 healthcare and other related costs,
18 including wage rates, we have had a
19 significant decrease, and that means
20 there's not enough housing to serve all
21 of the low-income housing individuals
22 that really need housing.

23 Yet, at the same time, I
24 believe that this particular bill serves
25 a critical part of the market that's not

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2 being served. Certainly no one is really
3 looking out for teachers and maintaining
4 teachers in the City, maintaining police
5 officers and firemen and other municipal
6 workers and other professionals in the
7 City.

8 I know that there's a lot of
9 complex issues that Kevin covered, and
10 certainly we don't want to scare off
11 developers and discourage developers from
12 wanting to do business here in the City.
13 I'm really here to give my testimony
14 because of the experiences that we have
15 at the Housing Authority. We've sold
16 over 300 houses this year and we've seen
17 that there's a need to address those
18 people who are the working-class
19 professionals who really need support.
20 And a couple developments we've done and
21 the one at Schuylkill Falls, we're
22 building 28 affordable, which are
23 targeted toward people between 30 to 60
24 percent of median income. What John
25 Westrum is building, 128 market-rate

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2 units. Of those 128 market-rate units,
3 he set aside six of those units to be
4 targeted toward people below 150 percent
5 of median income.

6 I think that the 28 and the six
7 units that he set aside, while they don't
8 quite represent as much affordable
9 housing as we'd like to see, it's just
10 important that we have a balanced housing
11 delivery system. It's important that
12 while we have residency requirements and
13 while we have a growing City, that the
14 workers who are necessary for our economy
15 to thrive need a place in the local
16 community to live.

17 So I think that all the support
18 we can get to increase the dollars for
19 affordable housing for the very, very low
20 income, for accessible housing for the
21 disabled, and for elderly housing for the
22 elderly is very needed. And that is
23 contrary with my position about this
24 bill, but I do think that the workers in
25 our City, the municipal workers, the

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2 nurses, the laborers, the construction
3 workers and people we want to keep in the
4 City so they can spend their money in the
5 City, do not have an advocate and have
6 not had an advocate to this point and
7 have not had an ample supply of new
8 housing to this point.

9 So I'm certainly in favor of
10 both positions. We need more housing for
11 the very, very poor and the disabled and
12 the elderly.

13 (Applause.)

14 MR. GREENE: But I also support
15 the middle-class families and the working
16 families in our communities. I know that
17 teachers in the City start off at \$33,000
18 or \$34,000 a year and we'd like to keep
19 them living near the schools and keep
20 them living in the neighborhoods, and
21 firemen and police officers and the like.
22 And I think there are a lot of
23 complexities, as certainly was covered by
24 Kevin Hanna. I think that I'm not
25 familiar with all those complexities, but

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2 I do want to say that the buyers who come
3 up to our site and want to buy houses, a
4 lot of them are workers who want to
5 really reside and stay in the City.
6 Therefore, I support the objectives of
7 this bill.

8 Thank you.

9 (Applause.)

10 COUNCIL PRESIDENT VERNA: The
11 Chair recognizes Councilman Clarke.

12 COUNCILMAN CLARKE: Thank you,
13 Mr. Greene. Mr. Greene, I just want to
14 thank you for all the wonderful housing
15 that you're doing in my Councilmanic
16 District, and I know you're doing some in
17 other Councilmanic Districts,
18 particularly my friend and colleague over
19 there, Councilwoman Blackwell. And I
20 agree with you, that I get calls all the
21 time from people who all of the sudden
22 have rediscovered North Philadelphia and
23 want to come back to North Philadelphia
24 because things are changing dramatically,
25 but, unfortunately, in a number of the

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2 developments, that they're just over
3 income. Not a lot over income; just
4 marginally over income.

5 So I'm trying to provide a way
6 and all of us are trying to figure out a
7 way to make sure that people have an
8 opportunity to be throughout the City of
9 Philadelphia and not just geographically
10 tied to a particular area that's doing
11 affordable housing.

12 So I want to thank you for the
13 wonderful work you've been doing.

14 MR. GREENE: Thank you,
15 Councilman.

16 COUNCIL PRESIDENT VERNA: Thank
17 you very much.

18 Gentlemen, thank you.

19 Hi, Deborah.

20 MR. HANNA: Thank you.

21 COUNCILWOMAN BLACKWELL:
22 Council President?

23 COUNCIL PRESIDENT VERNA: Yes.
24 Councilwoman.

25 COUNCILWOMAN BLACKWELL: I

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2 likewise would like to say thank you as
3 well. We're trying to catch up with
4 Darrell Clarke, and this is always what
5 we go through and his plan and ability to
6 get PHA housing and affordable housing in
7 his district. But certainly we agree,
8 and we agree with Mr. Greene and feel
9 that our City is large enough to
10 accommodate all points of view. We have
11 to have it all in order to survive.
12 That's what it's about. It's very, very
13 important today to hear the various
14 points of view and it is very, very
15 important -- those of us people, like me,
16 who want to take care of the person on
17 the grate who doesn't know where he is,
18 as well as people who are working in our
19 City and people who want to move up --

20 (Applause.)

21 COUNCILWOMAN BLACKWELL: --
22 obviously have a right to be considered.

23 So we thank them both.

24 COUNCIL PRESIDENT VERNA: Thank
25 you.

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2 Any other comments or questions
3 from members of the Committee?

4 (No response.)

5 COUNCIL PRESIDENT VERNA:

6 Seeing none, I would ask Mr. McPherson to
7 please call the first panel.

8 MR. MCPHERSON: The next panel
9 would be representatives of the
10 Philadelphia Campaign for Housing
11 Justice.

12 (Applause.)

13 COUNCIL PRESIDENT VERNA: We
14 want to hear from everyone. May I
15 suggest you be as brief as possible, as I
16 said. Again, I'm being told about the
17 tornado watch, and I think I'd like to
18 see us all get home safely.

19 Please identify yourself for
20 the record. I don't want to time you,
21 but I'm asking you respectfully to please
22 be as brief as possible.

23 MR. THOMPSON: My name is James
24 Thompson with Philadelphia ACORN.

25 COUNCIL PRESIDENT VERNA: Pull

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2 the microphone closer to you, please.

3 MR. THOMPSON: My name is James
4 Thompson with Philadelphia ACORN, one of
5 the organizations in the Philadelphia
6 Coalition for Housing Justice.

7 Thank you, Councilman Clarke,
8 for starting the discussion on
9 inclusionary housing. Thanks to all
10 Councilmen and Councilwomen for being
11 here today taking the time to be part of
12 this discussion.

13 Before my colleagues address
14 the actual bill, I want to take a few
15 minutes to talk a little bit about
16 Philadelphia Coalition of Housing
17 Justice.

18 Last spring, a coalition of
19 housing advocates, labor unions,
20 congregations and social justice
21 organizations came together to discuss
22 the current crisis of affordable housing.
23 As housing prices soar, many people,
24 including those who provide core services
25 to Philadelphia, such as police officers,

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2 firefighters, teachers and healthcare
3 providers, discover that they simply
4 cannot afford to purchase a home here.

5 Over 300 cities across the
6 country have addressed similar crises by
7 passing laws requiring developers of
8 large-scale market-rate developments to
9 set aside some portion of developments
10 for affordable housing. We believe the
11 time is right for Philadelphia to enact
12 similar policies.

13 Although we are composed of a
14 diverse group of organizations, we have
15 come together as the Philadelphia
16 Campaign of Housing Justice around
17 several key beliefs. The most important
18 shared belief of Philadelphia Campaign of
19 Housing Justice has been that any
20 inclusionary housing legislation needs to
21 provide housing for people who earn far
22 less than \$55,000 a year. Programs in
23 other cities have required buildings at
24 different income tiers. For instance,
25 units targeted to 80 percent AMI,

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2 \$55,000; 50 percent AMI, \$34,000; and
3 under 30 percent AMI, \$21,000. We
4 believe in all beneficiaries of any
5 inclusionary housing policy below and for
6 moderate-income families, with the
7 majority going to low income below 50,000
8 of area median income with set-asides for
9 30,000 of area median income and disabled
10 persons.

11 Finally, we're excited to be
12 here today. The Philadelphia Campaign
13 for Housing Justice believes that
14 offering quality housing for low and
15 moderate-income families is possible and
16 is affordable and enriches and
17 strengthens our communities. Our current
18 housing boom is a result of specific
19 policy choices, and we can continue to
20 enact policy that enables all
21 Philadelphians to benefit from the
22 housing boom.

23 COUNCILMAN CLARKE: Thank you
24 for your testimony.

25 MS. MILLER: Good afternoon.

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2 My name is Jennine Miller and I'm with
3 Project HOME and also with the
4 Philadelphia Housing Justice Coalition.

5 We're excited today to come
6 before you to say that we want to see
7 housing not only for the higher income
8 Philadelphians, but we also want to work
9 together with Council to make sure that
10 the housing needs of lower income
11 Philadelphians and the developers' needs
12 are both met. We want to work together
13 in a compromise to make sure that all
14 Philadelphians have their housing needs
15 met.

16 For more than 20 years, Project
17 HOME has been active in the issues of
18 affordable housing in Philadelphia.
19 We've witnessed tremendous progress in
20 our City. Community development efforts
21 have helped to revitalize our
22 communities. Our local economy is
23 strong. But we must also face the stark
24 reality that our housing crisis remains
25 severe.

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2 Every day staff at Project HOME
3 talk to hard-working Philadelphians who
4 are desperately struggling to obtain
5 housing. Last year in the Daily News
6 columnist Dan Garinger recounted the
7 plight of an immigrant woman who
8 tragically lost two children and her
9 husband in a house fire. She and her
10 surviving child went to every agency
11 around town, every realtor and tried to
12 find housing within her price range, but
13 struggled to do so. Despite working two
14 jobs and trying to find housing, she was
15 unable to find a decent place for herself
16 and her child.

17 That family isn't alone. The
18 stats are pretty clear and shameful for
19 our City. Philadelphia needs more than
20 60,000 units of affordable housing more
21 than we have already. More than 10,000
22 children spend time in our shelters each
23 year. Minimum wage will soon be raised
24 to 7.15 per hour, but our housing wage,
25 the amount that a family would need to

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2 earn a two-bedroom rental, is at \$18 an
3 hour. That's a stark difference, \$18 an
4 hour versus 7.15 an hour.

5 The public, as Carl Greene
6 mentioned, public and subsidized housing
7 units have declined significantly over
8 the past decade. And the combined
9 Section 8 and public housing waiting
10 list, as he alluded to, is quite long,
11 over 20,000 families.

12 A third of Philadelphians earn
13 less than \$20,000 per year, but the
14 median income of our area is 70,000.
15 Philadelphia's median income is less than
16 half of that. Many of the numbers that
17 we use actually take into account the
18 entire region, but the majority of
19 residents of every Council District earn
20 less than the \$55,000 cutoff for this
21 inclusionary housing bill.

22 National trends such as the
23 growing wage and housing cost gap are in
24 part to blame. Local measures can do a
25 great deal to really remedy the

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2 situation. The City's Neighborhood
3 Transformation Initiative has made
4 progress in removing blight from many of
5 our neighborhoods, abandoned buildings,
6 cars, years of trash and other eyesores.
7 New homeownership initiatives are dotting
8 the landscape, but we need to do more.
9 The good news is that we can do more in
10 the form of effective inclusionary
11 housing legislation.

12 There are currently more than
13 300 localities around the country that
14 have enacted inclusionary zoning
15 legislation. Cities, as we mentioned
16 already, Boston, Brooklyn, New York is
17 doing some really creative things with
18 inclusionary zoning right now, and
19 Sacramento.

20 An effective inclusionary
21 housing ordinance would also complement
22 another City program, the special needs
23 homeless set-aside within the
24 Consolidated Plan that would ensure when
25 people are ready for fully independent

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2 living that it's available to them.

3 Under the leadership of the
4 Philadelphia Campaign for Housing
5 Justice, with the support of Project HOME
6 and 28 other organizations, many of whom
7 are in the room today, the concept of
8 inclusionary housing has garnered a lot
9 of public support from City Council and
10 also the Administration. We're delighted
11 that City Council has agreed to take on
12 this task of looking to see how we can
13 get inclusionary housing for our City.

14 Specifically, I want to say
15 several of the strengths of the bill.
16 One, we think it's great that it will
17 impact most new residential development
18 in Philadelphia. Two, it offers the
19 developers flexibility of building either
20 on site or off site. And, three, that we
21 think it's vital that the units are
22 comparable in size and quality to the
23 other units.

24 In just a second, Jeff
25 Hornstein from SEIU is going to examine

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2 the parts of the bill that we hope to
3 strengthen.

4 As a City, we can be proud of
5 the accomplishments we've made, but we
6 look forward to working together with you
7 in partnership on this critical issue.

8 Thank you.

9 (Applause.)

10 COUNCILMAN CLARKE: Thank you
11 for your testimony.

12 Please proceed. State your
13 name for the record. Please proceed.

14 MR. HORNSTEIN: Good afternoon.

15 My name is Jeff Hornstein. I'm the
16 Organizing Coordinator for Philadelphia
17 for SEIU Local 32BJ. Local 32BJ
18 represents over 85,000 building service
19 workers in six states, in Washington, DC,
20 including about 5,000 members here in
21 Philadelphia.

22 On behalf of the Philadelphia
23 Campaign for Housing Justice and on
24 behalf of Local 32BJ's leadership, our
25 District Chairman Wayne Macmaniman, our

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2 President Mike Fishman, I wanted to thank
3 City Council, particularly Councilman
4 Clarke, for your efforts to address a
5 real serious problem of affordable
6 housing in the City. We're grateful that
7 the political will to address this
8 problem seems to be coming together. We
9 want to work with you to make this a bill
10 we can all be proud of.

11 Our typical member in Local
12 32BJ makes about \$28,000 a year, which is
13 about 39 percent of area median income.
14 It's about 88 percent of the City median
15 income. So you can see the real
16 disparity between those two income
17 figures.

18 Our typical member owns her own
19 home, which she probably bought more than
20 five years ago, probably more than ten
21 years ago before the current real estate
22 boom. Our typical member lives in
23 Frankford, Juniata, Grays Ferry, West
24 Philadelphia, North Philadelphia or
25 Mayfair. Our typical member can pay her

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2 bills and can get by on her salary of \$12
3 to \$14 an hour. She's got medical
4 coverage and some retirement security.
5 However, a slight life change like a
6 death in the family, as you will hear a
7 little bit later from one of our members,
8 can send a stable working family into a
9 real financial tailspin, and finding
10 decent affordable housing in the
11 neighborhoods where our members live is
12 becoming increasingly difficult, if not
13 impossible. As high-end development
14 occurs in lower North Philly, Fishtown,
15 Northern Liberties, University City and
16 parts of Grays Ferry, now called Center
17 City South by some realtors, costs on the
18 edges of these neighborhoods are rapidly
19 rising.

20 I was talking to a member just
21 yesterday, a man in his early 30's who
22 has worked his tail off in a union
23 janitorial job for ten years. He's got
24 two kids, lives in Mayfair in a house he
25 and his wife have owned for five years.

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2 They're going through a divorce right now
3 and he's trying to figure out how to stay
4 in the neighborhood near his kids.

5 Housing costs have risen so
6 dramatically in Mayfair that his house
7 has more than doubled in value in five
8 years. They can sell the house, pay off
9 the mortgage and each walk away with some
10 cash, but neither of them will be able to
11 afford something to buy in the
12 neighborhood.

13 I hear this story frequently.
14 Our members work hard. They play by the
15 rules and want their piece of the
16 American dream. They want and deserve
17 quality affordable housing in decent
18 neighborhoods.

19 So let me just talk very
20 quickly about a few of the things the
21 Philadelphia Campaign for Housing Justice
22 would like to see changed in this bill.
23 And I know we've had this discussion with
24 Councilman Clarke, so I won't bore
25 everyone completely with the details and

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2 other things will be in the record.

3 First, on the target income
4 levels, according to the target income in
5 the current ordinance, approximately 70
6 percent of the City's population will not
7 qualify, as you can see visually
8 represented behind us. So we would like
9 to propose that the majority of housing
10 created through this bill will benefit
11 households that are at or below 50
12 percent AMI, with a set-aside for
13 households at or below 30 percent AMI.
14 Other cities have used a range; for
15 example, Minneapolis where housing is
16 built for people under 80 percent, under
17 50 percent and under 30 percent.

18 Right now -- and this is
19 important, and this speaks to the
20 Administration's position on making sure
21 this is done right rather than done
22 quick -- that we are currently
23 researching the financial feasibility of
24 creating the maximum number of
25 inclusionary units in the Philadelphia

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2 market and will have a recommendation
3 concerning the percentage of units on
4 site, off site. And we're pleased to
5 hear Councilman Clarke say today that
6 he's proposing the in lieu funds, so
7 we'll have the research to back up these
8 claims from market-rate developers.

9 Second, the in lieu fee, again,
10 we're grateful that Councilman Clarke is
11 putting that in the bill. So I'll skip
12 over that.

13 Incentives, we need to create a
14 win-win. We've heard some of those
15 options. We know that Philadelphia has a
16 Zoning Code that is also considered to
17 be -- my friends in New York are kind of
18 shocked when they hear that over 90
19 percent of what's built in Philadelphia
20 needs a variance. It's exactly the
21 opposite in New York City. So some way
22 of streamlining that might be an
23 incentive that would be useful.

24 Duration of affordability I
25 haven't heard anyone speak to today, so

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2 I'll mention that specifically.

3 Affordable units generated by this
4 ordinance should be made affordable for a
5 longer period of time than the ten years
6 that's currently in the bill. Other
7 cities, Boston, have a 99-year
8 affordability. Boulder, Colorado has
9 permanent. Somerville, Massachusetts, in
10 perpetuity. So we've got the information
11 on all these other bills, and I think we
12 can do better than ten years.

13 The project trigger, I was a
14 little disturbed to hear the
15 Administration arguing for a higher
16 project trigger. We think the project
17 trigger should actually be lower, because
18 much of what's built in Philadelphia is
19 in the 10 to 20-unit range.

20 From our point of view speaking
21 here sort of on behalf of organized
22 labor, we want to make sure the area
23 standard wages are maintained. And
24 there's no provision in this ordinance
25 for ensuring that new jobs created by

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2 development do not undermine existing
3 wage and benefit standards for either
4 construction or building service
5 employees.

6 And, finally, on a research
7 point, we are, as we said, conducting a
8 financial feasibility study and we will
9 share that with everyone when it's
10 finished.

11 So just to summarize, we have a
12 number of concerns with this bill. It
13 needs to create housing that benefits a
14 broad range of working families in the
15 City, which is a City of working
16 families, the members of SEIU, the
17 members of AFSCME, the laborers, United
18 Food and Commercial Workers, the
19 Fraternal Order of Police, the
20 Firefighters Union, the many other unions
21 in Philadelphia that make up the backbone
22 of our City's stable working families.

23 On their behalf, we need you to
24 make sure that this inclusionary housing
25 bill is done right rather than done

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2 quick. A bill that benefits only those
3 making \$57,000 to \$100,000 is
4 exclusionary rather than inclusionary.

5 We want this bill to create
6 more opportunity for development and not
7 less. Our union has a long history of
8 working with commercial real estate
9 owners and developers and contractors to
10 create win-win situations for our City's
11 economy and for working families. Make
12 sure the developers have the incentives
13 they need to keep building. Let's not
14 throw the baby out with the proverbial
15 bath water.

16 And, finally, and most
17 important from our point of view, is that
18 every job that's created by new
19 development be a good family-sustaining
20 job that ensures that area standard wages
21 and benefits are maintained. We believe
22 that when the City confers tax
23 exemptions, it has an interest in
24 ensuring that those benefits do not
25 undermine the City's existing tax base.

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2 In particular, we believe that the City
3 has an interest in ensuring that the new
4 jobs created by development do not
5 undermine existing wage standards. If
6 building service workers like security
7 officers, desk attendants, housekeepers,
8 porters, gardeners, et cetera, can't earn
9 decent wages, our City suffers.

10 So I thank you again for your
11 time on behalf of the Philadelphia
12 Campaign for Housing Justice, the
13 leadership and membership of our union.
14 I urge you all to create an inclusionary
15 affordable housing law that works for all
16 Philadelphians, and I thank you very much
17 for your patience.

18 (Applause.)

19 COUNCILMAN CLARKE: I would
20 just like to thank you all, and I look
21 forward to working with you on this very,
22 very important initiative.

23 MS. MILLER: Absolutely. Thank
24 you for your leadership.

25 COUNCILMAN CLARKE: You're

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2 welcome.

3 MR. MCPHERSON: The next panel
4 is the Building Industry Association.
5 Representatives from the Building
6 Industry Association, they're next.

7 COUNCIL PRESIDENT VERNA: Good
8 afternoon. Please identify yourself for
9 the record and proceed with your
10 testimony.

11 MR. REDDISH: Good afternoon,
12 Madam Chair, Councilman Clarke, other
13 distinguished members of the Rules
14 Committee. My name is Bill Reddish. I
15 am President of the Building Industry
16 Association of Philadelphia. The BIA
17 represents the residential building
18 industry in the City of Philadelphia.

19 I come before you today to
20 speak on behalf of and in support of the
21 development of workforce and affordable
22 housing and, specifically, about the
23 proposed inclusionary affordable housing
24 ordinance being discussed today. The BIA
25 believes strongly that there is a large

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2 need for this type of housing in the City
3 and welcomes the opportunity to
4 participate in a dialogue about how best
5 to serve this market.

6 Over the past several years,
7 Philadelphia has benefited from the
8 creation of thousands of new market-rate
9 housing units after decades of virtually
10 no private housing production. How has
11 Philadelphia benefited? Through
12 increased jobs, increased wages and
13 substantial increases in the real estate
14 property transfer tax. All of these
15 benefits have resulted in a direct
16 positive impact to Philadelphia's bottom
17 line. Any policies put in place that
18 would prohibit the continued growth of
19 this type of housing production would
20 have a direct impact on Philadelphia's
21 budget coffers.

22 Currently, Philadelphia, as
23 well as the rest of the nation, is
24 experiencing a flattening of the housing
25 market. The cost of production continues

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2 to rise, but sales prices are leveling
3 off and even dropping in some areas.
4 Rather than seeing a new project
5 announced on a regular basis, we are now
6 hearing of projects being delayed,
7 deferred or pulled offline for good. In
8 other words, even with the current
9 incentives that we have, the market
10 conditions still are suffering. This is
11 a tenuous time for change in housing
12 policy and it must be informed by good
13 data. Rather than rush to implement the
14 proposed ordinance, the best course of
15 action is to take the time to get a
16 clear, factual picture of the housing
17 market, determine what portions of the
18 housing market are not being met, and
19 then determine how the public and private
20 markets can work together to best meet
21 those needs. The BIA welcomes the
22 opportunity to participate in these
23 important policy discussions.

24 The BIA understands how
25 critical workforce housing is to the City

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2 and that middle-class housing
3 opportunities are essential to growing
4 the City's economy. We believe
5 Philadelphia needs and deserves to have
6 the best policy possible to promote
7 workforce housing development.
8 Therefore, we applaud Councilman Clarke's
9 efforts to put this issue at the
10 forefront of policy discussions currently
11 taking place in Philadelphia. We look
12 forward to working with him, the
13 Administration and other housing
14 advocates on a broader policy discussion
15 that takes a comprehensive look at the
16 spectrum of issues involved in putting
17 forth productive housing policy.

18 The best approach to increasing
19 workforce housing in the City will be to
20 examine policies which reduce the cost of
21 producing housing rather than increasing
22 those costs. This bill in its current
23 form would increase the cost of housing
24 production. There may be markets in the
25 City that could support such an increase.

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2 However, the critical advancement made
3 under Mayor Street's Neighborhood
4 Transformation Initiative; namely,
5 private capital investment in
6 neighborhoods long neglected by the
7 capital markets, would come to a virtual
8 standstill with the adoption of this
9 bill.

10 Therefore, without additional
11 critical and analytical investigation,
12 the BIA cannot support this bill. We
13 are, however, very interested in
14 continuing the dialogue that has been
15 started by Councilman Clarke.

16 Thank you.

17 COUNCIL PRESIDENT VERNA: Thank
18 you very much.

19 Are there any questions of this
20 witness?

21 (Applause.)

22 (No response.)

23 COUNCIL PRESIDENT VERNA:

24 Seeing none, good afternoon, sir. Please
25 identify yourself.

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2 MR. RUST: My name is Lawrence
3 Rust. I'm past President of the Building
4 and Industry Association, and simply what
5 I would like to add to Bill's excellent
6 testimony is that there's a very extreme
7 complexity in balancing the needs of
8 affordable housing in the City of
9 Philadelphia and then asking builders to
10 pay for that affordable housing. There's
11 a major necessity that we create more
12 affordable housing. BIA is supportive of
13 this. My company, in which I'm a
14 partner, New Urban Ventures, and
15 Mr. Westrum's company have also done
16 developments where out of pocket we have
17 produced affordable housing in
18 conjunction with market-rate housing.

19 But the issue, as Bill
20 explained, quite frankly, is extremely
21 complex, economically a balancing act,
22 and needs to be studied and worked on,
23 and we would like to continue to
24 participate with Councilman Clarke and
25 Council in achieving that balance.

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2 Thank you.

3 COUNCIL PRESIDENT VERNA: Thank
4 you very much.

5 Mr. Westrum.

6 MR. WESTRUM: I think I'm out
7 of turn a little bit here, and I know
8 there's a tornado watch out there, so I'm
9 really just going to echo Mr. Reddish's
10 comments and just say that while Westrum
11 Development Company supports legislation
12 such as this to be analyzed and reviewed,
13 we just want to make sure that we don't
14 adopt a Band-aid fix to something that is
15 too important for the future planning and
16 developing in the City of Philadelphia.

17 We feel that instead the
18 Administration should form a small group
19 of City leaders to look into this and
20 other aspects of planning, zoning,
21 community negotiations and other
22 incentives prior to adopting anything
23 that will have long-term lasting effects
24 on the shape of the City for the next 50
25 years.

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2 Through unified negotiations
3 with all parties, we believe we can
4 create a win-win situation that not only
5 provides housing that people can afford
6 and for the workforce, but also increases
7 real estate investment, a feasible and
8 vital step necessary to advance economic
9 growth in this great City.

10 We feel that there's a real
11 need to do something and we feel it has
12 to be done positively. We just feel that
13 the current bill as drafted could become
14 a tax that will drive away investment in
15 the City.

16 So we look forward to working
17 with the City and Council and Councilman
18 Clarke to do something very positive.

19 Thank you.

20 COUNCIL PRESIDENT VERNA: Thank
21 you very much.

22 Any questions?

23 (No response.)

24 COUNCIL PRESIDENT VERNA: Thank
25 you. Thank you, gentlemen.

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2 MR. REDDISH: Thank you.

3 MR. McPHERSON: The next panel
4 consists of representatives from ACORN,
5 Project HOME and Community Legal
6 Services.

7 COUNCIL PRESIDENT VERNA: May I
8 just make an announcement, please. I
9 understand we're supposed to be bracing
10 for a strong storm, and as a precaution,
11 the City has activated its Emergency
12 Operations Center, and the Philadelphia
13 School District cancelled all
14 after-school activities, including Power
15 Hour. The Emergency Operations Center
16 will be open through 11:00 p.m. tonight
17 or later, depending on weather
18 conditions.

19 So I just felt compelled to
20 make that announcement, because we very
21 seldom get notices like this.

22 Okay. Please identify yourself
23 for the record and proceed with your
24 testimony.

25 MR. JONES: My name is Ken

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2 Jones. I'm a member of Philadelphia
3 ACORN, residents of Philadelphia. I'd
4 like to thank Councilman Darrell Clarke
5 for getting a discussion rolling on this
6 issue and other Councilmen and
7 Councilwomen for taking the time to be
8 here today.

9 ACORN, as you know, is a
10 grassroot community organizer of working
11 families to make positive change in the
12 community. ACORN is currently organized
13 in ten cities in Pennsylvania and 99
14 cities cross the country. We have over
15 10,000 dues-paying members right here in
16 Philadelphia. Our members care deeply
17 about our neighborhoods and believe that
18 every Philadelphian deserves to live in a
19 safe, clean neighborhood in quality
20 housing that they can afford.

21 With equal access to City
22 services and quality schools across the
23 country, from California to Washington,
24 DC, ACORN has been involved in the
25 creation of inclusionary zoning

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2 legislation.

3 ACORN supports inclusionary
4 zoning, but before I go into inclusionary
5 zoning, I want to talk a little about
6 exclusionary zoning.

7 As a long-time resident of
8 North Philadelphia, 35 years to be exact,
9 in Darrell Clarke's district, small
10 business owner and active member of my
11 community, along with ACORN, people find
12 me to be the type of person that they can
13 trust, get advice from and talk to about
14 certain issues and problems that exist in
15 our neighborhoods. As you probably
16 already can figure out, one of the bigger
17 problems they express to me, of course,
18 is crime and law enforcement, but even
19 more lately, I found myself into
20 conversations with people who are talking
21 in regards to the housing boom and
22 development that's going in various parts
23 of North Philadelphia and other sections
24 of the City.

25 What I found that most people,

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2 especially the elderly who I've had
3 conversation with, they say one of the
4 four following four statements. "Those
5 people are coming back into our
6 neighborhoods to take over." "They're
7 pushing us out." "They have been
8 plotting on this area for years." And in
9 regards to the renters, they say things
10 like, "I can't afford to stay in this
11 section of the area because the housing
12 that's going on there." Developments,
13 though, they say is way beyond other
14 means.

15 For example, at 31st and
16 Girard, I happen to have a couple of
17 years ago been driving down Girard Avenue
18 and I see those houses, a big sign up
19 there that says these houses are going
20 for 200,000. Now I hear that they're
21 going for upwards in the mid 300,000's.

22 So I say to myself, How do
23 these people that actually live within
24 this neighborhood actually afford such
25 housing? To me, it seems like extreme

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2 exclusionary zoning.

3 To even personalize this, my
4 mother, in regards to inclusionary, even
5 to personalize it, my mother became
6 executor of her estate in West
7 Philadelphia on the 4500 block of Sansom
8 Street. The property was condemned
9 abandoned by, I guess, the Redevelopment
10 Authority because it's been literally
11 torched and caught on fire twice, and it
12 kind of discouraged us from moving
13 forward and actually developing that
14 property where we can actually rent those
15 properties to the people who lived within
16 that community. Today that same property
17 is going for approximately \$400,000.

18 It's one problem when, number
19 one, to us, we feel, number one, the
20 property has been taken from us without
21 going through the proper procedures of
22 letting people know that, hey, we're
23 coming through your neighborhood to
24 develop, but the thing that really
25 disturbs me is the fact that you have a

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2 \$400,000 house in a very low-income
3 neighborhood that's being sold in --
4 \$400,000 in a low-income neighborhood.
5 To me, it just clearly states
6 exclusionary zoning.

7 ACORN supports inclusionary
8 zoning. Why? Because it ensures that
9 each new development includes homes that
10 are affordable, provides affordable
11 housing at little or no financial cost to
12 the local government, creates inclusive
13 communities, which allows the equitable
14 distribution of City services and
15 resources, reduces the stigma of
16 affordable housing.

17 While we can't support this
18 bill as it exists in its form, we do have
19 some large concerns about the bill. In
20 the same sense as written, this
21 legislation is not actually about
22 inclusionary housing. Too many people
23 are left out.

24 The target income levels, as
25 you know, 80 to 150 percent of AMI, area

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2 median income, do not accurately
3 represent a large percentage or a good
4 percentage of the people who actually
5 reside and work here in Philadelphia.
6 This excludes at least about 60 to 70
7 percent, as you know, of the
8 Philadelphians all making under \$57,000.
9 We urge City Council to create an
10 inclusionary zoning bill that better
11 reflects the reality of the housing needs
12 in Philadelphia.

13 Also, we'd like to thank, I
14 think, Darrell Clarke who actually
15 supports in lieu options for developers
16 to contribute to an affordable housing
17 fund instead of units.

18 Finally, we ask Council to
19 amend the bill to extend the duration of
20 affordability from ten years to something
21 that will better protect affordability
22 for long term.

23 Inclusionary zoning also
24 represents a huge opportunity for us to
25 tap into the recent housing boom in our

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2 City. Our members want to work with City
3 Council to craft a bill that works for
4 all Philadelphians. Let's slow down the
5 process and do it right.

6 Thank you.

7 (Applause.)

8 COUNCIL PRESIDENT VERNA: At
9 this time, we're going to recess very
10 briefly the public hearing and go into
11 our public meeting, because Councilman
12 Clarke does have amendments that he would
13 like to introduce.

14 COUNCILMAN CLARKE: Thank you.
15 Thank you, Madam Chair.

16 Madam Chair, I've circulated
17 the amendments to Bill No. 060732. On
18 Page 1, there are just certain technical
19 amendments in the language, and on Page
20 3, there's an amendment on Section 1
21 under 14-2204. We're adding a Section C
22 that reads "in lieu of constructing
23 affordable dwelling units, the applicant
24 shall pay a fee to the City. The method
25 used in determining such fees shall be

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2 provided by ordinance of Council, and the
3 Director, applying such method, shall
4 determine the cost to the development
5 project. Each year, in the annual
6 operating budget ordinance, Council shall
7 appropriate to the Mayor - Office of
8 Housing and Community Development -
9 Affordable Housing, subject to Section
10 2-300(2)(d) of the Home Rule Charter, an
11 amount equal to an estimate provided by
12 the Director of Finance of total receipts
13 under this subsection in the fiscal year
14 immediately preceding the year of which
15 appropriations are being made."

16 Let me get a layman's version.
17 Currently, under the Home Rule Charter if
18 there's money -- any money from fees
19 associated with anything, be it licensing
20 or in this particular case a fee
21 associated with ability to build a number
22 of houses, that money must go into the
23 General Fund under the current Home Rule
24 Charter. What this amendment does, it
25 ensures that any amount of money that

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2 comes from the fee generated as a result
3 of this program, that same amount will
4 come out of the General Fund at the time
5 of the budget and then go into a
6 particular program that will provide
7 assistance for affordable housing.

8 So it's just a mathematical way
9 of us moving the money around, but under
10 the Charter, we cannot direct funds
11 directly from a fee directly to a
12 program. It must be meshed in the
13 General Fund and then subsequently taken
14 out of the General Fund to a program. It
15 doesn't make a lot of sense, but I didn't
16 write the Charter, so we're stuck with
17 it.

18 So, Madam President, I'd like
19 to ask for approval of the amendment to
20 Bill No. 060732. I move the adoption of
21 the amendment.

22 (Duly seconded.)

23 COUNCIL PRESIDENT VERNA: It
24 has been moved and seconded that the
25 amendments be adopted.

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2 All in favor will signify by
3 saying aye.

4 (Aye.)

5 COUNCIL PRESIDENT VERNA: Those
6 opposed?

7 (No response.)

8 COUNCIL PRESIDENT VERNA: The
9 ayes have it and the motion carries.

10 We will now return to our
11 public hearing.

12 Please identify yourself for
13 record and proceed with your testimony.

14 MR. GOULD: Good afternoon. My
15 name is George Gould. I'm the Managing
16 Attorney of the Housing and Energy Unit
17 at Community Legal Services here in
18 Philadelphia.

19 First, let me thank Councilman
20 Clarke for bringing this issue to the
21 floor. It's a very important issue, and
22 hopefully in the coming weeks and months,
23 we can get together and get a very strong
24 bill out which will help Philadelphia.

25 The introduction of this bill

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2 is a very important step in the process
3 of creating an inclusionary affordable
4 housing requirement in new development,
5 as has been mentioned by other speakers.
6 There are several very good points to the
7 bill. It allows flexibility with
8 building on site and off site, and now
9 Councilman Clarke has just added an
10 amendment which allows for an in lieu
11 payment, which we think is very important
12 and has been actually very successful in
13 a lot of other jurisdictions.

14 The fact that the bill
15 specifies that the quality of
16 construction for the affordable housing
17 must be similar to the market-rate
18 housing is very important and very good.

19 Thirdly, the program is
20 mandatory. That is critical. In some
21 jurisdictions the program has actually
22 been voluntary.

23 Having said that, however, we
24 believe, as has been mentioned by other
25 speakers, that there are some very

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2 serious problems with the bill. The
3 first is the income targets. Who is this
4 bill set up to help? Under the bill, the
5 targeted income population is families
6 earning between about 57,000 and 108,000
7 a year. This is based on the bill being
8 targeted to families between 80 percent
9 and 150 percent of the area median
10 income.

11 The area median income includes
12 the surrounding counties to Philadelphia.
13 The Philadelphia City median income is
14 approximately \$37,000, much lower than
15 the area median income, which is \$72,000.

16 As mentioned already, under the
17 proposed bill, 70 percent of the City's
18 population is not eligible for this
19 affordable housing. This must change.
20 To be inclusionary, people who are most
21 affected by the housing crisis must be
22 included in the bill. Throughout the
23 country, jurisdictions have used a range
24 where affordable housing is provided for
25 persons under 80 percent, under 50

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2 percent and under 30 percent of median
3 income.

4 Let me talk about some of the
5 other problems, and they've been
6 mentioned, but I just want to emphasize
7 them.

8 The duration of the affordable
9 housing units. Under the current bill,
10 it's only for ten years. Ten years comes
11 very, very quickly, and what will simply
12 happen, in ten years we will have a
13 crisis. People living in these units
14 won't have the ability, some of them, to
15 stay in the units. Because what will
16 happen is, they will no longer be
17 affordable -- if they're rental units.
18 Obviously for --

19 COUNCILMAN CLARKE: Oh, okay.
20 Because when you buy the house, it's your
21 house.

22 MR. GOULD: Let me emphasize
23 that I think it's very important that
24 much of what goes on here is for rental,
25 because I think often the rental market

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2 in Philadelphia gets neglected, and the
3 reality is for many people who can't
4 afford housing, the rental market is
5 really their only alternative.

6 The other point I was going to
7 make, but you've solved that problem it
8 appears, is the contributions in lieu of
9 affordable units.

10 Finally, or another issue, is
11 the trigger requirement for affordable
12 units. The bill at the moment says it
13 only takes place if they're 20, and we
14 strongly suggest that that number be
15 reduced, something in the area of ten,
16 and the obvious impact of that, it will
17 create more affordable units.

18 Throughout the country,
19 numerous cities and other jurisdictions
20 have created inclusionary affordable
21 housing requirements on new development.
22 Virtually all of these programs were
23 created to benefit those undergoing great
24 difficulty in finding affordable housing.
25 We should do no different.

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2 Thanks.

3 (Applause.)

4 COUNCILMAN CLARKE: Thank you
5 for your testimony. Just one quick
6 response with respect to the area median
7 income. That's currently what the City
8 uses for its affordable housing program,
9 so that's why we indicated the area
10 median income. All of OHCD and the
11 Redevelopment Authority and PHDC uses
12 area median income.

13 MR. GOULD: I understand that.
14 The point I was making, the actual income
15 in the City limits when the median income
16 is substantially less than the area --

17 COUNCILMAN CLARKE: We
18 understand that, but I'm saying this is
19 consistent with the current policy. So
20 if we're requiring affordable housing
21 developers to address the area median
22 income, that's why we tried to be
23 consistent with what's currently being
24 done.

25 MR. GOULD: Well, it's okay to

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2 use it, but I think what has to happen
3 then, the percentages have to just go
4 lower.

5 COUNCILMAN CLARKE: We've heard
6 that loud and clear. Thank you. Thank
7 you for your testimony.

8 MR. GOULD: Thank you.

9 COUNCILMAN CLARKE: This is
10 Panel 3, the next panel. Please state
11 your name for the record.

12 MR. SMITH: My name is George
13 Smith. Good afternoon, City
14 Councilmembers. Good afternoon to
15 members of the Philadelphia Campaign for
16 Housing Justice and good afternoon to all
17 those who are going to testify this
18 afternoon.

19 Once again, my name is George
20 Smith. I am a former homeless veteran,
21 who is now living at Project HOME. I'm
22 currently working part time for a private
23 school and I'm employed part time by
24 Project HOME. With all that and with my
25 non-service disconnected disability, with

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2 all that, I'm still earning under \$26,000
3 a year. That is why I am here this
4 afternoon. The other reason is to talk
5 to you about affordable housing.

6 I would like to take this
7 opportunity to thank City Hall for
8 following the citizens' request for the
9 inclusionary housing bill. It is of
10 vital importance that this legislation be
11 passed. However, even though this
12 legislation is a step in the right
13 direction, it needs to go a little
14 further if it is going to be beneficial
15 to all Philadelphians, and it also will
16 encourage further development.

17 The legislative bill that has
18 been introduced would primarily help
19 households earning at the bracket of
20 \$60,000 to \$100,000 per year. These
21 individuals are clearly not struggling
22 with their housing bills.

23 If you as City Councilmembers
24 stop for a moment and take into
25 consideration individuals such as myself

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2 who fall into a much lower category of
3 living, you will find that there is no
4 way possible that I could ever afford
5 that price range of housing and continue
6 to pay bills and live a productive life
7 on life terms.

8 The legislation that you are
9 recommending will leave out many working
10 families, senior citizens and people with
11 disabilities, such as myself. And I must
12 mention at this time that we have scores
13 of families in our shelter system who are
14 working individuals who would love to
15 move into their own housing. What is
16 holding them back? Fact one, affordable
17 housing. Fact two, closing those Section
18 8 vouchers.

19 Also take into account that the
20 vast majority of Philadelphians, over 70
21 percent, people who are firefighters,
22 police officers, child care workers,
23 janitors, housekeepers, elementary school
24 teachers, editors and security guards,
25 will not benefit from this legislation

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2 that is being proposed, even though I do
3 believe that you as City Councilmembers
4 have worked hard in achieving the
5 legislation that you have come up with.

6 If you would consider this:

7 The legislation would also be revised to
8 include developers to add units to their
9 structure that would be made affordable
10 to individuals in the lower income
11 bracket such as myself. I believe that
12 with more research, more analysis and
13 little more determination, that you could
14 develop a more effective and sound
15 legislative bill. If you can come up
16 with this legislation that benefits all
17 Philadelphians, then we are truly the
18 City of Brotherly Love.

19 Thank you.

20 (Applause.)

21 COUNCILMAN CLARKE: Thank you.

22 Thank you.

23 MS. JAFFE: I agree with the
24 person sitting next to me, George, on a
25 lot of what he said.

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2 Good afternoon, ladies and
3 gentlemen of City Council. My name is
4 Harriet Jaffe and I'm here with the
5 Philadelphia Campaign for Housing
6 Justice. We are here to testify the
7 necessity of inclusionary housing in
8 Philadelphia.

9 I lived at one of Project
10 HOME's temporary residential facilities
11 for a while before I moved into my
12 apartment. A friend of mine lived in the
13 building with me at the facility and we
14 decided to move out. It should not be
15 difficult to get an apartment, but it is.
16 Neither my friend or I wanted to accept
17 the apartments that the case workers
18 wanted to give us. We didn't want to
19 live in bad apartments or in the
20 Northeast or South Philly. We wanted to
21 move in a regular apartment, so we went
22 out and had to find our own.

23 I sort of lucked out, because I
24 had another friend who lived in the
25 building who was on Social Security that

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2 I moved into. While it was a senior
3 building, it was not a HUD building until
4 the owner and the builder died a couple
5 of years ago. My friend gave us good
6 advice and steered us in a lot of
7 directions. I applied for the apartment
8 around October 31st. By November the
9 4th, they told me I was accepted and
10 asked me if I could move in right away.
11 But I told them I couldn't, because I
12 needed to give my place two weeks'
13 notice.

14 I moved on November the 26th,
15 2003. Actually, it was Thanksgiving eve
16 I moved in. I had applied for subsidized
17 housing. It made a difference. I had it
18 when I moved into my apartment.

19 Where I am has market renters
20 and subsidized renters. I'm subsidized.
21 The market rate is, of course, higher
22 than I could afford. Mixed-rate housing
23 works.

24 When I had told the people
25 where I was living that I was -- or I was

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2 moving into that I was a displaced
3 person, they said fine, because I already
4 had the subsidized housing. There has
5 been a problem with getting subsidized
6 housing in the City for a while. As a
7 matter of fact, I think there was another
8 problem this year. I think Pennsylvania
9 was one of three states to lose some
10 money and Texas was one of three states
11 to gain some money, and I think the State
12 of Pennsylvania is fighting in Congress
13 to get some money back.

14 For my friend, it took her
15 longer than me. She was on a waiting
16 list. It took her three --

17 UNIDENTIFIED PERSON: Excuse
18 me. He's not paying attention.

19 COUNCILWOMAN BROWN: Excuse me.
20 However, there are a number of
21 Councilmembers here deeply interested in
22 your testimony. The sponsor of this bill
23 is working on matters with one of the
24 staff, so you may proceed.

25 MS. JAFFE: You want me to just

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2 go on?

3 COUNCILWOMAN BROWN: Yes.

4 COUNCILMAN CLARKE: Ma'am, I
5 can multi-task. I can read and listen at
6 the same time.

7 MS. JAFFE: Just go on?

8 COUNCILWOMAN BROWN: Please
9 proceed.

10 MS. JAFFE: For my friend, it
11 took her longer than myself, three years,
12 because she had been on a waiting list.
13 She is now in Center City, where I am
14 also. We were so happy and grateful that
15 we were the lucky ones who could find
16 housing.

17 We need more money for
18 affordable housing so other people can
19 find housing, too. Inclusionary housing
20 would enable us to live where we want to
21 live. We would have a larger selection
22 of the kind of apartments that we want.
23 Inclusionary housing would help people
24 get their lives together.

25 (Applause.)

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2 COUNCILMAN CLARKE: Thank you
3 so much for your testimony. You all live
4 in Project HOME?

5 MS. JAFFE: I did for a while.
6 I stayed at one of their PRDs.

7 COUNCILMAN CLARKE: Do you live
8 in my district?

9 MR. SMITH: I live in Project
10 HOME, yes.

11 COUNCILMAN CLARKE: All right.
12 Thank you.

13 Please proceed, sir.

14 MR. SINSAGO: My name is Carlos
15 Sinsago (ph). Good afternoon. I'm with
16 Philadelphia Affordable Housing Coalition
17 and Kensington Welfare Rights Union.

18 I applied for the Housing
19 Authority in 2001 and they gave me
20 somebody else's record, and since that
21 day, they've been giving me the
22 runarounds. They gave me phone numbers
23 that nobody answers. And at the moment,
24 I live under my brother's roof, because
25 housing is taking too long. And all they

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2 gave us is the runarounds. They give us
3 phone numbers that nobody answers. And
4 Mr. Moore, he gave my brother -- he told
5 him that we had two weeks that he'll find
6 an apartment, and that was the last thing
7 he ever said about that, and we still
8 waiting.

9 We need more affordable houses,
10 not no condos or parking lots. And the
11 Coalition wants to work with this City
12 Council Committee to make sure that there
13 is more affordable housing in the City.

14 COUNCILMAN CLARKE: Okay, sir.
15 Sir, if you want to leave your name and
16 your number with my staff person and
17 we'll see if we can get somebody to
18 follow up on your specific problem.

19 MR. SINSAGO: Okay. Thank you
20 very much.

21 COUNCILMAN CLARKE: You're
22 welcome. Thank you so much.

23 (Applause.)

24 UNIDENTIFIED PERSON: Where are
25 the other Councilmembers that are

1 11/16/06 - RULES - BILL 060637, ETC.

2 supposed to be here?

3 THE CLERK: Councilmembers
4 could be upstairs listening in their
5 offices to this hearing and this hearing
6 is also televised.

7 UNIDENTIFIED PERSON: They're
8 not supposed to be here?

9 COUNCILMAN CLARKE: This is
10 actually a committee, and the Committee
11 does not have all of the members of
12 Council in session, but all members of
13 Council can come to any hearing that they
14 wish.

15 THE CLERK: We have Panel 4
16 coming up. Women's Community
17 Revitalization Project, United
18 Communities of Southeast Philadelphia and
19 Philadelphia Senior Center and
20 Philadelphia Association for Community
21 Development.

22 MS. LICTASH: Hello. My name
23 is Nora Lictash and I work with the
24 Women's Community Revitalization Project.
25 WCRP is a proud member of the

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2 Philadelphia Campaign for Housing
3 Justice.

4 I'm just going to say that WCRP
5 and Campaign have spent some time raising
6 money to get consultants --

7 COUNCILMAN CLARKE: Excuse me.

8 Folks, can we please keep it
9 down so we can hear the testimony.

10 MS. LICTASH: Thanks,
11 Councilman Clarke. Thank you.

12 We have been working with
13 consultants, which are the national
14 experts in inclusionary housing, and they
15 in fact did the financial feasibility
16 analysis for the New York inclusionary
17 housing bill, and we want to work with
18 you and share that information with you.

19 COUNCILMAN CLARKE: Yes.
20 Absolutely.

21 MS. LICTASH: Cool. Now I want
22 to turn it over to the other women from
23 the Women's Community Revitalization
24 Project.

25 MS. BOND: Hi. My name is

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2 Felicia Bond. I'm a mother of six
3 beautiful, bright children, and I'm a
4 survivor of domestic violence. I'm a
5 member of Women Against Abuse, the
6 Women's Community Revitalization Project
7 and the Philadelphia Campaign for Housing
8 Justice. I am here to let you know today
9 what it is like for a woman to recover
10 from mental and physical abuse, raise six
11 children in a shelter alone and try not
12 to fall to pieces while trying to find
13 affordable housing in the City of
14 Philadelphia.

15 City Councilmembers, I want you
16 to know that I have been abused both
17 mentally and physically over the last
18 seven years by my husband. My husband
19 would beat me when he was frustrated with
20 life, if I complained too much about
21 needing help around the house or simply
22 not doing what he wanted me to do when he
23 wanted me to do it. There were times
24 when he shook me for not getting the
25 children dressed or the house cleaned

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2 fast enough. Often I would call the
3 police to have him removed from our home,
4 but they wouldn't, simply because he was
5 my husband.

6 My husband made life miserable
7 for me. I thought I had to deal with the
8 abuse because of the children. And so
9 one day, I said the wrong thing to him
10 and he dragged me down the steps, busted
11 my knee and cut my face with a knife. I
12 knew then that I had to escape and leave
13 my husband.

14 I ran. I left all material
15 belongings, things that I worked so hard
16 to get, clothes for my children,
17 furniture. Whatever a house should
18 contain, I left it. I took all six of my
19 children and ran.

20 I thought that I did the right
21 thing. I felt that if I did not leave,
22 he would eventually kill me.

23 Today I live in a shelter.

24 (Ms. Bond in tears.)

25 MS. BOND: I'm sorry.

1 11/16/06 - RULES - BILL 060637, ETC.

2 Today I live in a shelter with
3 my six children. We have been living
4 there since August. It is hard raising
5 six children in a shelter environment.
6 It has taken a toll on them
7 psychologically and emotionally, and it
8 hurts me to see that my children are
9 suffering because I do not have the
10 resources to put them in a home. I make
11 \$15,000 a year. What kind of housing can
12 I afford for my family of seven?

13 The average cost for a
14 three-bedroom apartment ranges between
15 \$700 to \$1,800 per month, and these
16 prices do not include utilities. And we
17 all know the gas prices have skyrocketed.
18 So even if I left the shelter and got
19 into my own place, I would have to choose
20 between eat or heat.

21 City Councilmembers, there's a
22 problem in the City of Philadelphia. Far
23 too many abused women, poor and
24 working-class people are forced to live
25 in housing that do not meet their needs.

1 11/16/06 - RULES - BILL 060637, ETC.

2 We live in shelters, dilapidated housing
3 and sometimes no housing at all. We are
4 good citizens, working citizens, hurting
5 citizens and forgotten citizens. We need
6 your help. We are not asking for a
7 handout. We are simply asking for
8 someone to pay attention to us.

9 Now, I share my story with you
10 in hope that you will see that we are not
11 all dealt the right cards, but you have
12 the power to help change our hand.

13 Thank you.

14 (Applause.)

15 MS. VILLANGO: Hello. My name
16 is Esperanza Villango. I am 53 years
17 old. I'm a proud mother of three
18 children. I have been living in my
19 neighborhood in North Philadelphia near
20 Juniata Avenue for 47 years. In 1983, I
21 bought a house at 1619 North
22 (unintelligible) through the Gift
23 Property. I have been living there for
24 the last 24 years and were working hard
25 to fix up the house. The people in the

1 11/16/06 - RULES - BILL 060637, ETC.

2 neighborhood have had their taxes raised.

3 Some have it double. I say to me, I say

4 to me that this will happen to me.

5 I scared because I am a person

6 of low incomes. It's hard for me to

7 prepare my house and also pay the bills.

8 Two months ago I have a meeting

9 at my church where there was

10 (unintelligible). Soon after they came

11 to my house and asking me if I want to

12 sell. I feel that I must move, and many

13 other (unintelligible) in the same

14 situation as I am in.

15 Thank you.

16 (Applause.)

17 COUNCILWOMAN BROWN: Thank you

18 for your testimony. We will proceed with

19 the next witness.

20 MS. LATHAM: Good afternoon,

21 City Councilmembers. My name is Shirley

22 Latham and I'm a 61-year-old homemaker

23 and homeowner. I live at 4th and Master

24 and I have been living there for more

25 than 18 years. I am a member of the

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2 Women's Community Revitalization Project
3 and the Philadelphia Campaign for Housing
4 Justice, who are working to create and
5 preserve affordable housing in the City
6 of Philadelphia.

7 I am here today because I want
8 to share my experience with you in
9 regards to the housing in the City of
10 Philadelphia. Before I became a
11 homeowner, I was a woman trying to escape
12 an emotional and very physically violent
13 relationship. I moved across the City
14 with my two daughters more than five
15 times over a period of ten years to
16 escape abuse and preserve my life. And
17 during that time, it was very hard,
18 because every place I lived, I could not
19 afford the rent. Rents were so high I
20 had to choose between eating and having a
21 roof over my family's head.

22 There were plenty of nights
23 where I had to make a sacrifice. I would
24 go without eating so that my children
25 could eat. I often got food from the

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2 local church and did most of our clothes
3 shopping at the neighborhood thrift
4 store.

5 I want you to know that during
6 that time I was a working woman, but my
7 income was not enough to meet the cost of
8 living. Plus rent, I was pinching and
9 stretching dollars to make a way for my
10 family.

11 That was a challenge that
12 occurred almost 18 years ago, and I was
13 able to overcome it. But everyone is not
14 as fortunate as I am. Rents were high
15 then and they are very high now. Housing
16 costs are going up and people are getting
17 displaced. Major for-profit developments
18 are being built on the borders of our
19 neighborhoods, causing property taxes,
20 rents and home sales to increase. The
21 average cost for a three-bedroom
22 apartment is 756 a month. Homes are
23 selling for more than 300,000 in my
24 neighborhood. Many low-income and
25 working-class families cannot afford

1 11/16/06 - RULES - BILL 060637, ETC.

2 that.

3 It is imperative that something
4 be done to help the people who cannot
5 afford to rent or buy at market rates.
6 Therefore, I think that it is awesome
7 that inclusionary housing policies are
8 being considered to help combat the
9 housing crisis in the City of
10 Philadelphia. I hope that people who are
11 like me and make less than 20,000 a year
12 will not be forgotten.

13 And may I also say this: We
14 all here, we all vote, and that's one
15 thing that -- that's some power that we
16 do have, and we all must remember that.

17 Thank you very much.

18 (Applause.)

19 COUNCILWOMAN BROWN: Thank you
20 also for your testimony.

21 Next witness.

22 MS. BLAKEY: Good afternoon,
23 City Councilmembers. My name is Yolanda
24 Blakey and --

25 COUNCILWOMAN BROWN: Could you

1 11/16/06 - RULES - BILL 060637, ETC.

2 please pull the mike closer to you and
3 tilt it up a little bit. There you go.

4 MS. BLAKEY: I am a 31-year-old
5 wife and mother of five. I've been
6 living at the 2600 block of Front Street
7 for about two years. I am a homemaker
8 and a renter. I have been an advocate
9 for affordable housing for more than 20
10 years. I am the resident association
11 President of the Kensington Townhomes.
12 I'm a member of the Norris Square Civic
13 Association. I'm a member of Congreso de
14 Latinos Unidos. I'm a member of the
15 Women's Community Revitalization Project
16 and the Philadelphia Campaign for Housing
17 Justice.

18 I am before you today because I
19 want you to understand that poor people
20 and working-class people are having
21 trouble finding affordable housing in the
22 City of Philadelphia. I want to first
23 start by saying that I'm originally from
24 Chicago, Illinois. I moved to
25 Philadelphia almost three years ago,

1 11/16/06 - RULES - BILL 060637, ETC.

2 because the rents in Chicago for a
3 two-bedroom apartment was \$18,000 a
4 month -- I mean \$1,800 a month. Excuse
5 me. I have five children, and for five
6 children and two adults to squeeze into a
7 two-bedroom apartment, that's not a
8 pretty picture.

9 Well, my husband and I decided
10 that we needed to do some research and
11 began looking outside of Illinois for a
12 more affordable place to live. We had
13 some friends who were here in
14 Philadelphia and informed us that it
15 would be a good place to move and would
16 be less expensive and a good place to
17 raise our children. So we took
18 everything we owned and moved to
19 Philadelphia, hoping to find affordable
20 housing and a place to live and good
21 jobs.

22 When we arrived here, what we
23 did notice is that the apartments did not
24 cost \$1,800 a month, but wasn't far from
25 it. In some neighborhoods in

1 11/16/06 - RULES - BILL 060637, ETC.

2 Philadelphia, a two-bedroom apartment
3 would run you about \$1,200 a month.

4 Based on our income, that was not
5 feasible. We could not maintain our
6 family and pay rent. In the City of
7 Philadelphia in order to afford a
8 two-bedroom apartment, a person must make
9 at least \$37,880 a year.

10 I like Philadelphia and I want
11 to stay and raise my family here.
12 However, something must be done to meet
13 the needs of the people who make less
14 than \$20,000 a year. That's why I'm
15 excited about this inclusionary housing
16 bill being proposed. It gives hope to
17 people like me who live and maintain
18 their neighborhoods the opportunity to
19 stay if they want to. It will not force
20 them to look in other cities or states to
21 find an affordable place to live.

22 I believe that the City of
23 Philadelphia values every citizen, rich
24 or poor. That's why it's called the City
25 of Brotherly Love. And if the City

1 11/16/06 - RULES - BILL 060637, ETC.

2 desires to keep such a title, it is
3 imperative that you do not forget about
4 the very poor when drafting inclusionary
5 housing legislation.

6 Thank you for taking the time
7 out to hear me and others who could not
8 be here today.

9 (Applause.)

10 COUNCILWOMAN BROWN: Good
11 afternoon. Next witness.

12 MS. MOORE: Good afternoon.

13 COUNCILWOMAN BROWN: Please
14 speak into the mike.

15 MS. MOORE: Good afternoon.

16 Hello. My name is Staci Moore. I'm a
17 single working parent and volunteer for
18 Women's Community Revitalization Project
19 and the Philadelphia Campaign for Housing
20 Justice.

21 I'm here today to testify in
22 favor of changing the currently written
23 inclusionary housing bill so that it will
24 include most of the residents of
25 Philadelphia who need help the most.

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2 I'm a bit confused, though, so
3 maybe City Council can help me. The most
4 recent data shows that one-third of
5 Philadelphians make less than 20,000 a
6 year and over two-thirds of Philadelphia
7 residents will be excluded from
8 Councilman Clarke's bill as it is written
9 now. Some of the hard-working folks who
10 will still feel the housing crunch would
11 be school teachers, parking lot
12 attendants, child care workers, cashiers,
13 bartenders, guards, retail salespeople,
14 home health aides, janitors, nursing
15 aides, data entry workers, bricklayers,
16 receptionists, library technicians and
17 ambulance drivers and attendants, just to
18 name a few.

19 With the many different groups
20 of workers named and unnamed, why would
21 City Council seemingly go out of its way
22 to create an inclusionary housing bill
23 that doesn't include many hard-working
24 Philadelphia residents?

25 Now, I may not be a

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2 Councilperson, but I think I can see very
3 clearly that this is a piece of policy
4 that could use some retooling. As one of
5 the consistent and passionate voters out
6 of the two-thirds of Philadelphians who
7 will be excluded from this bill, I
8 implore City Council to do the right
9 thing and work with the Philadelphia
10 Campaign for Housing Justice. Together
11 you can make the necessary changes that
12 can turn it into a win-win policy for
13 everyone.

14 Thank you.

15 COUNCILWOMAN BROWN: Thank you
16 very, very much.

17 (Applause.)

18 COUNCILWOMAN BROWN: I wish to
19 say thank you to the leadership of the
20 Women's Revitalization Project and Nora
21 Lictash. And to all of the witnesses,
22 three things. One, I salute your
23 strength for being here, and you need to
24 know that you're wonderful role models
25 for your children, and we thank you for

1 11/16/06 - RULES - BILL 060637, ETC.

2 your voice.

3 Thank you very, very much.

4 (Applause.)

5 COUNCILWOMAN BROWN: Good
6 afternoon, everyone. Please state your
7 full name for the record and proceed with
8 your testimony.

9 MS. MARTIN: Good afternoon.

10 COUNCILWOMAN BROWN: You'll
11 have to help us by pulling the mike
12 closer to you and speak directly in the
13 mike.

14 MS. MARTIN: Good afternoon.
15 My name is Ms. Cheryl Martin and I am a
16 citizen and I'm here with the
17 Philadelphia Campaign for Housing
18 Justice. I am a mother. I am a
19 grandmother. I am a great grandmother.
20 I am here today because I am one of the
21 people who is going to be homeless. They
22 are selling my building. I don't have
23 nowhere to go. I am located at 712 South
24 12th Street at Hawthorne Apartment. It
25 is an apartment building. I live in

1 11/16/06 - RULES - BILL 060637, ETC.

2 Hawthorne Village.

3 It's hard for me to go to work
4 and come home knowing that I won't have a
5 place to lay my head at night.

6 (Ms. Martin in tears.)

7 MS. MARTIN: It's hard to
8 sleep. I might go to work and come home
9 one day and I won't have a place to put
10 my head. My stuff is packed up, but I
11 don't have any place to go. I don't have
12 a place to go because there is no
13 affordable housing for me. I don't make
14 enough money for affordable housing.

15 If it wasn't for the grace of
16 God, I wouldn't be here, the grace of God
17 to give me strength, I wouldn't be here
18 today. They are moving us out of our
19 neighborhoods. They are building houses
20 where low-income people can't afford.

21 I want you to pass the bill for
22 affordable housing. Where is the
23 brotherly love? What about love thy
24 neighbor? What about am I your brother's
25 keeper? I thought we are supposed to

1 11/16/06 - RULES - BILL 060637, ETC.

2 stick together. I thought we were all in
3 this together.

4 I am an American citizen. I
5 vote. I go to church. And I can't
6 afford the rent for the places that are
7 here and that they are building. I've
8 been in Philadelphia all my life. I've
9 been here in South Philly for 54 years.

10 The bill that you pass is not
11 affordable for me. You need to pass the
12 bill for low-income people. I need to be
13 included, not excluded. Please include
14 us in the properties.

15 Thank you for your time and God
16 bless you.

17 (Applause.)

18 MS. MARTIN: Listen to your
19 heart and make the right decision and
20 pass the bill, and have mercy.

21 Thank you.

22 COUNCILWOMAN BROWN: Thank you.

23 (Applause.)

24 COUNCILWOMAN BROWN: I do have
25 a question. Please state again the name

1 11/16/06 - RULES - BILL 060637, ETC.

2 of the building that is being sold.

3 MS. MARTIN: It's 712 South
4 12th Street, Hawthorne Village Apartment.

5 COUNCILWOMAN BROWN: Are you
6 affiliated with any organization here
7 this evening?

8 MS. MARTIN: Campaign for
9 Housing Justice.

10 COUNCILWOMAN BROWN: Okay.
11 I'll have a sidebar with you and a
12 representative from that organization as
13 we move to our next witness. If you
14 would just step to the right and see my
15 staff.

16 Please proceed with your
17 testimony.

18 MS. WALKER: Good afternoon.
19 My name is Carolyn Walker. I am a
20 Housing Counselor at the Philadelphia
21 Senior Center.

22 The Philadelphia Senior Center
23 is a member of the Philadelphia Campaign
24 for Housing Justice. The Philadelphia
25 Senior Center is the largest senior

1 11/16/06 - RULES - BILL 060637, ETC.

2 center in Philadelphia serving more than
3 8,000 members at three branches, Main,
4 Tioga North and the Asian Outreach
5 Program.

6 I am here with Bernice, who is
7 a member of the Philadelphia Senior
8 Center. She was very lucky and one of
9 the lucky and few of the lucky people to
10 obtain senior housing this year. On the
11 cab ride over, she told me, I only had to
12 wait four years, Carolyn, to get into a
13 senior building.

14 Four years is not even typical.
15 We have seniors who are waiting six years
16 or longer. PHA has a current waiting
17 list of six years.

18 As a Housing Counselor, I am
19 seeing an increase in the number of
20 seniors who are losing their housing in
21 South Philadelphia and throughout the
22 City to property owners who are
23 increasing rent, making it impossible for
24 seniors to stay in their apartments, or
25 developers creating million dollar

1 11/16/06 - RULES - BILL 060637, ETC.

2 condos. On any given day, it is common
3 to see a homeless individual sleeping on
4 a grate near luxury condo construction
5 sites.

6 City Council is moving in the
7 right direction, but moving too quickly
8 to make decisions on inclusionary
9 affordable housing. This bill will help
10 families earning between 80 percent of
11 area median income, which is
12 approximately \$55,000 to \$103,000 per
13 year. Over one-third of Philadelphians
14 make less than \$20,000 per year. That
15 leaves out 70 percent of Philadelphians.
16 This leaves out seniors who are receiving
17 Social Security benefits averaging \$484
18 per month.

19 The inclusionary affordable
20 housing bill can help seniors by greatly
21 reducing the income levels. Every day I
22 see seniors who are homeless or will
23 become homeless. I work with seniors who
24 make difficult choices on a daily basis.
25 Will I have enough money to buy my

1 11/16/06 - RULES - BILL 060637, ETC.

2 medications? Will I be able to eat a
3 meal today or will I go hungry? Will I
4 be able to pay rent?

5 I urge City Council to work
6 with members of the Philadelphia Campaign
7 for Housing Justice and pass legislation
8 that is truly inclusive, not exclusive.

9 Thank you very much.

10 (Applause.)

11 COUNCILMAN CLARKE: Thank you.

12 Folks, I'm starting to get a
13 little concerned, both about the weather
14 and the time, because we are only halfway
15 through our panels. We are going to have
16 another hearing. We're going to recess
17 this hearing today and then we're going
18 to come back after structuring some sort
19 of working group and then come back later
20 and have a report of the working group.

21 So if anybody needs to go,
22 because I'm telling you, it's starting to
23 come down now. Based on the reports that
24 I'm getting, it's going to be possible
25 wind gusts of 80 miles an hour. So if

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2 people need to like figure out a way to
3 get home, they need to -- if everybody
4 decides to stay, I'm going to have to ask
5 people to kind of summarize their
6 testimony, because we might be here
7 throughout the storm, and that may not be
8 a bad thing, given that City Hall is
9 pretty strong.

10 So I'm just a little concerned
11 about time, because we really need to --
12 because we do get it. We understand.

13 I want everybody to have an
14 opportunity. We can kind of like
15 summarize, or if you have written
16 testimony, we can just give it to the
17 stenographer and have it read into the
18 record.

19 Thank you.

20 (Pause.)

21 COUNCILMAN CLARKE: I'm being
22 told now that a number of lights are out
23 in the City in certain places.

24 Okay. I don't want to alarm
25 people, but from all the accounts, this

1 11/16/06 - RULES - BILL 060637, ETC.

2 is the real deal out there. I'm
3 fortunate enough to have a City car right
4 outside, so it's kind of easy for me.

5 So anyone who is on the list to
6 testify, if you feel you need to go,
7 we'll make sure that you will be the
8 first one up at the subsequent hearing.

9 UNIDENTIFIED PERSON: So are
10 you going to have a subsequent hearing?
11 Is that what I'm hearing?

12 COUNCILMAN CLARKE: Absolutely.
13 Let me make it clear while everybody is
14 here.

15 Folks, can I have your
16 attention, please. I just want to make
17 sure everybody hears this.

18 During the last -- actually,
19 even before I started having discussions
20 with people, I clearly understood the
21 complexity in what it was we are
22 attempting to do. We attempted to
23 address an issue and a category of people
24 that we felt weren't adequately given an
25 opportunity for new housing starts in the

1 11/16/06 - RULES - BILL 060637, ETC.

2 City.

3 When we first started the
4 hearing, I said that this is not going to
5 be a bill that's going to cure all
6 problems. It's not going to cure
7 homelessness. It's not going to cure the
8 lack of affordable housing. It's just
9 simply not going to do that. But what
10 we're attempting to do with this bill is
11 to create more affordability throughout
12 the City of Philadelphia to give us more
13 opportunities.

14 But there's a bigger hurdle
15 that we have to achieve, be it the
16 federal government, because they've been
17 cutting us by tens of millions of
18 dollars, and you heard earlier in
19 testimony the state. But this is a way
20 to allow the private sector to infuse
21 some level of resources on the table to
22 hopefully get us some additional
23 affordable housing.

24 So I say all that to say that
25 this is going to require a lot of work to

1 11/16/06 - RULES - BILL 060637, ETC.

2 come up with something that we can live
3 with, because I don't think anybody -- I
4 don't think the developers are going to
5 feel 100 percent comfortable with what we
6 come up with. I don't think a lot of you
7 are going to feel comfortable 100 percent
8 with what we come up with, but hopefully
9 we can work on something that allows us
10 to make a dent into this whole affordable
11 housing issue, infusing a number of
12 resources from the private sector and
13 some things that the City needs to do to
14 make it easier to develop housing in the
15 area.

16 So we will say all that to say
17 that there's going to be at least one
18 other hearing, but what I don't want to
19 do is have this process be dependent
20 solely on public hearings, because as
21 good as public hearings are and I believe
22 in them in every sense of the word that
23 gives people an opportunity to air on the
24 record in public what their issues are,
25 at some point you got to sit down with a

1 11/16/06 - RULES - BILL 060637, ETC.
2 working group and go through the
3 complexities of this issue, looking at
4 data and come up with some solutions, and
5 then we can come back and make those
6 recommendations to the body so we can
7 then hopefully get nine votes in Council
8 to support this issue.

9 MS. LICTASH: Who is on the
10 working group? I just didn't hear that
11 part.

12 COUNCILMAN CLARKE: There has
13 to be a working group. I'm going to ask
14 the City people, Mr. Hanna, the
15 Administration, because I think that they
16 interact with most of you all and have a
17 list of all of the names to kind of pull
18 representatives of every group. And,
19 folks, with all due respect, we can't
20 have 50 people on the working group. So
21 I'm going to kind of ask you all to kind
22 of pull some teams together, the people
23 that you feel comfortable speaking on
24 your behalf, and it will be full
25 reporting and accountability back and

1 11/16/06 - RULES - BILL 060637, ETC.

2 forth so people will know what's taking
3 place.

4 But at some point, we got to
5 sit down with a group and we got to just
6 like sit down and be prepared to work
7 real hard. Because this is a tough one.
8 I mean, I hear from both sides,
9 developers. I mean, the market is flat
10 now. I mean, that's reality. The cost
11 of materials is going up. The cost of
12 labor is going up. So that's their
13 perspective, but the reality is, you got
14 60,000 people that need affordable
15 housing. So we got to come up with some
16 kind of strategy.

17 If anybody has written
18 testimony, you can please give that to us
19 now and we'll have it submitted in the
20 record, but I would like for you to come
21 back when we have the subsequent hearings
22 to be able to say on the record what it
23 is in whatever way. I'm just a little
24 concerned about the situation outside.

25 UNIDENTIFIED PERSON: Do you

1 11/16/06 - RULES - BILL 060637, ETC.

2 have a date for another hearing in mind?

3 COUNCILMAN CLARKE: You know, I

4 don't want to give you a date, because

5 there has to be a lot of work. The next

6 available Rules Committee hearing is on

7 the 28th, and I don't see any way, in all

8 honesty, we'll be able to get this

9 resolved by the 28th. Because, like I

10 earlier said, we want to do it right. I

11 don't want to just do it quick and it not

12 be the right bill. I want to do it

13 right. Because the best case scenario is

14 that we'd have everybody buying into this

15 and we'll be able -- I think at the end

16 of the day, we'll be able to provide more

17 housing across the board, both

18 market-rate and affordable.

19 UNIDENTIFIED PERSON: What

20 about the property tax for the seniors?

21 COUNCILMAN CLARKE: Property

22 tax for the seniors? That's another

23 bill. That's another bill that I have.

24 I haven't had a hearing on that one yet.

25 I'm all over the place. I'm

1 11/16/06 - RULES - BILL 060637, ETC.

2 trying to effect change in every way.

3 So, I mean, if people are
4 willing to stay, the ones that are, give
5 me some signal, people.

6 UNIDENTIFIED PERSON: Recess.

7 Recess.

8 COUNCILMAN CLARKE: You want to
9 recess?

10 UNIDENTIFIED PERSON: Recess.

11 COUNCILMAN CLARKE: All right.

12 If anybody has written testimony that
13 they would like to submit for today,
14 please give it to the Sergeant-At-Arms.
15 We will be in contact with you to start
16 the process of a working group and we
17 will talk about the subsequent hearings,
18 however many it may be, but this is an
19 issue that, as you heard today, everybody
20 supports. Even the market-rate
21 developers said that they support the
22 concept, so it's just a matter of
23 figuring out how we get it done.

24 Folks, I want to thank you all
25 so much.

1 11/16/06 - RULES - BILL 060637, ETC.

2 The Committee on Rules is
3 recessed to the call of the Chair. Thank
4 you so much.

5 (Committee on Rules adjourned
6 at 4:40 p.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the

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proceedings, evidence and objections are

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contained fully and accurately in the

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foregoing matter on November 16, 2006, and

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that this is a true and correct transcript of

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same.

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MICHELE L. MURPHY

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RPR-Notary Public

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