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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE THE COMMITTEE OF THE WHOLE

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- - -
Friday, 2/15/02
10:30 a.m.
Room 400, City Hall
Philadelphia, PA
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10 BILL 020036 - Authorizing and approving the execution
11 and delivery of a service agreement between the City of
12 Philadelphia and the Redevelopment Authority relating to
a comprehensive Neighborhood Transformation Program.

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PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
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COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
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2 COUNCIL PRESIDENT VERNA: Good morning,
3 everyone. This is a public hearing of the
4 Committee of the Whole regarding Bill No. 020036.
5 I would ask Mr. McPherson to please read the title
6 of the ordinance.

7 MR. MCPHERSON: Bill No. 020036, an
8 ordinance amending Bill No. 010694, an ordinance
9 authorizing and approving the execution and
10 delivery of a service agreement between the City of
11 Philadelphia and the Redevelopment Authority
12 relating to a comprehensive Neighborhood
13 Transformation Program for revitalization, renewal,
14 redevelopment, and transformation of blighted areas
15 within the City of Philadelphia and other
16 activities to promote the health, safety, and
17 welfare of the residents of the City of
18 Philadelphia.

19 COUNCIL PRESIDENT VERNA: I believe our
20 first witness is Joyce Wilkerson, Chief of Staff,
21 the Office of the Mayor.

22 (Witnesses come forward.)

23 COUNCIL PRESIDENT VERNA: Good morning.

24 MS. WILKERSON: Good morning, Madam
25 President and members of City Council. My name is

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2 Joyce Wilkerson, the Mayor's Chief of Staff. With
3 me today is Pat Smith. Miss Smith is the Director
4 of the Neighborhood Transformation Initiative.

5 I'm presenting the Administration's
6 testimony in support of Bill 020036, amending
7 Ordinance No. 010694, the NTI legislation signed
8 into the law by the Mayor last month. These
9 amendments will result in NTI legislation that is
10 different in many ways from the bill transmitted by
11 the Administration in April of last year and also
12 the bill passed by City Council in December. It
13 will reflect the negotiations with City Council's
14 own technical staff in hours of meetings with
15 Councilmembers one-on-one and in groups. I believe
16 that with the passage of the proposed amendments,
17 we will have legislation superior to the
18 Administration's proposed bill and the bill enacted
19 last month.

20 The proposed amendments to Ordinance No.
21 010694 will establish a healthy balance between
22 legislative oversight and executive action, they
23 eliminate the overly-burdensome aspects of the
24 ordinance, while maintaining and, in some cases,
25 expanding the authority of Councilmembers to effect

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2 NTI decisions in their districts. The amendments
3 also remove those aspects of the enacted
4 legislation that were illegal or prevented the sale
5 of NTI bonds.

6 There are two types of oversight
7 engagement of program design budgeting and planning
8 and verification of implementation. The amended
9 bill addresses both of these oversight mechanisms
10 while in no way reducing Council's current powers
11 with respect to development activities.

12 As a brief review, the NTI Transformation
13 Initiative is a revitalization strategy for
14 Philadelphia's neighborhoods. It strives to reduce
15 decades of decay and inattention through four general
16 activities:

- 17 • blight elimination, including demolition
18 and stabilization of vacant buildings and the
19 cleaning and greening of vacant lots;
20 • blight prevention through code
21 enforcement and anti-predatory lending activities;
22 • proactive land assembly; and
23 • housing investment in neighborhood
24 preservation activities.

25 The proposed amendments authorize the

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2 approval of a service agreement that includes the
3 NTI Program framework. This framework articulates
4 the parameters for the expenditure of NTI bond
5 proceeds, including City Council's oversight role.
6 Because it's an exhibit to the service agreement,
7 this NTI program frame work can only be changed
8 through City Council passage of an ordinance.

9 The binding NTI Program framework mandates
10 an annual process to gain City Council approval of
11 a detailed program statements and budget. Copies
12 of the budget template dealing with the type of
13 information the Administration will be required to
14 provide City Council are attached to the testimony.
15 These documents will govern and control the
16 expenditure of NTI bond proceeds. The documents
17 also compel the Administration to describe all
18 other community-development expenditures, even
19 those not funded with NTI bond proceeds; therefore,
20 under the proposed amendments, City Council would
21 retain important oversight functions over NTI's
22 general strategic thrust and the specific
23 appropriation of funds supporting NTI activities.
24 In addition, the amended bill goes even further:
25 It also provides City Council with oversight role

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2 in each and every NTI activity.

3 FIRST: BLIGHT ELIMINATION

NTI will eliminate the City's backlog of dangerous buildings by demolishing approximately 14,000 vacant buildings and by stabilizing between 1,000 and 2,500 buildings. Each and every District Councilperson will have the opportunity to review, comment, and otherwise participate in: The selection of properties for demolition and stabilization work; the Project Procedures Manual; pre-bid inspection tours and conferences with contractors and conferences with contractors and vendors; and any non-emergency relocation plans.

At the request of Councilmembers, Section VII(d) has been revised to provide that "Any bid package for demolition and encapsulation work funded by bond proceeds must be submitted to and approved in writing by the District Councilperson whose district is affected directly by such demolition and encapsulation work prior to the advertisement for bids." The only caveat to this would be those emergency situations where health and welfare are at risk.

25 Much of the City Council engagement will

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2 be supported with information technology such as

3 the GIS decision support model developed by the

4 project manager. The Administration recognizes

5 that's demolition and encapsization program

6 exceeded the City's management capacity and,

7 therefore, hired Hill International as a program

8 manager. Essentially a technical consultant to the

9 City, Hill International is charged with:

10 Monitoring field work and providing monthly

11 reports; working with City departments and City

12 Council to prepare program procedures; and managing

13 program delivery. The City will remain responsible

14 for all program planning prioritization, and

15 decision-making, and for the issuance and awarding

16 for all bid packages and contracts.

17 NTI has also initiated the unprecedented

18 cleaning of 30,000 vacant lots. It is now engaged

19 in a planning process to develop long-term

20 cleaning, maintenance, and greening strategies.

21 Councilmembers will have the opportunity to review

22 and comment and participate in the development of

23 strategic plans for greening vacant land and the

24 interim treatment of vacant properties after

25 demolition.

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2 SECOND: BLIGHT PREVENTION

3 NTI will strengthen code-enforcement
4 activities and foster a comprehensive anti-
5 predatory lending effort. Through the City's
6 General Operating Budget and the Community
7 Development Block Grant, City Council currently
8 reviews, comments, and approves funding for the
9 departments and entities that will implement these
10 strategies. The amended bill in no way diminishes
11 City Council's role in oversight in these areas.

12 THIRD: LAND ASSEMBLY

13 The aggregation of vacant land will
14 proceed almost exclusively through the use of the
15 Redevelopment Authority's eminent domain power.
16 These powers are specified in the Commonwealth's
17 Urban Redevelopment Law, and that law mandates City
18 Council's role. Accordingly, City Council approval
19 is required to use RDA's eminent domain powers to:
20 Acquire properties; propose a reuse; or sell, lease
21 or in any other way transfer properties. These
22 amendments completely maintain City Council's role
23 of oversight in these activities.

24 FOURTH: HOUSING INVESTMENT, NEIGHBORHOOD PRESERVATION

25 The Administration is committed to working

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2 with Councilpersons in revitalizing Philadelphia
3 communities. On an annual basis, the
4 Administration will request from every
5 Councilmember a list of the potential redevelopment
6 and housing preservation projects within their
7 district. These projects must be consistent with
8 NTI's organizing principles, and the Administration
9 will meet with every Councilmember to discuss the
10 project's development strategy and to identify the
11 resources such as markets studies or requests for
12 developer qualifications necessary to advance the
13 project.

14 Again, at the request of Councilmembers,
15 the amendments include a provision that will compel
16 the Administration to provide funding for a
17 development consultant for City Council, selected
18 by a majority of Councilmembers, to enable
19 Councilmembers to play a more active role in the
20 development discussions.

21 PROGRESS REPORTS

22 The Council's oversight mechanisms I have
23 discussed involve engagement before activities
24 occur. Several Councilmembers expressed their
25 concerns that City Council also have an opportunity

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2 to verify the implementation of NTI activities
3 after City Council approves the annual program
4 statement and budget. I am pleased to reassure
5 Councilmembers that the amended bill provides such
6 verification.

7 With respect to blight-elimination
8 activities, the Administration will maintain an NTI
9 Project Administration Website to which
10 Councilmembers will have access. The NTI project
11 Website will regularly post updated reports on:

12 • demolition, stabilization, and
13 encapsulation activities;

14 • demolition bid packages and a list of
15 dangerous buildings;

16 COUNCILMAN COHEN: Point of order. Is
17 there a written statement of this?

18 COUNCIL PRESIDENT VERNA: I believe it was
19 delivered to all of the offices.

20 MS. WILKERSON: I have an extra.

21 • the Master Schedule and Master Budget;

22 • relocation activities;

23 • Equal Employment Opportunity Plan

24 compliance and monitoring;

25 • Citywide vacant lot cleanup schedule;

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2 and

3 • District-specific calendars of community
4 meetings on NTI activities.

5 The NTI Project Website will also post:
6 Field surveys and social-service assessments; the
7 Project Procedures Manual; the Program Manager's
8 Phase 1 and Phase 2 findings and recommendations;
9 and copies of brochures, pamphlets, and other
10 materials for community meetings. These reporting
11 requirements are quite extensive, and, in hard-copy
12 format, would literally consume hundreds of pages
13 of information.

14 With respect to blight prevention
15 activities, the Administration will continue its
16 current practice of measuring department activities
17 through the Budget Office quarterly reporting
18 process, as required by the ordinance. In
19 addition, the Administration commits to:

20 1. Provide each and every Councilperson
21 with a written monthly status report on the land
22 assembly, redevelopment, and housing preservation
23 activities in his or her district which are funded
24 with NTI bond proceeds; and

25 2. Meet quarterly with each Councilperson

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2 to discuss any problems that are delaying land
3 assembly, redevelopment, and housing preservation
4 activities with his or her district, and to develop
5 economically-feasible solutions.

6 In extreme situation where a project is
7 defunded, the Administration will provide the
8 District Councilperson with a detailed written
9 explanation and will consult with District
10 Councilpersons in reprogramming the funds to
11 support other projects within the district.

12 MISCELLANEOUS PROVISIONS:

13 I want to comment on two other changes the
14 amendments would make. Bill No. 010694 would have
15 conditioned the Administration's access to bond
16 proceeds on Council's approval by resolution of an
17 economic-opportunity plan. In April 2001, the
18 Administration transmitted to City Council a
19 comprehensive Economic Opportunity Plan; the
20 amendments would result in its immediate adoption.

21 Bill 010694 also condition access to bond
22 proceeds on Council's approval by resolution of a
23 house reorganization plan. This requirement is
24 dropped; instead, the Administration commits to
25 consult with Councilmembers as it proceeds with

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2 housing reorganization plans.

3 Finally, the amendments have deleted the
4 "non-severability clause."

5 CONCLUSION:

6 As amended, Bill 010694 would ensure that
7 City Council can fulfill its oversight
8 responsibilities. The Administration is committed
9 to engage Councilmembers at the planning stage of
10 NTI activities and to engage Council in
11 verification of NTI's implementation. Through the
12 mechanisms I have described, the amended bill would
13 balance Council's oversight role with the
14 Administration's need to avoid yet further delays.
15 Passage of the amendments to Bill 020036 will allow
16 us to begin the much-needed work of transforming
17 our neighborhoods.

18 - - -

19 MS. WILKERSON: Madam President, I also
20 have -- would like to request that this committee
21 consider two amendments. Apparently, the Economic
22 Opportunity Plan was not actually attached, or was
23 not a part of the Clerk's record, and wanted to
24 submit for Council's consideration an amendment
25 that would actually attach the Economic Opportunity

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2 Plan.

3 And, secondly, I believe there are
4 amendments that have been proposed that would add a
5 City Council program evaluation consultant and also
6 provide that no development project or
7 geographically targeted housing and neighborhood
8 preservation program shall be funded with bond
9 proceeds without the prior approval in writing of
10 the District Councilperson in whose district such
11 project or program will be undertaken.

12 COUNCIL PRESIDENT VERNA: Do we have a
13 copy of the amendments that you just read?

14 MS. WILKERSON: I have.

15 (Amendments distributed.)

16 MS. WILKERSON: Madam President, I'd like
17 to pull back the amendment that would -- that does
18 not address the addition of the Economic
19 Opportunity Plan as an exhibit. I was mistaken in
20 submitting that.

21 COUNCIL PRESIDENT VERNA: I'm sorry?

22 MS. WILKERSON: I'd like to withdraw --
23 there's an amendment that would amend Section VII
24 (a) and Section VII(d) to provide for an evaluation
25 consultant and also City Council approval of the

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2 District-specific housing development. I'd like to
3 withdraw that request for consideration.

4 COUNCIL PRESIDENT VERNA: Thank you.

5 Are there questions from members of the
6 committee?

7 I just have one: When will acquisition
8 monies be made available?

9 MS. SMITH: My name is Patricia Smith, and
10 I'm Director of the Neighborhood Transformation
11 Initiative.

12 Attached to the program framework is a
13 budget where we estimate using approximately, I
14 believe -- if we're able to get to the markets in
15 time, we would allocate and seek about \$2 million
16 for acquisition.

17 In addition, we have begun to look at --
18 so I would say we could probably start budgeting
19 the beginning of the fiscal year July 1 -- I mean,
20 actually, July 1 of this year, to begin to spend
21 dollars.

22 COUNCIL PRESIDENT VERNA: And when do you
23 anticipate going to the market?

24 MS. SMITH: Based on my conversations with
25 the senior underwriters for the bond issue, we

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2 anticipate it can take about six to eight weeks to
3 develop what you call the "offering statement," so
4 about six to eight weeks after passage of the
5 legislation by Council.

6 COUNCIL PRESIDENT VERNA: All right, thank
7 you.

8 Are there any questions from members of
9 the committee?

10 The Chair recognizes Councilman Cohen.

11 COUNCILMAN COHEN: Thank you, Madam
12 President.

13 First, what specifically will be the role
14 of the Redevelopment Authority in the program?
15 Will they have any substantive input, or will
16 decisions be made by the Neighborhood
17 Transformation --

18 MS. WILKERSON: I'm sorry, I didn't hear
19 the last part of your question.

20 COUNCILMAN COHEN: Will the Redevelopment
21 Authority have any impact on the substantive
22 content of the program, or are they merely the
23 financing agent?

24 MS. WILKERSON: The Redevelopment
25 Authority will be the issuer of the bonds. The

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2 Redevelopment Authority also will perform its
3 traditional role in connection with land
4 acquisition and disposition, and it currently is
5 involved in underwriting development projects. So,
6 you know, the only new role for the Redevelopment
7 Authority would be its role as issuer.

8 I mean, right now, the Redevelopment
9 Authority undertakes, you know, creation of urban
10 renewal areas. The Redevelopment Authority does
11 the actual underwriting when a development is
12 financed by -- with CDBG bond proceeds. The
13 Redevelopment Authority is the entity that decides,
14 you know, that evaluates the transaction and
15 advises and actually commits dollars on behalf of
16 the City.

17 COUNCILMAN COHEN: Well --

18 MS. WILKERSON: So that's not a change at
19 all.

20 COUNCILMAN COHEN: Well, is it that the
21 Redevelopment Authority technically will have the
22 last word in determining the nature of the program
23 where the project is done?

24 MS. WILKERSON: No. The way it's been
25 structured is that it's all City-driven, and the

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2 actual activity that is going to be undertaken is
3 proposed initially by the Administration, submitted
4 to City Council for approval by resolution.

5 And if you look at the exhibits to my
6 testimony, the budget templates, when we come to
7 City Council, there will be a detailed statements
8 of exactly what the Administration proposes to
9 undertake with the bond proceeds. And so we'll be
10 identifying for that year exactly how many
11 properties are intended for demolition, how many
12 properties by district, the estimated cost of those
13 demolitions. The same level of detail will be
14 provided for encapsulation activities. If there's
15 a development that's proposed for actual
16 development, that will be reflected in the budget
17 that City Council will approve.

18 Then the bond proceeds can only be spent
19 in a way that's consistent with a City
20 Council-approved budget. So we won't be able to
21 draw -- the Redevelopment Authority won't be able
22 to draw down bond proceeds unless the expenditure
23 the proposed proceeds unless the expenditure, the
24 proposed expenditure, complies with a City
25 Council-approved budget.

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2 COUNCILMAN COHEN: What did you mean by --
3 in your answer you said, "And if there is a
4 development project proposed, it will contain the
5 details of it"? A development project different
6 from cleaning lots?

7 MS. WILKERSON: Mm-hmm.

8 COUNCILMAN COHEN: Demolishing buildings?

9 MS. WILKERSON: Right. For example, if
10 it's proposed that funds be expended to acquire a
11 lot or perhaps commit some level of dollars to a
12 preservation strategy, for example, you know, not
13 just encapsulation but encapsulation and perhaps
14 some funds made available for homeowner
15 rehabilitation, that would all be reflected in the
16 annual budget that's brought to City Council.

17 So if you look at the templates, the
18 Administration would be required to come to City
19 Council, describe the program, the amount of
20 dollars that are proposed for expenditure, where
21 the program will be implemented.

22 So, for example, if it's a -- it might be
23 a program that makes sense for the 6th Councilmatic
24 District but is not necessarily, you know, a good
25 strategy for a another neighborhood, we would say

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2 at the time we come to City Council for approval of
3 program budget, the overall NTI program budget, for
4 the year exactly where those funds would be
5 expended.

6 So, you know, what we heard Council say
7 from the beginning is, We want to know how the
8 money's going to be spent; you know, we just don't
9 want there to be \$250 million out there. We want
10 to understand exactly where the dollars are going
11 to be invested. And so we will come back to City
12 Council on an annual basis, say, This is how it's
13 proposed that the monies be spent.

14 The expenditure of dollars will be con --
15 COUNCILMAN COHEN: What will be the power
16 of City Council at that point?

17 MS. WILKERSON: City Council will either
18 approve or modify or reject the budget. I mean, we
19 can't -- we won't be able to access those bond
20 proceeds.

21 The only thing exception is for emergency
22 demolitions. But other than that, the
23 Administration will not have the authority to
24 access bond proceeds unless City Council has signed
25 off on the program statement and the budget.

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2 The -- I think, you know, that's the
3 answer.

4 COUNCILMAN COHEN: What is going to be the
5 role of these companies? How many companies will
6 be hired as contractors who have some kind of a
7 supervisory or overview role or...

8 MS. WILKERSON: The Administration has a
9 program manager that was retained, and that's Hill
10 International that you hear about.

11 Hill International is helping the City
12 manage all of the pieces that are related to the
13 demolition and encapsulization [sic] work. It
14 involves -- in order for the City to execute what
15 we think is a reasonable demolition and
16 encapsulation strategy, we have to have good
17 surveys of what's going on in neighborhoods, we
18 have to have a mechanism for letting people in
19 neighborhoods know what it is that's being
20 proposed, we have to make sure that we get bid
21 packages rolling through on a regular basis, we
22 have to make sure that adequate provisions are made
23 for a -- for disposal of the demolition debris.

24 We have a very aggressive Economic
25 Opportunity Plan that creates opportunities for

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2 small businesses; we have to make sure that we're
3 sizing development in a way that provides those
4 opportunities.

5 We have to also, at the same time we're
6 doing demolition and encapsulization [sic], be
7 thinking of what's going to happen next. This is
8 not simply a demolition program. It's important to
9 know what happens next in a neighborhood, and so
10 the people on the housing-development side have to
11 be coordinated in. There is no infrastructure
12 within government that would permit that kind of
13 coordinated decision-making.

14 What Hill International bring --

15 COUNCILMAN COHEN: I always thought just
16 at that point -- if I may, I always thought that
17 was the main function of the Managing Director's
18 Office, that that's the reason that the Managing
19 Director is the supervisor of basic agencies, then
20 we have people that work with the independent
21 authorities.

22 MS. WILKERSON: I think that, to some
23 extent, is what's set out in the Charter, although
24 though not completely because the Charter never
25 anticipated an Office of Housing, for example.

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2 What we've learned inside the
3 Administration is that even when that's the vision,
4 there's not the apparatus for actually
5 accomplishing the integration of all of that work.
6 We actually have no trained project managers within
7 government who understand how to coordinate all of
8 these pieces, set out critical paths so we know
9 what has to happen first, what has to happen next,
10 to make sure that the steps that are required, for
11 example, if we want to do a demolition, you know,
12 has everything been liened, are the people out of
13 the properties, you know, to make sure that all of
14 those steps happen in an orderly way.

15 We don't have the capacity within
16 government right now to accomplish that, and that's
17 why we have identified and obtained the services of
18 a program manager so that we can undertake the work
19 in a coordinated way.

20 Our goal is to transfer the expertise to
21 City government. We don't want to have to always
22 be relying on outside program managers; we don't
23 have that capacity right now in government.

24 And so part of -- a part of what you have
25 happening is people beginning to understand what

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2 program management is -- project management is also
3 about. There's information technology that's being
4 used so that we have -- you know, there are tools
5 to enable to us better track what it is that we're
6 doing, and folk inside government are learning
7 about all of that.

8 We don't have those skills now and so the
9 Administration --

10 COUNCILMAN COHEN: Is the project manager
11 an individual or is it...

12 MS. WILKERSON: No. The program
13 manager -- the prime contractor is Hill
14 International that has --

15 COUNCILMAN COHEN: What's the name again?

16 MS. WILKERSON: Hill International

17 COUNCILMAN COHEN: Hill, H-I-L-L?

18 MS. WILKERSON: Yes, International.

19 At the previous hearing, we provided
20 information on Hill and who all the subconsultants
21 are, but Hill International is the prime contractor
22 that is responsible for coordinating the whole
23 project. Hill has --

24 COUNCILMAN COHEN: And the information you
25 supplied, did that indicate a history of managing

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2 these kinds of projects?

3 MS. WILKERSON: Yes, yes.

4 COUNCILMAN COHEN: You mean, there have
5 been other blight programs before that which
6 they've managed successfully?

7 MS. WILKERSON: No. This initiative is
8 the first kind of its kind in the country.

9 COUNCILMAN COHEN: That was my
10 understanding.

11 MS. WILKERSON: Philadelphia has the
12 dubious distinction of having more abandoned and
13 dangerous properties per capita than any other city
14 in the country. So nobody else has done exactly
15 this.

16 Hill has a long record of managing very
17 complicated projects of all kinds, and so Hill, I
18 think, is a manager out at the Airport, Hill
19 managed the Convention Center. Those projects are
20 not like this one, but they all involve the basic
21 project-management expertise, integrating diverse
22 components into one -- into one well-coordinated
23 undertaking.

24 I mean, I think that's part of the basic,
25 you know --

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2 COUNCILMAN COHEN: Where is Hill located?

3 MS. SMITH: Hill has headquarters here in
4 Philadelphia and also -- they have an office in
5 Philadelphia and their main headquarters is in New
6 Jersey, in southern New Jersey.

7 COUNCILMAN COHEN: And have they managed
8 projects in this area?

9 MS. SMITH: Yes. They've managed both
10 public projects and private projects within this
11 region and nationally and, in fact,
12 internationally. They --

13 COUNCILMAN COHEN: And is it an ongoing
14 company that exists?

15 MS. SMITH: They've been in existence, I
16 believe, for more than 25 years. I -- one of the
17 top industry magazines ranked them among the top
18 ten, I believe, program project managers in the
19 country.

20 They were selected by a competitive RFP
21 process last spring.

22 COUNCILMAN COHEN: Does it have any local
23 affiliates? Is there going to be some local
24 corporation that's formed?

25 MS. SMITH: Yeah. What we can do is

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2 resubmit, and we want to make sure that all of the
3 testimony and information that we submitted in
4 December is incorporated as part of this record,
5 but I'm happy to resubmit the breakout of the table
6 of organization for this project and then the
7 qualifications of the subconsultants that work at
8 Hill.

9 COUNCILMAN COHEN: Any there any other
10 companies in addition to Hill that are going to be
11 a part of the --

12 MS. SMITH: Oh, yes, and many of them are
13 locally based. For example, Gannick Flemming (ph)
14 is doing things like the MIS/IT work. A group by
15 the name of Quick is looking at the -- how do we
16 effect -- implement the minority and women
17 participation and training programs.

18 The other, ACG Associates, is working with
19 us in coordinating the community strategy, and I
20 have met with a number of the Councilpeople around
21 community engagement, community information,
22 community outreach.

23 Hail is a disabled community advocate, and
24 Vision Consultant is responsible for planning and
25 scheduling.

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2 Powell Harfsted (ph) for the environmental
3 and geotechnical components.

4 We have not talked a lot about things like
5 identifying appropriate landfills to dispose of
6 construction demolition debris. One of the sad
7 things is that as a result of the September 11the
8 incident, we are going to be really impacted
9 because the demolition and the debris coming from
10 New York City has impacted landfills throughout
11 this region.

12 This group has begun with G&C
13 Environmental Services, a minority firm. They have
14 begun to work with the State Department of
15 Environmental Protection to come up with a game
16 plan about disposal of demolition debris as we move
17 forward.

18 And then there's architectural engineering
19 support. This will be particularly important where
20 we're looking at stabilization work for buildings,
21 what we need to do where we're not going to
22 demolish.

23 And as I said, we'll make copies and
24 provide this information to all of the
25 Councilpeople again.

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2 MS. WILKERSON: The other large area of
3 opportunities are all the demolition packages.
4 Hill will not -- and the group Pat just identified
5 will not be actually doing any of the demolition.
6 And so we project that -- demolition or
7 encapsulation.

8 And so for the demolition, on a regular
9 basis, there will be bid packages that will be
10 advertised by the City's Procurement Department.
11 We're trying to size those bid packages so that
12 there are opportunities, you know, for community
13 businesses. You know, so there will be a huge
14 number of contracting opportunities for businesses
15 to actually carry out the demolition.

16 As the rehabilitation moves forward, you
17 know, there will be opportunities in neighborhoods
18 for organizations to engage in encapsulation or
19 rehabilitation of properties. So we'll be, you
20 know, looking to have active involvement of a lot
21 of parties.

22 I think in launching an initiative of this
23 size, one of the things that is important is
24 bringing other developers and parties to the table.
25 The City, over the years, has begun dealing with a

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2 3; we still have to size of scope of work of Phase
3 3, but I can get to you the amount, which I'm sure
4 somebody will hand to me in a second for the first
5 two phases.

6 (One of Ms. Smith's colleagues
7 hands her a document.)

8 MS. SMITH: Thank you.

9 So it's \$720,000 for the first two phases,
10 which was the planning project management, and then
11 the oversight and implementation of two prototype
12 projects.

13 What we decided -- again, we want to
14 emphasize, since we have never undertaken something
15 of this scale and size, one of the things that we
16 thought was very important is that we test our
17 assumptions.

18 It's one thing to put up on a chart and
19 have computer-generated, you know, schedules and
20 budgets and all of the other, but we thought before
21 we took it to scale, we wanted to test out our
22 operating assumptions in the field, using different
23 sized bid packages so that we know we're allocating
24 the correct amount of time for field surveys and
25 things like that. So we also built into the

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2 process what we call "a prototype phase."

3 COUNCILMAN COHEN: But is there any dollar
4 figure in the planning that you've arrived at for
5 management expenses? What of the bonds issue --
6 how much of the bond issue is going to go to the
7 management of whatever takes place under the
8 program?

9 MS. SMITH: What I will do is that we'll
10 get back to you. Once we have finalized the
11 phase -- I would just been guessing at this point.
12 Other than the \$720,000, once we finalize the
13 scope, we'll --

14 COUNCILMAN COHEN: (Inaudible, off-mic.)

15 MS. WILKERSON: No. I think one of the
16 things -- this is not a program that supports
17 ongoing operating expenses within government.
18 Those will be funded out of the City's operating
19 budget. The --

20 COUNCILMAN COHEN: As part of the blight
21 program?

22 MS. WILKERSON: Well, some of the work. I
23 mean, Some of what we're talking about is simply
24 government doing business differently. It's not
25 new; it's just doing it differently.

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2 So, for example, we already have people in
3 L&I who are engaged in demolition in the City.
4 They will continue to be engaged in demolition
5 activities in the City. They'll be coordinating
6 their work with the other City departments in order
7 to accomplish what it is we're talking about.

8 So their work currently is funded in large
9 part out of the City's General Fund; it's funded,
10 you know, to some extent out of the CDBG. Those
11 dollars will continue to be dollars supporting
12 demolition activity, you know.

13 So moving forward, demolition will
14 continue to be supported out of the City's
15 operating budget. It will not be -- the staffing
16 of that in large part won't be funded out of the
17 bond proceeds. The -- some portion of the project
18 manager's work might be, but not the everyday work
19 of government; that will not be funded out of bond
20 proceeds.

21 COUNCILMAN COHEN: Who's going to make
22 that line of separation?

23 MS. WILKERSON: Well, you know, in part,
24 we'll be creating budgets and we'll be coming to
25 you every year with a budget that will reflect how

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2 we propose to spend bond proceeds, so that, you
3 know, I think it's fair to say Council will not,
4 you know, turn around after five years and find out
5 that we've, you know, put millions and millions of
6 dollars into everyday governmental overhead,
7 dollars that everybody anticipates will be spent in
8 dealing with conditions in our neighborhoods.

9 And so, you know, we'll be coming to City
10 Council annually for authorization of a budget, and
11 you're not going to see a lot of soft costs in it.

12 COUNCILMAN COHEN: Well, I just think it
13 important that in budgets presented, we're told
14 what portion of the budget comes from bond issues
15 and what portion of the budget comes from operating
16 funds generally.

17 MS. WILKERSON: Mm-hmm. That's something
18 that Council, you know, in the conversations that
19 have happened over the course of the last couple of
20 months, Council has indicated that it wants to see
21 a picture of all dollars being expended.

22 The budget detail that is attached to my
23 testimony talks about Council approval of NTI bond
24 proceeds, but the Administration's commitment is to
25 paint as complete a picture as possible, so we'll

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2 be coming with descriptions of all the other
3 dollars that will be committed to neighborhood
4 transformation-type activities. For example, you
5 know, the CDBG budget will be presented in an
6 integrated picture. If there are going to be City
7 capital dollars that are also a part of the
8 picture, those dollars will be reflected in the
9 comprehensive budget. Although Council's approval
10 is -- in this level of detail, is limited to the
11 bond proceeds.

12 COUNCILMAN COHEN: It started as a Logan
13 sinking homes situation which now has expanded into
14 a number of other communities almost throughout the
15 City. Does the blight program intend to deal with
16 the problem of the sinking homes? which seems to be
17 a problem related to the existence of underground
18 bricks, you know, in the Philadelphia area and
19 maybe the improper building a hundred years ago,
20 when homes were constructed. That seems to me to
21 be a very threatening situation because new areas
22 seem to continue to develop there.

23 Is that part of the blight program?

24 MS. WILKERSON: What we don't anticipate
25 is using NTI bond proceeds to buy people out in

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2 situations like that; that is not a part of the
3 program.

4 I think that the way we will -- we will
5 begin addressing it because when we go into
6 neighborhoods and start talking about what it takes
7 to stabilize a neighborhood, one of the conditions
8 we'll have to grapple with and plan around are the
9 subsidence conditions, and you're right, this is a
10 problem that is endemic to many neighborhoods in
11 Philadelphia. You know, what we've learned over
12 the last two years is it's a big problem for cities
13 up and down the eastern seaboard.

14 And, you know, NTI is not the only answer
15 to conditions in our neighborhoods. We have Joe
16 Perillo and other people in government working on a
17 whole host of different strategies. We have had
18 some conversations about perhaps a subsidence
19 insurance program. We're not there yet with it,
20 but we think that this is one of those issues that
21 is sufficiently serious not only for us but for
22 other cities, that there's going to have to be a
23 comprehensive strategy identified. Another piece
24 of NTI, though, will perhaps bear on it.

25 We have also learned that although people

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2 may be living in homes that are built on inadequate
3 fill, that fill doesn't have to become a problem.
4 If property owners have proper gutters, drain water
5 away from their properties in an appropriate way,
6 even though the house is built on inadequate fill,
7 it doesn't necessarily have to erode. And so
8 there's, you know, with nominal dollars invested
9 in, you know, drainage, you can probably forestall
10 some of these problems. And so I think you're
11 going to hear more and more talk about doing
12 education around the issues.

13 And also, you know, perhaps, you know, I
14 mean, one of the strategies that could be proposed
15 where you have subsidence as a program that would
16 work with families, or give loans or perhaps grants
17 to families to deal with drainage problems around
18 their houses.

19 But what we envision -- you know, NTI
20 would permit all of that. If you look at the
21 framework that talks about stabilizing
22 neighborhoods, that's an activity that clearly
23 would fall within the framework.

24 What Council has asked is that on an
25 annual basis, we develop a detailed program that is

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2 consistent with the framework that would explain
3 how we intend to tackle those specific issues. And
4 so I think, you know, we'll be going around. Our
5 commitment is to meet with every Councilmember,
6 develop a real understanding of what's going on in
7 neighborhoods.

8 And so if, you know, in Councilman
9 Mariano's district, you know, where Feltonville is,
10 you know, subsidence is a huge issue, so we sit
11 down and talk about that, you know, and perhaps put
12 together a program that is perhaps Feltonville-
13 specific, that would work with homeowners on
14 drainage issues or the other challenges.

15 Not all of it's going to be bond-funded.
16 You know, Councilwoman Krajewski has her Clip
17 Program that relies heavily on code enforcement;
18 you know, that doesn't involve NTI bond proceeds.
19 But as we talk about what the strategy is for some
20 of those neighborhoods, you know, it will involve
21 some NTI money, but it also involves making much
22 better targeted use of other City resources.

23 And so we would, you know, on an annual
24 basis, we'll be coming, describing programs. Some
25 of them will target subsidence programs' needs

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2 where it's appropriate, but it may not be citywide.

3 COUNCILMAN COHEN: Thank you, Madam

4 President. Thank you for your patience and not

5 cutting me off before.

6 COUNCIL PRESIDENT VERNA: That's fine.

7 Can you tell just tell us, what is the

8 criteria for encapsulation and stabilization of a

9 property and how will you be streamlining the

10 acquisition and disposition process?

11 MS. SMITH: I'll ask Mr. Wetzel to the

12 table to talk about acquisition and disposition.

13 With respect to encapsulation in NTI

14 framework, which is appended to the pink copy of

15 the bill of our amendment on Page...

16 Let's see, beginning on Page 22, we set

17 out the stabilization and encapsulation priorities,

18 and what we talk about is in selecting structures

19 for stabilization and encapsulation, we'll give

20 priority to buildings that are residential and

21 mixed use or commercial properties of four stories

22 or less located on a block with a low vacancy rate.

23 The intention of encapsulation and

24 stabilization, the objective here is to folks on

25 where we're beginning to see, unfortunately, in

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2 some of our neighborhoods, one or two vacant
3 properties popping up, and we know that the longer
4 that property -- if water begins to penetrate, and
5 the longer that property hangs around, it increases
6 the likelihood over the time that it becomes a
7 dangerous building and we need to demolish.

8 So the objective of this is to really
9 target these resources where, in neighborhoods and
10 communities, we're beginning to see, you know, a
11 low level of vacancy cropping up, enabling us to
12 stabilize the building as we proceed to acquire it
13 and then cause the rehabilitation of that building
14 through issuing an RFP.

15 COUNCIL PRESIDENT VERNA: Can you tell us
16 how many properties that you plan to encapsulate in
17 the first --

18 MS. SMITH: We've budgeted over five years
19 sufficient money to encapsulate or stabilize 2500
20 properties. We also are putting in place vehicles
21 that gives us the capacity to acquire and rehab.
22 We may not in the first five years be able to
23 acquire and rehab all 2500, but we know we can do
24 approximately a thousand, and that's what we're
25 budgeting at.

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2 And that's in the five-year budget, which
3 is also a part of the program statement in the
4 back. That's a projected estimated budget. And as
5 we said, each year, with the annual program budget
6 and statement, we'll come back with the specific
7 number of properties to be stabilized by Council
8 District and how that relates to the vacancy rate
9 in that Council District.

10 COUNCIL PRESIDENT VERNA: Okay,
11 Mr. Wetzel.

12 MR. WETZEL: Good morning, Council
13 President.

14 COUNCIL PRESIDENT VERNA: Good morning.

15 MR. WETZEL: My name is Herbert Wetzel,
16 and I'm Executive Director of the Redevelopment
17 Authority of the City of Philadelphia.

18 With regards to acquisition, let me start
19 out by saying that the City essentially uses five
20 ways to acquire properties: Through urban renewal
21 takings; through Act 94, what's called "spot
22 condemnation"; through sheriff's sale; through
23 donor-taker and the gift property programs.

24 The first thing that strikes me, and has
25 always struck me about this particular problem, is

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2 that we've had a policy for at least 20 years that
3 we would only acquire a property if there was a
4 party interested in it, so that when people knocked
5 on our door, we didn't even own it for the most
6 part. The truth is, if own it, we generally are
7 able to dispose of it in 90 days or less. It is
8 the year or more that it takes to acquire it that
9 has been sort of the public perception problem
10 because when the person asked for it, in many
11 cases, we didn't own it.

12 So one of the things we want to do is
13 change the policy, which has been only to acquire
14 that for which somebody has asked and aggressively
15 go out and assemble land and put it in a land bank.

16 The second part of that is, is that land
17 is owned by more than one public entity, and that
18 is the City's Public Property owns land and
19 buildings, the Redevelopment Authority owns lands
20 and buildings, PHA owns land and buildings, and
21 PHDC owns land and buildings. In some cases, when
22 developers have come to do a development, they've
23 had to go through all four different entities to
24 assemble the land.

25 So conceptionally what we're talking about

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2 is that Public Property, the Redevelopment
3 Authority, PHDC, and PHA put all of their surplus
4 property in the land bank so it's all in one
5 ownership, so you don't have four different
6 entities to go to on a block that may own land on a
7 block; it will be one entity that owns it.

8 The next element of that is, we've brought
9 in a consultant who is documenting the existing
10 systems step by step, what goes on in each of the
11 those processes -- from Act 94, to the urban
12 renewal takings, to the sheriff's sale. And that's
13 a twofold process: One is to be able to build the
14 appropriation information technology system so that
15 we will have a database management system for
16 tracking the acquisition and disposition process.

17 I think I mentioned at the last hearing
18 that all of those procedures, whether sheriff's
19 sale or urban renewal, right now are 98 percent and
20 only 2 percent automated, and we want to flip that
21 to make that 98 percent automated and only 2
22 percent annual.

23 That piece of it is -- there's a second
24 piece of that, and that is uncovering processes
25 that may not be required by law but somebody

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2 decided at some point in history, We need to do
3 these three steps. And they may not own be
4 required by law and they may not even be necessary
5 so that we could reduce the amount of time by
6 getting rid of unnecessary steps in the process.

7 And the last element, that is seeking
8 reform the State in terms of changes to the urban
9 renewal law and the Act 94 law. And we have
10 submitted to the House Urban Affairs Committee
11 legislation that would fundamentally improve the
12 Act 94 process significantly and tweak the urban
13 renewal.

14 The urban renewal process is fairly well
15 established and can work well. The Act 94 process
16 has some features in it regarding the requirement
17 of L&I to certify a property as blighted, either a
18 vacant lot or property. And what can happen in
19 that process is, someone can pull a building permit
20 or go out and clean up the lot, and suddenly it's
21 not blighted anymore, and we can't proceed to take
22 it as a result of the fact that it's not blighted.

23 We have proposed two items in changing the
24 law. One is that if the vacant land as a
25 demolition lien on it, it is blighted, and we can

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1
2 proceed to take it, so you wouldn't need L&I to
3 certify it as blighted, and the (indiscernible)
4 itself would create the blight. And the other is
5 if that if the real-estate taxes and other
6 municipal liens exceed the fair market value of the
7 property by 150 percent, then it is a blighted
8 property under the Act, and we can proceed to take
9 it.

10 Those two changes alone would probably
11 take two months out of the acquisition process, and
12 it would eliminate -- the only way the property who
13 owns the property could eliminate our taking would
14 be to come in and pay in full the municipal liens
15 or pay in full the demolition lien. And in many
16 cases, you have a \$10,000 demolition lien on a lot
17 that's worth \$1,000; they're not going to come in
18 and pay 'em, and we're going to be able to take
19 that property.

20 So those are the basic elements that we're
21 working on to improve the system.

22 COUNCIL PRESIDENT VERNA: When do you
23 anticipate that the State legislature would be
24 considering this? Do you have any indication?

25 MR. WETZEL: Yes. I spoke to the director

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2 of the Urban Affairs Committee just this week; he
3 called to ask if we had any modifications that we
4 wanted to make to it, and he told me that they're
5 actively working on it right now.

6 I mean, our objective would be to have it
7 done this spring.

8 COUNCIL PRESIDENT VERNA: With the
9 sheriff's sales, how long are we waiting before --
10 because I know that in the past, I have requested
11 that properties be put up for sheriff's sale, and
12 we literally wait years and years, and I know the
13 Revenue Commissioner has said that more often than
14 not, it costs us more money in paperwork than the
15 property is worth.

16 MR. WETZEL: Mm-hmm

17 COUNCIL PRESIDENT VERNA: But I think
18 that's being short-sighted too.

19 MR. WETZEL: I agree. And I think what
20 would be very valuable, though, is that if we can
21 get this change in Act 94 legislation, we would
22 rely much less on sheriff's sales as a process and
23 use this Act 94 legislation to aggressively go
24 after these properties.

25 I mean, there are just inherent issues

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2 with the sheriff's sale program, because it was
3 intended to be a revenue-collection program, not a
4 land-assembly program. And so that's one of the
5 reasons we were seeking this change in Act 94, is
6 to allow us to essentially use that as a superior
7 tool to the sheriff's-sale process.

8 COUNCIL PRESIDENT VERNA: Thank you.

9 The Chair recognizes Councilman Clarke.

10 COUNCILMAN CLARKE: Thank you, Madam
11 Chair.

12 Good morning.

13 I had a couple of quick questions. One
14 has to do with reuse strategy. As you know, the
15 particular district that I represent has a
16 substantial amount of vacant property currently.
17 As a result of the implementation of NTI, that will
18 probably increase maybe even twofold. And one of
19 the concerns that I hear from my constituents is,
20 what happens after you knock down all of the vacant
21 buildings? what's the interim reuse strategy?
22 what's the long-term reuse strategy? And I must be
23 honest that I haven't heard responses to that in
24 the meetings that I have attended that put me at a
25 comfort level.

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2 Can you maybe here today put me at Phase 1
3 of a comfort level and talk about how you get me to
4 Phase 2, 3, 4, and 5? And then I have to figure
5 out a way to get my constituents to 7, 8, 9, and
6 10.

7 MS. WILKERSON: Let me take the first shot
8 at it.

9 As sit we down and begin the conversation
10 with the Councilmembers about demolition, the
11 conversation about interim and long-term use comes
12 up, that we understand that you just can't run
13 through neighborhoods, tear down a lot of
14 properties, and step away from the communities, as
15 the City has perhaps done traditionally, and I
16 think that's why even before launching this phase
17 of NTI, we've made a commitment and have committed
18 dollars to maintaining vacant land in
19 neighborhoods. And so that's what the cleaning of
20 the 30,000 vacant lots is about. It's not a
21 one-time deal; it's something that we're going to
22 do on a consistent basis.

23 We're also working with the Horticultural
24 Society and others to try and come up with a
25 greening strategy for neighborhoods, and we've

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2 already begun developing resources for that. We've
3 gotten over \$300,000 out of the federal government,
4 we've gotten a grant from the William Penn
5 Foundation, because we do know that when we go into
6 neighborhoods, we're not going to be able to
7 rebuild everything in the short term -- and in some
8 cases, even in the long term.

9 And so we're putting together resources so
10 that the vacant land won't be a nuisance in
11 neighborhoods, and I think if you look at what's
12 going on in a lot of communities -- Frankford, I
13 think, is probably the best example, where
14 communities, working with the Horticultural Society
15 and others, use greening strategies to make vacant
16 lands assets in neighborhoods, not simply problems
17 in neighborhoods.

18 It's not easy to do: It takes resources,
19 it takes a commitment from communities to work with
20 government in order to preserve land.

21 But I think, you know, the question that
22 people don't, in some cases, want vacant land at
23 all, whether well-maintained vacant land or
24 anything else, and there, the conversation with
25 Councilmembers at the very beginning will be one

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2 that takes planning into account. We'll be asking,
3 you know, what is appropriate in this area? Should
4 it be housing? if so, what kind of housing? and
5 begin trying to identify the resources for that.

6 NTI, although it's a lot of money and
7 probably more money than has been committed by the
8 City probably forever, NTI dollars cannot be the
9 only dollars that are committed to rebuilding
10 neighborhoods. And so we've been very aggressive
11 in trying to identify other resources. We've had
12 meetings with HUD, we go after those dollars when
13 they're available, we went after them with the HOPE
14 VI projects, with the support of public housing.
15 We've engaged -- we've started conversations with
16 The secretary of HUD. We're going to be going to
17 Harrisburg in a more aggressive way as a strategy
18 for attracting additional dollars. We're already
19 talking with private developers.

20 Historically, when we wanted to have
21 housing happen in an area, it's always been
22 affordable housing, and so we always tap into the
23 same pot of money; it's the only resource we know
24 about, and so all we ever have to bring to
25 neighborhoods is our reservoir of low-income

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2 housing dollars, but we think that there are a lot
3 of other dollars out there.

4 So we're going to be going into
5 neighborhoods, talking with people, helping people
6 understand that it's not going to be a matter of
7 waving a magic wand, but it really is going to be
8 sitting down and having hard conversations with
9 people and putting together real strategies.

10 I think one of the things that I think has
11 been very productive over the course of the last
12 two months is really talking with Councilmembers
13 about how you take ideas to actual -- to the point
14 of implementation so that, you know, when
15 Councilmembers want to see something happen, it's
16 not just a wish, but we actually begin putting
17 strategies in place. And so when we go and talk
18 with you and talk in neighborhoods, we'll begin
19 talking about actual strategies for making
20 development happen.

21 But it's not going to be overnight. It is
22 going to take decades to rebuild some of the
23 neighborhoods in Philadelphia, but we will move
24 aggressively in order to try to identify the
25 resources to do that.

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2 COUNCILMAN CLARKE: Getting back -- an I
3 understand, you know, the development process, that
4 it is a lengthy process.

5 Getting back to the interim-reuse
6 strategy, will there be alternatives other than
7 greening? because some people just don't want green
8 grass, vegetables. I mean, I've heard, as an
9 example, some constituents say, Well, if you tear
10 down those properties, can I have a top lot, or can
11 I have a sitting park for senior citizens, or can
12 we have -- some young folks want to know, can we do
13 a basketball court or some other type of
14 recreation? Some people want to just have it
15 black-topped so you're able to maintain it a lot
16 easier.

17 I mean, are there going to be alternative
18 strategies other than greening?

19 MS. SMITH: Yes. I mean, our intention
20 here is to bring resources to bear to stabilize
21 lots, to make sure that there's some sort of
22 interim treatment -- that may be the better phrase
23 to use. We're not just talking about community
24 gardens. And different communities have
25 experimented with different things, from, you know,

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2 even tree-planting as a deterrent to short-dumping.

3 What's going to be critical here and what
4 we've been doing is beginning to look at other
5 resources that are non-City resources that can
6 support that. And particularly at the federal
7 level, we think there's going to be -- vacant-land
8 management and abandonment is increasingly for many
9 cities becoming a major policy issue, so you have
10 non-traditional federal -- what I would consider
11 agencies that we may not have historically thought
12 of as a resource for urban communities, you know,
13 funding projects in Chicago around land-management
14 strategy. Some of it can come out of the
15 Environmental Protection Agency. Here in the City,
16 there was a treatment that was done to -- how can
17 you treat asphalt, a lot for recreational use that
18 protects the watershed, using new techniques.

19 So that's the way we're looking at it.

20 And we think there will be a host and a variety of
21 treatments. The strategy planning (indiscernible)
22 for each neighborhood will start talking about, you
23 know, those different type of treatments.

24 COUNCILMAN CLARKE: Okay.

25 Councilman Rizzo originally asked this

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2 question on my behalf in the Capital Budget
3 hearings the other day, talked about regional
4 choice communities which were designated by NTI,
5 and they spoke specifically of an area -- another
6 part of my district, in Logan Square, where it is
7 clear that there will not be a demolition strategy,
8 there will not be a vacant-lot strategy, but those
9 residents want to participate in this program, and
10 the question was asked specifically about amenities
11 association with those regional-choice type of
12 neighborhoods such as street-lighting enhancement,
13 pedestrian-lighting enhancement, and could, or
14 will, the NTI supplement the capital program's
15 budget in instances of those types of communities;
16 whereas, in the capital budget program, there's a
17 limited amount of dollars to do street lighting or
18 pedestrian lighting.

19 Will NTI, particularly in private-activity
20 bond dollars mbe in a position to be utilizing
21 those kind of neighborhoods?

22 MS. WILKERSON: You know, I think we're
23 going to have to be very judicious. These -- I
24 think we're going to have to make very judicious
25 decisions about that.

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2 In the very first presentation that the
3 Administration gave, we started talking about what
4 the appropriate role of government is in various
5 kinds of neighborhoods, and one of the things we
6 identified for regional-choice neighborhoods is a
7 marketing strategy. And so, for example, working
8 with the Center City District, the Center City
9 District has contacted the William Penn Foundation
10 and obtained dollars in order to market regional
11 choice in some of the other neighborhoods in
12 Philadelphia.

13 I think when you start talking about doing
14 street lights and some of those other kinds of
15 expenditures, it's going to require a very careful
16 analysis of what -- of what role that plays in
17 stabilizing neighborhoods. These -- as large as
18 the pool of dollars is, it's finite. The strategy
19 is a strategy of trying to stabilize neighborhoods
20 and eliminate blight.

21 And I think we're going to, time and time
22 again, have to ask as a group very tough decisions
23 about street lights or, you know, curbs and
24 sidewalks, because that will rapidly blow through
25 all of the dollars. And so we're going to be

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2 framing, you know, for ourselves and for others
3 very tough questions about what an appropriate
4 expenditure is.

5 It may be that there are other pots of
6 money so, as you know, the foundation community has
7 taken a real interest in providing that level of
8 amenity along the Parkway, you know, so we'll be
9 looking at that as a potential resource.

10 But, you know, I don't that's it's
11 adequate to say that this will be the first stop,
12 and we'll be working very hard to identify other
13 resources.

14 COUNCILMAN CLARKE: Let me be clear that I
15 understand your response.

16 You say although in terms of priority,
17 these regional-choice communities may not be at the
18 top of the pole, but there is a clearly
19 identifiable -- and correct me if I'm wrong -- did
20 I characterize that wrong?

21 MS. WILKERSON: Yeah, I think you did
22 mischaracterize it. I think that all of the
23 neighborhoods are of equal importance. I think
24 that there are different strategies, and the role
25 of government might be different.

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2 So, for example, we do understand that the
3 City has to be as interested in regional-choice
4 neighborhoods to assure that they continue to be
5 regional-choice neighborhoods, and so we're going
6 to be engaged in thinking about those issues, but
7 the government's role might be different.

8 COUNCILMAN CLARKE: But there will be
9 concurrent planning initiatives in those various
10 communities.

11 MS. SMITH: That's right.

12 MS. WILKERSON: That's right, and be
13 working to identify dollars. And so, you know,
14 when we went to the William Penn Foundation, and
15 they said, Well, you know, we'd like to work with
16 you on some marketing. You know, just because it
17 was regional choice, we didn't say, No, that's not
18 our priority. You know, those neighborhoods are
19 critical for the health of the City, and so we're
20 going to be spending no less time and energy.

21 COUNCILMAN CLARKE: And those initiatives
22 will be --

23 MS. SMITH: If I can just add --

24 COUNCILMAN CLARKE: I just want to
25 clarify. Those initiatives will be run out of the

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2 NTI Office? I mean, will it be the Center City
3 District? I mean, I just want to know, who's the
4 catalyst to get this discussion going in those
5 regional-choice communities?

6 MS. SMITH: I think one of the things that
7 is important to understand is that we feel that
8 government doesn't have to do everything, and that
9 one of the things that we believe that the NTI
10 initiative does, it says, This is our priorities
11 and these are why. And it gives others an
12 opportunity to kind of step up to the plate and
13 define a role.

14 And I think the perfect example of that is
15 the marketing campaign. We didn't initiate that,
16 but people knew we said, you know, that we have
17 strong, good neighborhoods, that one of the things
18 is sometimes we don't -- just like we have a
19 public-relations campaign, if you remember in
20 April, for tourism, why don't we have a
21 public-relations campaign for marketing the
22 amenities in our neighborhoods?

23 So we -- you know, and someone else said,
24 Ah, we see a role for ourselves in that. We would
25 like to go raise money, develop that, and convene a

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2 steering committee of public and private
3 individuals, and then there are also -- and we
4 raise the money for that. And I think this is an
5 opportunity to invite others to initiate and so,
6 like, help carry the ball.

7 COUNCILMAN CLARKE: That's fine. I just
8 want to know who's going to facilitate the
9 initiatives in those particular neighborhoods. Is
10 it --

11 MS. WILKERSON: I think that if you look
12 at our housing-reorganization plan, we've tried
13 to -- our proposal is to develop a housing
14 organization that reflects the NTI framework, and
15 so there will be an Office of Market-Rate Housing.
16 The City has never had an Office of Market-Rate
17 Housing. Market-rate developers, you know, call
18 the Councilperson, some of them are coming into the
19 City through the Commerce Department. They go to
20 Maxine Griffith, the City Planning Commission.

21 So we will have an Office of Market-Rate
22 housing in the new organization so that folk on the
23 outside will know where to go. These people will
24 be specifically focused on addressing the
25 conditions in those neighborhoods.

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2 COUNCILMAN CLARKE: Okay.

3 MS. WILKERSON: And so we hope to, for the
4 first time, have that be a core function within the
5 whole housing apparatus.

6 COUNCILMAN CLARKE: Okay,

7 Thank you, Madam Chair.

8 COUNCIL PRESIDENT VERNA: Thank you.

9 The Chair recognizes Councilman Ortiz.

10 COUNCILMAN ORTIZ: Thank you, Madam Chair.

11 Madam Chief of Staff, on the issue of
12 consolidation of the agencies and departments,
13 where are we on that and what is the process and
14 timeline that is going to finally -- and what's
15 going to emerge at the end?

16 MS. WILKERSON: What our vision is, our
17 goal is to have the new organization structured so
18 it will be included in the FY '04 budget. Right
19 now, we have an RFP out on the street, soliciting
20 from consultants -- you know, soliciting
21 consultants who will help us, that we can contract
22 with to help us create in this new organization.

23 COUNCILMAN ORTIZ: Excuse me, you're
24 contracting with somebody to come in and advise you
25 to do the consolidation?

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2 MS. WILKERSON: To actually put together
3 the various components. For example, one of the
4 things we don't have in the City are any procedural
5 manuals. I think that the whole acquisition
6 disposition got out of control because it's as much
7 guided by word of mouth, urban legend as it is by
8 anything else.

9 The last manual for acquisition
10 disposition in the City was done in 1974, and so
11 we've done a very, very detailed study of, you
12 know, what goes on now. We have some very clear
13 ideas about how it ought to work. But actually
14 creating a process and procedure and documenting
15 that is the kind of thing that we've never done.

16 COUNCILMAN ORTIZ: That's from the RDA?
17 In 1974, the RDA produced that document?

18 MS. WILKERSON: That was the last time.

19 Having worked at the Redevelopment
20 Authority, I can tell you that there's a lack of
21 consistent documentation. If you go to one person,
22 you get one set of procedures, you know, you hear
23 about some memo that's supposed to exist that
24 requires that something happen. And what we're --

25 COUNCILMAN ORTIZ: So this consultant, his

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2 job is going to come in, one, to update the manual,
3 the procedural manuals?

4 MS. SMITH: Let me -- it's more than just
5 updating a procedural manual. I think everyone in
6 this room can tell you all of the horror stories
7 about our acquisition and disposition systems.
8 They're very much antiquated, they're at least
9 98 percent manual; even the components of it that's
10 automated is based on, I think, an IBM computer
11 system that even IBM doesn't service anymore.

12 COUNCILMAN ORTIZ: The issue of sheriff's
13 sales is going to be included in that process?

14 MS. SMITH: So what we're looking at is a
15 process redesign of our real-estate operation. And
16 as Herb talked about, you know, primarily, we're
17 focussing first and foremost on the tools we use
18 for land assembly and redevelopment activity.

19 Second, it's also going to look at the
20 rest of government. If we're going to reconfigure
21 a housing agency, you know, some -- yes, you can
22 move people around; yes, you can change names, and
23 maybe that's been done before, but we never really
24 designed the processes, we never created a
25 formal --

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2 COUNCILMAN ORTIZ: Well, give me a vision
3 of what it is that we foresee, because, you know,
4 this is one of the problems that we've had going
5 back and forth, and this is going to be probably
6 one of the key elements of whether this thing goes
7 forward or not, how you structure this brand-new
8 entity in the amalgamation of all of these
9 different institutions.

10 MS. SMITH: Mm-hmm.

11 COUNCILMAN ORTIZ: RDA, OHCD, what is
12 PIDC, how is PIDC going to function into this?

13 MS. SMITH: Mm-hmm.

14 COUNCILMAN ORTIZ: How is -- what is it
15 going to look like? Give me -- two years from now,
16 I'm going to be sitting here, you're going to be
17 sitting there; what am I going to be asking you
18 about in terms of these institutions?

19 MS. SMITH: First -- and, again, we're
20 willing to give out this document again to make
21 sure it's incorporated at the public hearing. We
22 included in our Administration testimony what we
23 call the "high-level functional organization" for
24 what we're calling the "Office of Housing and
25 Neighborhood Preservation" and how the other

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2 different or existing entities fit within that and,
3 you know, the role of the Redevelopment Authority,
4 OHCD, how that would be reconfigured or reorganized
5 under the housing and neighborhood preservation,
6 and we can resubmit that to Council

7 Second, when you talk about the vision and
8 what does the process redesign accomplish, I mean,
9 my vision will be very simple. I mean, you know,
10 we state that we want to make sure we can do -- I'm
11 just saying this -- 1,000 dispositions a year and
12 that we want those 1,000 -- we want to be able to
13 timeline when we have title to getting it into
14 someone's hands, we say, That ought to be 90 days,
15 because if you were in the private market and you
16 went to buy a house, usually it's 90 days from the
17 agreement.

18 COUNCILMAN ORTIZ: How does that happen?
19 I mean --

20 MS. SMITH: We're going -- the happening
21 of that --

22 COUNCILMAN ORTIZ: Does OHCD merge into
23 RDA? PIDC, what happens with their role? What is
24 going to be -- how is that going to come into the
25 overall aspect of this new entity that is going to

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2 be, I would imagine, on top? Okay?

3 MS. SMITH: No, it's not on top. What we
4 would do is -- the functions, unless they're
5 legally-mandated functions, the functions and the
6 personnel that are needed to support those
7 functions would come under the umbrella of the
8 Housing and Neighborhood Preservation Office.

9 The RDA in particular, for example, will
10 then have a relationship, and because of its
11 special and unique powers, it would still exist as
12 an organization, but it would have a very clear and
13 defined relationship with the Office of Housing and
14 Neighborhood Preservation, and that its roles and
15 duties and responsibilities will be set out in
16 intergovernmental cooperation agreements, which is
17 anticipated by the Commonwealth.

18 COUNCILMAN ORTIZ: So there's going to be
19 an Office of Housing Preservation, and what is the
20 other title to it?

21 MS. SMITH: And then it will four lines of
22 businesses. It will be the Office of Housing and
23 Neighborhood Preservation and --

24 COUNCILMAN ORTIZ: Who merges into that,
25 OHCD?

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2 MS. SMITH: The functions of the
3 Philadelphia Housing Development Corporation,
4 certain of the functions that the Redevelopment
5 Authority, and the current functions of the Office
6 of Housing and Community Development would all be
7 transferred along with the supporting personnel
8 under the Office of Housing and Neighborhoods
9 Preservation.

10 COUNCILMAN ORTIZ: So PIDC, because it's
11 industrial development and business, doesn't fit
12 into that.

13 MS. SMITH: This is housing and
14 neighborhood preservation.

15 COUNCILMAN ORTIZ: So that PIDC is
16 something apart.

17 MS. SMITH: No, mm-mm. And, again, I
18 think it's -- visually, it's much more -- one can
19 see it and we're happy to send out and sit down
20 with you and walk through each of the lines of
21 businesses. We did share that with Council.

22 COUNCILMAN ORTIZ: So how are the legal
23 technicalities, the aspect of it? because, like you
24 said, OHCD has certain aspects that are legally
25 mandated.

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2 MS. SMITH: Well, OHCD is the office -- is
3 a part of the Office of the Mayor. Its role was
4 determined, I believe, by executive order. I mean,
5 one can, you know, change --

6 COUNCILMAN ORTIZ: Well, the funds are
7 usually already targeted for certain populations,
8 right?

9 MS. SMITH: Well, let's not confuse the --
10 I guess you would call it the "operating mechanism"
11 or "apparatus" with the restrictions on the funding
12 requirements.

13 COUNCILMAN ORTIZ: But what we want to get
14 to is an understanding of how this thing is going
15 to function.

16 MS. SMITH: Right. The Office of Housing
17 and Neighborhood Preservation will oversee the
18 City's housing and neighborhood preservation
19 activities, but not just exclusively to CDBG
20 dollars. We envision, as a part of this Office of
21 Housing and Neighborhood Preservation, a division
22 or a unit that focuses on market-rate housing.

23 Historically in the City, our housing
24 policy has been driven by what we can and cannot do
25 with Community Development Block Grant and

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2 (indiscernible) and to a lesser degree, certain
3 State funds. So we kind of constricted our ability
4 to work in neighborhoods by tying our mission, so
5 to speak, to the federal requirements for certain
6 funding.

7 What we've done is, we said, What is the
8 mission of this office? and then there would be
9 different sources and resources to advance that
10 mission. Some of it would be federal, some of it
11 would be State. You know, bond proceeds will play
12 a role in that. And the mission is housing and
13 neighborhood preservation.

14 And the reason why we went to the
15 discussion about neighborhood preservation going
16 back to the original NTI framework -- in fact,
17 going back from my understanding, comments from
18 vary Councilpeople about the limits of CDBG is that
19 we need to look at our city and its neighborhoods
20 in their entirety and then craft strategies that
21 are specific to their strengths and to their
22 opportunities, as opposed to having all of our
23 housing endeavors driven simply by what federal
24 funding is available.

25 And so that, to me, is the paradigm shift.

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2 COUNCILMAN ORTIZ: District 33 employees
3 are going to be impacted by this reorganization,
4 and what are the discussions that are going on
5 between District 33 and the Administration along
6 these lines?

7 MS. WILKERSON: We are -- we are beginning
8 to talk with a number of different stakeholders
9 about the vision that we have. We're talking
10 with -- with people within the agencies trying to
11 validate the basic model. I think that there are
12 going to be extensive conversations that are
13 necessary, negotiations that are necessary with the
14 union if this is going to be successful.

15 COUNCILMAN ORTIZ: Are they taking place
16 now, or are they going to be taking place?

17 MS. WILKERSON: No, there have been
18 conversations. I don't think -- you know, I don't
19 think we've reached the point yet that, you know,
20 we're engaging in the way that we ultimately need
21 to, but we understand that Jeff Brown and the other
22 leaders of District Council 33 are critical.

23 One of the things that the consultant is
24 going to be doing for the City is helping us create
25 job descriptions. The job descriptions in some of

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2 these organizations, to the extent that they exist
3 at all, reflect a 1954 vision of rebuilding
4 neighborhoods. We've got to bring those forward so
5 that they reflect the kind of challenges we have
6 now.

7 We've got to have -- you know, and we're
8 going to have to provide training for people so
9 that, you know, they can carry out the kinds of
10 challenges -- you know, meet the challenges that
11 are in our neighborhoods.

12 So, you know, all of that is a part of our
13 vision. It will take a lot of interaction and
14 participation by the union. We're not there yet.

15 COUNCILMAN ORTIZ: When do you foresee
16 meaningful discussions with the union taking place;
17 two weeks from now, three weeks?

18 MS. WILKERSON: No, I think -- well, I
19 think --

20 COUNCILMAN ORTIZ: How far along in the
21 process are you going to begin discussing it with
22 them?

23 MS. WILKERSON: We've begun discussing. I
24 think that as we begin refining the plan, you know,
25 talking about how many positions and which part of

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2 the organization, I think those conversations will
3 take a whole different character, and that's what I
4 meant by "meaningful," not that we're not sitting
5 down and engaging.

6 I think, you know, there are tough issues
7 around pension. You know, we understand, you know,
8 that this is not going to be easy to do. I think
9 that, you know, City Council was critical in laying
10 down the challenge. You know, last year, we were
11 asked, you know, what is the Administration's plan
12 for reducing the administrative burden to the CDBG
13 budget? We have taken that charge seriously and
14 are really proposing back a very comprehensive
15 plan, and as soon as the document comes up, you
16 know, we'll reintroduce it.

17 For doing that kind of consolidation, you
18 know, we understand it's going to be difficult, but
19 I think that we all understand that the vision for
20 rebuilding neighborhoods can't happen if
21 government's not willing to also change in order to
22 accommodate the challenges.

23 COUNCILMAN ORTIZ: Thank you, Madam Chair.

24 COUNCIL PRESIDENT VERA: You're welcome.

25 The Chair recognizes Councilman DiCicco.

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2 COUNCILMAN DICICCO: Thank you, Madam
3 President.

4 My question is for Mr. Wetzel, probably
5 more for L&I, but I was just curious. We were
6 talking earlier about the process and getting
7 certain pieces of legislation in place that will
8 make the acquisition or taking of these properties
9 easier.

10 A year or two ago, we passed some
11 legislation in this Council -- I can't remember the
12 number of the bill, but I call it "the broken
13 window bill," and everyone agreed that that was a
14 good tool to get to that point where we were able
15 to, as a city, agency, or whatever, be able to
16 today those properties because the liens would be
17 so sufficient, if the -- if the fines were imposed
18 on a daily basis, \$300 a day for every single
19 broken window, we would get to that 150 percent of
20 the market value, and in many cases, probably in
21 less than 30 days or 30 days or so.

22 Have we done anything with that, with the
23 implementation of that bill? And if you can't
24 explain it, I could understand it, and maybe it's
25 more L&I, but it should fit into what we are

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2 talking about, and why aren't we using that
3 legislation already?

4 MS. WILKERSON: I will have the
5 commissioner come over.

6 There were two different pieces of
7 legislation for lienage. I know that you had asked
8 about this at the last hearing. One of programs
9 had begun and they had actually started doing the
10 lienage. I will have the L&I commissioner come
11 over and answer in detail what's going on.

12 COUNCILMAN DICICCO: 22nd and Arch, my
13 signature building, right? Thank you.

14 Thank you, Madam President.

15 COUNCIL PRESIDENT VERNA: Thank you.

16 The Chair recognizes Councilman Nutter.
17 Is he in the room?

18 COUNCILMAN COHEN: (Inaudible/off-mic.)

19 COUNCIL PRESIDENT VERNA: Councilman
20 Nutter, do you want to yield to Councilman Cohen?

21 COUNCILMAN NUTTER: I'll be glad to yield.

22 COUNCIL PRESIDENT VERNA: Councilman
23 Cohen.

24 COUNCILMAN COHEN: To Mr. Wetzel, in my
25 maybe not-too-well-informed judgment in this area,

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2 'cause I haven't dealt with the Redevelopment
3 Authority too many times, I like the changed
4 atmosphere in the way in which the department
5 operates, and I wanted to thank you for bringing
6 that about.

7 Now, you referred to changes that are
8 needed at the State level and at the City level to
9 consolidate ownership in one entity for the City.
10 Could we move ahead at the City end? Is there any
11 State law that has to be changed to permit bringing
12 currently into a single City ownership the property
13 owned by the four agencies you enumerated? Because
14 I think people go by example.

15 MR. WETZEL: Mm-hmm.

16 COUNCILMAN COHEN: If we could do it
17 citywide within the limitations of law, I think
18 you'll do a great favor to the State legislature
19 'cause you'll that something could happen to the
20 archaic method in which we deal with land
21 transfers.

22 MR. WETZEL: Yeah, let me say I don't know
23 if there are any legal impediments. I know what
24 we're looking at is what would be the form of that;
25 would it be a quasi-government non-profit-created?

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2 You know, under the City, would it be title-held by
3 the City itself? And I think we're doing that
4 research now to make that determination.

5 And the process would be, for example,
6 where hypothetically PHA owns 800 vacant lots, for
7 example, that are in their inventory for which they
8 have no future plans, you'd want to go -- and PHA,
9 it requires HUD approval from HUD in Atlanta,
10 Georgia, of all places, but they've got to submit
11 this to Atlanta, Georgia, and get approval for each
12 parcel of land that they transfer; for example, the
13 Public Housing Authority.

14 What we would want to do here is go
15 through that entire inventory and, let's say,
16 declare 800 of those surplus and go to HUD for
17 approval of moving all 800 of those into the land
18 bank at one time.

19 So we're working on the mechanism. It
20 hasn't been finalized yet, but the concept is, we
21 create the mechanism and then the entities deliver
22 the land to that mechanism.

23 COUNCILMAN COHEN: May I urge upon you for
24 consideration just the reverse approach; to instead
25 take one property and try to run it through HUD,

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2 and you'll learn what the difficulties are?

3 MR. WETZEL: Well, we have, sir.

4 COUNCILMAN COHEN: You may by the number,
5 800 or even a hundred, create almost an insuperable
6 obstacle to doing anything, because with we in
7 government are not known for our courage to embark
8 on a new path; we're always frightened about new
9 paths, so we're looking for a safe way. And I'm
10 fearful you'll never get any HUD administrator or
11 HUD lawyer to spend sufficient time to feel
12 comfortable with this mass transfer unless you have
13 first established a procedure in an easy way for
14 them -- one properties or two properties at most --
15 and then they might be comfortable in doing it.

16 MR. WETZEL: Councilman, we've actually --
17 to answer that, we have some small-scale experience
18 with HUD with packages of four and six and eight
19 and as many as ten properties at a time, and what
20 we've uncovered is, whether it's one or fifty, it's
21 the same procedure.

22 And I do agree with you, though, that it
23 would be good to have a meeting with HUD and a
24 heads-up rather than just submit 800 at one time.

25 COUNCILMAN COHEN: You'll frighten them to

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2 death.

3 MR. WETZEL: Right. To have concurrence
4 that this is part of rebuilding neighborhoods and
5 we need this federal assistance.

6 COUNCILMAN COHEN: The reason I discuss
7 that with you is that these same kinds of
8 discussions have occurred during the 35 years that
9 my Council period of service spans. At various
10 times, people get the same ideas, and then they
11 always -- nothing ever happens and, therefore, I'm
12 suggesting, if we can bite off a little piece, get
13 it underway, we may really start, you know, the
14 development of a series of building blocks on which
15 we can built.

16 MR. WETZEL: Yeah, your advice is
17 well-taken.

18 COUNCILMAN COHEN: And you're the kind of
19 person that I think might be ready to do that.

20 Thank you.

21 MR. WETZEL: Thank you, Councilman.

22 COUNCILMAN COHEN: The other question I
23 have, if I may, Madam President, is, in my
24 community, the 17th Ward where I am the Ward leader
25 and Councilwoman Donna Miller is the District

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2 Council member, and I think the problem is a
3 general one in the northwest, we have terrible
4 problems with apartment buildings ranging from two
5 units, they can be much larger units.

6 And is there any City department that
7 deals with the specific problem, say, of apartment
8 houses? I think their problems are altogether
9 different from the problem of the single vacant
10 home. And because blight to us means a vacant
11 apartment building, because people gather in there,
12 there are always report of women being dragged in,
13 we never know whether they're true or not,
14 sometimes we get information from the police, we
15 don't know whether we want to go to the police to
16 confirm it, but we'd love to be able to go to the
17 police and, say, disprove that an attack occurred,
18 but if they confirm it, it's only worse in the
19 neighborhood.

20 But the places are dangerous, they're
21 dirty, they gather lots of trash, and they deny
22 people an important availability. Senior citizens
23 desperately need housing in Philadelphia, and
24 they're wonderful for senior citizens because even
25 if they go up three or four or five flights, as

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2 long as they have an elevator there, it's safe for
3 senior citizens. And we find that the community
4 tends to accept housing for senior citizens, they
5 don't raise all the questions that they raise in
6 other kinds of housing, in the single-family
7 housing.

8 So I'm asking Pat or Joyce Wilkerson,
9 because I think you're the two that would know, is
10 there any special intention, and if not, I would
11 urge that you develop some method of separately
12 dealing with apartment housing. I think they
13 create unique problems, and will be (indiscernible)
14 tremendous benefit for the City if we can learn how
15 to stabilize them, how to give them support where
16 economic support is needed, because that's what I
17 assume is the problem, that people in the private
18 sector have not found a way to convert many of
19 these into a worthwhile economic venture and as a
20 part of the blight program, and that gets you in,
21 Pat.

22 MS. SMITH: I mean, that would be one of
23 the things we look at. As part of our preservation
24 strategy, we acknowledge that sometimes these small
25 vacant apartment buildings have been problematic in

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2 neighborhoods, and sometimes maybe the reuse may
3 not necessarily be another apartment building.

4 I think one of the more successful, I
5 think, strategies that was used by a CDC working
6 with a for-profit developers as part of a joint
7 venture was taking a scattered-site, garden-style
8 apartment building, you know, where there was like
9 the duplex units, and then in some instances,
10 converting those into market-rate home-ownership
11 units. And Herb could -- they underwrote that
12 project.

13 We also had the Law Department to begin to
14 look at other jurisdictions in terms of what powers
15 we may be able to use to think about doing more
16 than just the traditional citing and lienning. I
17 think one of our frustrations is that we in the
18 City, you know, we can lien it, we can cite it, but
19 if the owner is not around and we can build up all
20 the liens, you know, the challenge is if you take
21 it, you know, then is the City the owner, if you
22 don't have the resources to redevelop.

23 But we're looking at other strategies that
24 other cities have been using with these smaller
25 apartment buildings. I think Boston, in

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2 particular, they call them "triplexes" or
3 something, have three-tier buildings that they've
4 done combination home ownership/rental type
5 activities. They're too big for single family
6 triple-deckers. I think they're using different
7 kind of strategies there.

8 COUNCILMAN COHEN: I know the
9 Redevelopment Authority is involved in one on the
10 (indiscernible) in the Suffolk Apartments.

11 MR. WETZEL: Right.

12 COUNCILMAN COHEN: That's a huge project,
13 and it is not an example of the best work done by
14 City agencies in the management over the last five
15 or six years, but we need a strategy for those that
16 are already owned.

17 MR. WETZEL: Right.

18 COUNCILMAN COHEN: But I'm thinking
19 particularly of the smaller ones, not as gigantic
20 as Suffolk, but the ones that run from 2 to maybe
21 16th and Grange Street comes to mind. It's a
22 building that's been vacant for at least ten years,
23 an apartment building. Somehow it defies the
24 elements, the structure's still sound, people and
25 private investors or land owners come, look at it,

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2 and then when they add it up, they always decide
3 the arithmetic doesn't make sense for an
4 investment.

5 MR. WETZEL: Mm-hmm.

6 COUNCILMAN COHEN: It's a blight to the
7 neighborhood. We're always concerned that it's a
8 danger to people and youngsters in the area, and
9 sooner or later, it's going to be become
10 structurally unsound even though it's managed to
11 somehow defy the elements so far.

12 It seems to me that a very effective and a
13 cost-effective way would be to find some method not
14 necessarily of becoming a City apartment, but
15 that's kind of subsidization, to my colleague
16 Councilman DiCicco, that I would gladly support.
17 If it needs governmental funding to make it
18 available and make it economically attractive to
19 investors, I think that would be the best kind of
20 investment to make.

21 MR. WETZEL: Councilman, I think --

22 COUNCILMAN COHEN: And in Northwest
23 Philadelphia, that's a very urgent issue.

24 MR. WETZEL: Right. You've raised, I
25 think, an important issue. There are a lot of

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2 strong residential home-ownership neighborhoods
3 that have a small number of apartment buildings
4 that are the blight, that the homeowners in their
5 houses are in very good shape, and I can think of
6 two.

7 Pat mentioned one at Wissahickon and
8 Manheim where a 200+ apartment complex, owned by
9 some New Yorkers who milked it, was destroying the
10 neighborhood; and the other, I believe, would be
11 Councilwoman Krajewski's district, the Carl Mackley
12 Apartments up in Juniata Park, surrounded by solid
13 home ownership, but it was the blight, pulling down
14 the rest of the neighborhood. If you owned a house
15 across from the Carl Mackley and you put a for-sale
16 sign on it, it would have been difficult to sell
17 that house, given the condition of that.

18 And we intervened in those, and those are
19 larger ones, I understand, but we also, I think,
20 need to look at that 14-, 20-unit building that's
21 also pulling down the neighborhood, and I think you
22 make a good point. And I think we've talked about
23 the larger ones and we need to talk about the
24 medium-sized ones that you're bringing up.

25 COUNCILMAN COHEN: Thank you, Madam

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2 President.

3 COUNCIL PRESIDENT VERNA: You're welcome.

4 Councilman Nutter, I'm sure that members
5 of the Administration will be here for the
6 remainder of the hearing. If you're not ready, can
7 I go on with the witnesses that we have?

8 COUNCILMAN NUTTER: Sure, sure.

9 COUNCIL PRESIDENT VERNA: Thank you.

10 Anyone else have questions at this point
11 of the Administration?

12 (No further questions.)

13 COUNCIL PRESIDENT VERNA: Seeing none, I
14 would ask Mr. McPherson to call the first witness.

15 MR. MCPHERSON: Gordon Whitman and EPOP.

16 (Witnesses come forward.)

17 COUNCIL PRESIDENT VERNA: Good afternoon.

18 MR. WHITMAN: Good afternoon. My name is
19 Gordon Whitman from Temple University Center for
20 Public Policy.

21 MS. AVILES: Good afternoon. My name is
22 Martha Aviles with the Eastern Pennsylvania
23 Organizing Project.

24 MS. CRUZ: Hello. I'm Kathleen Cruz, also
25 from the Eastern Pennsylvania Organizing Project.

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2 I live in Hunting Park.

3 MR. WHITMAN: Reverend Avinger (ph) from
4 Greater St. Matthews Baptist Church was scheduled
5 to testify; he had a funeral, so we regret that
6 he's not here today.

7 Council President Verna and members of
8 City Council, this is the sixth time we've
9 testified or briefed Council on blight legislation,
10 and we appreciate the continued opportunity to be
11 of use in helping frame and create an effective
12 blight strategy.

13 Our goal has been to bring a neighborhood
14 perspective to this debate as well as solid
15 research, and throughout, we believe that NTI
16 represents an historic opportunity for Philadelphia
17 to deal with the set of problems that it hasn't
18 dealt with for years.

19 We very clearly would have liked to have
20 seen much stronger Council oversight within the
21 blight legislation. Nonetheless, we believe that
22 the current bill before Council includes a number
23 of very important improvements over the original
24 proposal, and we want to just briefly highlight
25 three changes that we think are important and then

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2 make a number of suggestions about implementation
3 that we think would strengthen NTI as we move
4 forward.

5 The first change we believe is
6 particularly significant is the extra \$45 million
7 for neighborhood development. This was at the
8 initiation originally of Councilman Clarke and was
9 included in the bill that was passed in December,
10 and it continues in the bill that's before Council
11 today.

12 The initial proposal had just \$20 million
13 for neighborhood stabilization and vacant property
14 prevention, which would have been roughly
15 \$4 million per year. The current -- the current
16 proposal increases that by \$30 million to 50, and
17 while we -- we believed all along that there needed
18 to be a balance between resources for demolition
19 and resources for development, we think that's an
20 improvement that's substantial in terms of creating
21 resources for the kind of activities that prevent
22 housing vacancy and rehabilitate houses in the
23 City. The cap on demolition at \$160 million, we
24 also think, creates some pressure to be efficient
25 about the cost of demolition and strategic about

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2 what demolition takes place.

3 The second piece that we want to note of
4 importance is that the revised framework includes a
5 new program category called "geographically
6 targeted preservation programs," and while the name
7 is awkward, we believe that it's a vehicle to do
8 the kind of geographically-focused work anchored by
9 our hospitals and universities and nonprofit
10 institutions and private employers that we've
11 talked about as blight-free zones, and we think
12 that's an important recognition of the importance
13 of anchor institutions in framing and guiding NTI
14 as it moves forward.

15 The most important part of the current
16 bill may be the annual approval process of
17 district-by-district budgets and work plans. This
18 makes NTI a citywide program and puts District
19 Councilpeople at the center of neighborhood
20 revitalization. And we think that's a vehicle to
21 move away from the individual project-by-project
22 strategy that's guided community development in the
23 past and has been so criticized as not having an
24 impact on the neighborhood level. So we think that
25 process, if it's used right, along with the

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2 advisory person hired or a firm hired to work with
3 Council, really helps shape Council's role as
4 central to guiding development in the use of yearly
5 both plans and targeted evaluation of that is an
6 important step toward making sure that this is
7 citywide as a blight initiative.

8 From our perspective, it's very
9 unfortunate that the symbol of neighborhood
10 transformation will be bulldozers knocking down
11 vacant houses. While this is clearly something
12 that needs to happen, the commitment to make NTI
13 more than just a demolition program in terms of the
14 public perception of what NTI is and what
15 neighborhood transformation needs, we believe that
16 bulldozers will not create strong communities and
17 that demolition alone isn't the right symbol of
18 what NTI is about.

19 So we are strongly urging the City, as it
20 moves forward on a parallel basis, begin
21 large-scale, publicly lifted up encapsulation so
22 that we're sending a clear message that this is not
23 just about demolition; we're committed to dealing
24 with the roughly 1400 vacant houses that appear on
25 our City streets each year as new vacants, and that

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2 we're really going to tackle that.

3 We're disappointed in the numbers that
4 we've heard, that there seems to be a discrepancy
5 between the original proposal to not only
6 encapsulate but also renovate 2500 per year for
7 over the 5-year period. It seems as though what we
8 heard today was the encapsulation of 2500 but a
9 step back from that commitment to do the renovation
10 and the preservation. Those blocks are in every
11 single Council District.

12 One out of every four blocks in the City
13 has a vacant house. People across the City are
14 touched by those vacants that are one, two, three
15 vacant on the block, and the importance of a
16 substantial commitment to deal with those and
17 renovate those is essential to the success of NTI.

18 We appreciate the opportunity to testify
19 and we offer our continued support to Council as it
20 rightly moves to the center of shaping neighborhood
21 transformation, and we're available and will be
22 back at budget time. So we appreciate the
23 opportunity to be here.

24 COUNCIL PRESIDENT VERNA: Thank you.

25 Mr. Whitman, I want to personally thank

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2 you for your interest and certainly the input that
3 you have given us in trying to shape this NTI bill.
4 I know that you've worked very, very hard on this,
5 and you and your group are really to be commended,
6 and I wanted to personally thank you.

7 Please proceed. Identify yourself for the
8 record.

9 MR. WHITMAN: (Addressing a colleague.)
10 Do you want to add?

11 We'll leave it at that.

12 COUNCIL PRESIDENT VERNA: Oh, fine. Thank
13 you, thanks for coming in.

14 Our next witness?

15 MR. MCPHERSON: Nora Lichtash.

16 COUNCIL PRESIDENT VERNA: And after
17 Miss Lichtash is Judith Robinson, so maybe she
18 could come up to the witness table at this time
19 also.

20 (Witnesses come forward.)

21 COUNCIL PRESIDENT VERNA: The Chair
22 recognizes Councilman Longstreth.

23 COUNCILMAN LONGSTRETH: Madam Chair, I
24 need to leave the chamber but wish to be recorded
25 as voting aye on this bill and aye on the

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2 amendments offered by the Administration.

3 COUNCIL PRESIDENT VERNA: Thank you, thank
4 you.

5 Miss Lichtash, please proceed. Identify
6 yourself for the record and proceed with your
7 testimony.

8 MS. LICHTASH: Yeah, my name is Nora
9 Lichtash, and I'm the Director of the Women's
10 Community Revitalization Project, and we're also a
11 member of the Philadelphia Affordable Housing
12 Coalition. It's a coalition that's been working to
13 increase decent, accessible, and affordable housing
14 in Philadelphia for people earning less than
15 \$18,000, and that covers a lot of people.

16 In the most recent census data that we
17 have, it says that one-third of the City's
18 households earn less than \$20,000, which actually
19 comes out to about 500,000 adults and kids. Every
20 study that we see confirms what many of us see day
21 in and day out: That there's very little housing
22 that's affordable to that income.

23 We understand that the reason that NTI was
24 created was to bring higher-income residents back
25 to the City and keep higher-income people here, and

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2 we support that and applaud the Administration for
3 doing that, but what's also been presented as NTI
4 is not just the bonds that are being floated and
5 it's not just the private-sector resources and
6 public-sector resources that are going to be
7 leveraged; it's also all of the resources that have
8 historically built new housing and rehabbed housing
9 and fixed up existing housing in the City.

10 For that reason, we want to ensure a
11 balanced approach and that for NTI to be
12 successful, we want to make sure that there's a
13 substantial amount of housing that's created that
14 is truly affordable to the income population that
15 makes up so many of the people in the City, that
16 stronger real-estate markets have a lot to offer
17 the City, but private markets won't develop one
18 affordable house, and that, again, a third of the
19 City's population is what we're talking about.

20 It's only the government and you in
21 Council and the City Administration who have the
22 power and the responsibility to set policy and make
23 sure that Philadelphians are adequately housed.

24 As much as we believe in NTI, we want to
25 make sure that inadvertently, families aren't left

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2 in a worse condition, especially those who are
3 relocated and dislocated. So given the critical
4 shortage of housing that we're talking about and
5 the fact that in June, a lot of folks are going to
6 lose their income because of welfare cuts and the
7 fact that NTI is going to demolish so many houses,
8 many of them vacant, but there are also many that
9 have people in them, we want to ask and make sure
10 that Council have thought through questions about
11 how many people in your district are going to be
12 relocated or dislocated, and is there our housing
13 in your district to ensure that those families have
14 a place to live.

15 We want to make sure, and we ask you to
16 make sure, that there are resources, staff, money,
17 and policies that are in place to really address
18 families that are being relocated and dislocated.
19 We believe that the constituency that we work with
20 and the organizations in our coalition are prepared
21 to be assets to NTI, and we'd like to work with
22 Council and the Administration to ensure that NTI's
23 success, especially around the issue of relocation,
24 it's a really important issue in the community.

25 We thank the members of Council who fought

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2 for the basic public accountability on NTI and are
3 pleased to see that in the current bill, it still
4 retains the requirement that Council approve annual
5 NTI program statements and budgets.

6 However, there's one important class of
7 information that's missing in these reports, as we
8 read it in the current bill: That there needs to
9 be information on affordability and accessibility;
10 we need information to be provided to Council on
11 sales prices, rent levels, accessibility status,
12 and amount of subsidy for all of the developments.

13 Just as we support accountability that's
14 included in the bill, we also support the amendment
15 that Joyce Wilkerson mentioned this morning around
16 including a program evaluator, someone that's going
17 to evaluate NTI for City Council.

18 Just as believe that Council must be
19 informed and involved, we also believe that all of
20 this information -- the program statements,
21 budgets, and evaluation reports -- should be
22 disseminated to the public. Just as there's
23 mandatory public hearings for all the money that
24 the Community Development Block Grant plans for and
25 spends, we believe that there needs to be an annual

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2 public hearing, and we weren't sure that that was
3 something that was going to happen on NTI plans
4 prior to any vote in Council.

5 COUNCIL PRESIDENT VERNA: Thank you.

6 Any questions or comments of this witness?

7 (No response.)

8 COUNCIL PRESIDENT VERNA: Seeing none,
9 Miss Robinson, please identify yourself for the
10 record and proceed with your testimony.

11 MS. ROBINSON: Yes. My name is Judith
12 Robinson. Thank you very much for the opportunity
13 to be here this afternoon. I am a licensed
14 real-estate broker of nearly 20 years, I'm a
15 lifelong resident the 5th District in North
16 Philadelphia.

17 I'm here today to testify against the Bill
18 020036. I am requesting that all of you
19 Councilpeople vote no on this ordinance. This bill
20 amends Bill 010694, which, Madam President, I
21 thought was an excellent bill. You all as
22 Councilpeople voted on that bill 17 to 0. It came
23 back, from what I understand, unsigned by the
24 Mayor. Correct me if I'm wrong.

25 That bill, the initial bill requested that

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2 the Mayor provide all of us with a comprehensive
3 strategic plan. It also had controls to ensure
4 that a plan is adhered to. On the other hand, the
5 amendments would allow the Mayor to issue bonds to
6 finance a project without a detailed plan or
7 oversight -- \$250 million without a real plan.

8 I am deeply concerned. As I have done
9 research as it relates to this NTI hearing process,
10 I contend that we in the community cannot get input
11 at this point. The Administration has been very
12 secretive, information is not forthcoming as it
13 relates to demolition, etc., that is in process
14 now.

15 To talk about the annual process where the
16 Council would have some oversight, this is the same
17 annual process that happens with OHCD and the
18 Community Block Development Grant. It's
19 inadequate. There are projects that are not
20 identified that are a part of OHCD's business that
21 move forward that are not of value to the
22 community.

23 I contend there has been no market studies
24 done to determine what really needs to be done in
25 neighborhoods and no community planning. I contend

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2 all taxpayers should have some input at some level
3 on how neighborhoods are transformed; after all, we
4 live there.

5 Why are not Councilpeople at-large
6 included in this process? They represent us also.
7 Some Councilpeople will be more loyal to the
8 projects that the Mayor and the NTI Committee
9 contends need to be done. I am concerned because I
10 see this happening right now in our community as it
11 relates to demolition. We have had no real input
12 from the NTI Committee, and the community does not
13 have any real input in what is being demolished as
14 it stands now, and we have written to our
15 councilman to try to get this information and have
16 been waylaid, and at this point, it's impeding our
17 ability to truly plan in our community. We want to
18 make sure that the Councilpeople at-large
19 understand that we want them to represent us too,
20 along with our District Councilpersons.

21 Mayor Street is -- was formerly, I should
22 say, the Councilman of the 5th District. The 5th
23 District is one of the most blighted, if not the
24 most blighted, district in the City. With all due
25 respect to the Mayor, he has no track record of

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2 transforming that district. I'm talking about with
3 the rules and regulations and the laws that are
4 already on the book.

5 I'll give you an example. Back in 1998 --
6 and this is when I did my research, you all, so,
7 you know, please beg my pardon if some people in
8 the audience don't understand what I'm talking
9 about, but I'm sure Councilpeople will. There was
10 a Select Committee on Land Management and Reuse.
11 This committee went through all of these processes
12 to consolidate all of the departments -- this was
13 back in 1998. Go through your records, you'll see
14 that that select committee was in place and did do
15 some of the work that supposedly is being done now
16 like dealing with Act 94 and going to the State to
17 see how this could be done.

18 All of this work was done before, so I'm
19 really trying -- I'm really so perplexed as to why
20 we can't get a comprehensive plan or, as Councilman
21 Cohen stated, some of these processes have already
22 moved forward. How much money do you need to
23 consolidate departments? You should be saving
24 money, I contend. Whatever.

25 I'm concerned that there's no request in

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2 the amendments to reorganize the City budget -- the
3 City agencies, I'm sorry. I see where that has
4 been taken out, so that will no longer be in the
5 bill that's being presented. I'm very much
6 concerned about that.

7 I would like to see the Administration
8 move forward with consolidating some of these
9 agencies to show the community what you're working
10 with as far as your ability to get some of these
11 agencies to work effectively for our community.

12 For instance, L&I. There's been years of
13 no code enforcement and no abatement, even when the
14 laws are on the books. We already have designated
15 abatement areas; the 5th District has been one for
16 about 20 years, and the Mayor, as our councilman,
17 didn't use this to waylay or stem some of the tide
18 of abandonment that we have now. That could have
19 been done, there's no doubt in my mind.

20 And I just wonder why we're not making it
21 mandatory that the Administration move forward in
22 doing some of these things before we run ahead,
23 giving up \$250 million, not knowing detailed plans
24 as to what will happen with it.

25 PHA. I'm sure everybody has read in the

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2 paper most recently about the mismanagement and
3 disrespect of the other tenants in PHA by one of
4 the managers of PHA; I'm sure you all have read
5 that. What has the Mayor done and the
6 Administration done about managing just that one
7 agency?

8 I don't want to start getting out pictures
9 because I always bring you all pictures, but I have
10 pictures of where PHA, all over the Susquehanna
11 section, has abandoned many of their properties
12 that no longer than a year or so ago had total
13 rehab done on them and now they're vacant, sitting
14 open. I would just like to see that one agency
15 manage their affairs better before we move forward
16 with talking about spending \$250 million.

17 PHA every year gets a separate budget of
18 money from the federal government that's being
19 wasted and mismanaged, and it can be documented. I
20 would love to see the Administration deal with it.

21 The Empowerment Zone. All of you remember
22 the project that never was, the Billy Holiday
23 Project that became the big hole on Cecil B. Moore
24 Avenue. No one knows where over a million dollars
25 went.

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2 Listen, I understand politics very well, I
3 understand, you know, Philadelphia and all that we
4 are over the history of these years, but I mean, if
5 you're talking about transformation, doing things
6 differently, best practices, etc., let me see where
7 you could do something better with these limited
8 resources that we find occasionally coming to our
9 city, such as the Empowerment Zone.

10 With all do respect, with whatever little
11 bit of stuff that has been done, I am really
12 concerned that the empowerment money did not have
13 the kind of impact that it should have in North
14 Philly, especially that west side of Broad Street.

15 In addition, PHDC is supposed to be our
16 housing development agency. Every project that I
17 have researched that they have developed has been
18 built poorly and with very cheap materials. Now,
19 if we're trying to get 5,000 or more new people to
20 come into the City, this is not what we should try
21 to be offering them.

22 We need to do something about the
23 management of PHDC and the product that they are
24 putting out for people to purchase. I'm a
25 real-estate broker, I know what people are looking

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2 for, and a person would buy one of these old homes
3 in a minute before they would buy that cheap
4 properties that they are putting up.

5 I am very concerned about a project that
6 you all voted on through that annual process of
7 Community Block Development Grants, the 3-S
8 project, Silver-Seltzer-Sterner Street. This is
9 what I'm very concerned about this and what the
10 Mayor is projecting for our community, because I
11 went to Zoning to try to fight that project because
12 it was ill-conceived and it was waylaid, and they
13 went on through the zoning process.

14 I'm looking at that process right now,
15 where they have spent \$1.9 million on one block. I
16 have many years of experience; I know when a block
17 has been transformed and what it should look like.
18 It doesn't look like it has been transformed to me.

19 In closing, you all voted on the original
20 Bill 010694. You supported Madam President with a
21 good bill that was for the people, I contend. I
22 request that you vote no on these amendments that
23 leave us all unprotected without a real plan for
24 250 to possibly \$300 million that our great-
25 grandchildren will have to pay back because this is

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2 over a 30-year period that this funding is going to
3 be spread out over.

4 And I really thank you all very much for
5 your attention. I hope you really hear what I'm
6 saying based on where I live and my professional
7 experience.

8 Thank you.

9 (Applause.)

10 COUNCIL PRESIDENT VERNA: Thank you,
11 Miss Robinson.

12 Miss Robinson, I believe Councilman Goode
13 would like to either make a statement or ask you a
14 question.

15 COUNCILMAN GOODE: Not really a question
16 but really a comment responding to something she
17 said in her testimony.

18 I appreciate all the hard work she's put
19 into this process, I appreciate a lot of concerns
20 she has and I share a lot of those concerns. This
21 is actually the third Neighborhood Transformation
22 Initiative bill. I can say for the record that I
23 think both the Administration and the Council
24 President hoped that there could have been town
25 meetings on this process. I think that through

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2 town meetings on this process, a lot of good things
3 would have happened. We've had three bills, no
4 town meetings.

5 Beyond that, in terms of the inclusion of
6 at-large people in this process, I can tell you
7 this bill amending the ordinance does address that
8 issue; I saw to it that it addressed that issue,
9 and at-large members will be involved in the
10 project development process as well.

11 MS. ROBINSON: Let me just say this to
12 you, Councilman: NTI coordinators came through our
13 community. There were several community meetings,
14 however, they were brief and they were not --

15 COUNCILMAN GOODE: I'm referring to a City
16 Council town meeting process in terms of
17 considering all three bills. We could have had a
18 town-meeting process. I talked to the Council
19 President about it, I think the Administration
20 would have loved the town-meeting process. They
21 had a chance to explain it on their terms, along
22 with City Council. That process did not take
23 place, for whatever reason, for any of the three
24 bills.

25 I agree with you that there probably

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2 should have been a town-meeting process across the
3 City, but I also wanted to say to you that we did
4 see fit that there will be at-large people involved
5 in this process as well in terms of project
6 development.

7 MS. ROBINSON: I still respectfully
8 request that you all vote against these amendments
9 until we can get a detailed plan. I liked the
10 first bill; I do not think it needs to be amended.

11 Thank you very much.

12 COUNCIL PRESIDENT VERNA: Thank you very
13 much.

14 Our next witness?

15 MR. MCPHERSON: Rick Sauer, Joe Wingert,
16 Gerald Sultan-Ashley.

17 (Witnesses come forward.)

18 COUNCIL PRESIDENT VERNA: Good afternoon,
19 sir. Please identify yourself for the record.

20 MR. SAUER: Good afternoon, Madam
21 President and members of City Council.

22 COUNCIL PRESIDENT VERNA: Good afternoon.

23 MR. SAUER: My name is Rick Sauer and I'm
24 the Executive Director of the Philadelphia
25 Association of Community Development Corporations,

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2 which is a citywide association of 80 local
3 community development corporations and other
4 organizations working to rebuild communities and
5 revitalize neighborhoods.

6 With active support from the City, CDCs
7 have played a vital role in eliminating blight,
8 increasing self-sufficiency, and rebuilding the
9 physical and social fabric of our neighborhoods.
10 And NTI provides an opportunity to build upon these
11 accomplishments and implement a comprehensive and
12 more coordinated strategy to address the housing
13 and other community-development needs of our
14 residents and their neighborhoods.

15 In my previous testimony back in December,
16 I addressed some key NTI-related issues, including
17 the need to streamline the City's property
18 acquisition system and expedite property
19 disposition to the creation of a land bank, the use
20 of community development block grant funds and --

21 COUNCIL PRESIDENT VERNA: Excuse me, sir.
22 The noise level is much too high; we cannot really
23 hear the witness.

24 Thank you very much.

25 MR. SAUER: I also spoke to the need to

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2 use community development block grant funds and
3 other community development resources in a
4 strategic manner to complement the use of NTI bond
5 funds and to fill in gaps such as to provide
6 funding for housing development and economic
7 development and also the critical role that CDCs
8 need to play in the neighborhood transformation
9 process.

10 We continue to believe that the City needs
11 to address these issues as a part of NTI, but I
12 didn't want to rehash all of those issues today. I
13 just wanted to briefly comment particularly on the
14 oversight issue that both City Council and the
15 Administration has been grappling with as of late.

16 Clearly, City Council has an important
17 oversight role to play in the process with regard
18 to both the use of NTI bond funds as well as the
19 implementation of NTI activities. And as has been
20 commented on earlier, the new proposed bond
21 ordinance requires that Council approve an annual
22 program statement and budget, it would get
23 quarterly reports.

24 In addition, individual District
25 Councilmembers would have a significant role to

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2 play in decisions regarding demolition,
3 encapsulation, acquisition, development, and other
4 aspects in their districts. Also, Council already
5 must approve the transfer of property as well as
6 the City's annual consolidated plan, detailing
7 expenditure of CDBG funds.

8 However, I think that the issue of
9 oversight and accountability extends beyond
10 Council. Neighborhoods and local stakeholders that
11 will be most directly impacted by the
12 implementation of NTI need to be involved in the
13 process as well.

14 Along this line, Councilman Nutter had
15 introduced a resolution in December that was passed
16 by Council to create a Housing and Economic
17 Development Task Force that has representatives
18 from the community, from Council, and other
19 important interests in the neighborhoods. We
20 certainly would like to see that task force move
21 forward.

22 In addition, the City needs to provide
23 access to information and data that would be used
24 as part of the NTI planning and decision-making
25 process, and also provide a clear avenue for

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2 neighborhood stakeholders to have input into this
3 process, including which buildings will be
4 demolished and encapsulated, what the future use of
5 projects will be, and how funds will be allocated.

6 However, the actual development process in
7 Philadelphia is already too cumbersome. If we hope
8 to spur redevelopment of our neighborhoods and grow
9 our population, we can't risk adding even potential
10 additional obstacles to the development process,
11 either through the bond ordinance or through other
12 avenues. Quite the opposite, as I think we've
13 continually heard, we need to create a more
14 predictable, streamlined, and customer-friendly
15 delivery system.

16 So in summary, we support NTI, we're glad
17 to see that it's moving closer to implementation,
18 and we certainly look forward to working with the
19 City around NTI in making sure that our
20 neighborhoods are transformed.

21 COUNCIL PRESIDENT VERA: Thank you so
22 very much.

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

25 MR. WINGERT: My name is Joe Wingert, and

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2 I'm the Director of housing for the Partnership CDC
3 located in West Philadelphia. Our area covers
4 between 40th and 63rd Street, from Market down to
5 Baltimore Avenue.

6 I want to in general offer our support to
7 NTI and the program, and I note from the
8 Partnership's standpoint, we appreciate all of the
9 effort that's going into streamlining this process
10 and making it a better program for everybody in the
11 City. Specifically, we want to offer our support
12 of Bill No. 020036, introduced by Councilwoman
13 Blackwell.

14 In general, I won't comment on the
15 specifics of the program, but from our standpoint,
16 it offers a more streamlined process in general
17 terms and -- as well as some Council participation
18 in their respective districts.

19 We see that there are many, many projects
20 that we feel merit some attention from the City and
21 from this program that would directly benefit from
22 these streamlines. For example, the 60th Street
23 commercial corridor, which is severely blighted, we
24 believe, would benefit from this type of effort.

25 There are other specific projects,

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2 residential projects. One is a large apartment
3 building in West Philadelphia that we believe will
4 serve low-income families as well as elderly
5 families in that area. There are other housing
6 programs as well.

7 And, again, I don't want to go into the
8 specifics, but I simply want to offer our support
9 for the program.

10 COUNCIL PRESIDENT VERNA: Thank you very
11 much. We appreciate your coming into testify.

12 MR. WINGERT: Thank you.

13 COUNCIL PRESIDENT VERNA: Our next
14 witnesses?

15 MR. MCPHERSON: The next witnesses are Ann
16 Ewing, Sharmain Matlock-Turner, and Ed Schwartz.

17 (Witnesses come forward.)

18 MS. EWING: Good afternoon. My name is
19 Ann Ewing. I'm here representing East Mt. Airy
20 Neighbors and Mt. Airy USA, the Northwest
21 Philadelphia Community Development Corporation.

22 I want to thank you for making it possible
23 for us to testify. We appreciate being a
24 participant in the government.

25 First, we want to say that we're very much

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2 in favor of the principles of the Neighborhood
3 Transform Initiative; its time has past. In our
4 neighborhood, we have a lot of talent and
5 determination, and we have worked on improvement of
6 both commercial and housing -- commercial
7 properties and housing for years, but there are
8 certain intractable problems and certain very
9 difficult properties on which we need the City's
10 assistance, and we look forward to working with
11 NTI.

12 Responding to the first news reports about
13 NTI, we began to hear that big word "demolition" an
14 awful lot. And I heard this morning the Mayor's
15 Office representatives saying that the City has the
16 highest percentage of abandoned properties in the
17 country. We were a little shocked and we took a
18 good look at the list of abandoned properties as
19 they were provided by L&I for our neighborhoods.
20 We had to sort out a few things that were
21 extraneous, but when we got down to it, L&I listed
22 us as having 279 vacant properties. That seemed
23 too many.

24 We organized a committee and we walked the
25 streets, and people looked directly at those

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2 properties one at a time. We found that
3 50.9 percent of the structures were simply not
4 vacant. They were not squatted; they were
5 occupied. They were occupied by people who put
6 their strollers on the front porch and their
7 laundry on the line. They were clearly living
8 there.

9 Many -- there were a few properties that
10 were not at that moment occupied, but they were
11 being rehabbed, they were being painted, they had
12 for-sale signs on them; that's not a vacant
13 property, an abandoned property.

14 Of the lots that were listed as vacant,
15 72.4 percent were in fact in some way being cared
16 for. We didn't speak to the ownership of those
17 properties, but we did see their condition. One of
18 them was St. Michael's historic cemetery, which has
19 been there since the middle of the 18th century.
20 That's not a vacant lot. And I can just imagine
21 what would happen if the bulldozers came around and
22 knocked over the Revolutionary War graves that are
23 there.

24 There were some other properties in
25 similar condition.

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2 Other properties have been kind of taken
3 over by neighbors. You can see what happens: A
4 neighbor has a house go down beside them, clearly
5 it's going to become a dump if don't do something,
6 so they start cleaning it up, and then to preserve
7 their work, they put up a fence and pretty soon,
8 there's a lawn mower, a picnic table, a barbecue, a
9 bunch of tomatoes growing. That's not a problem in
10 the neighborhood; that's an asset.

11 We did find 16 buildings that need to be
12 demolished. Some of them we've been trying to get
13 demolished for years and years and years.

14 In the end, we found not 279 vacant
15 properties, but 143; the same that the neighborhood
16 was reported to have had in 1984. Of those
17 properties, only 8.4 percent are publicly owned;
18 the rest are in private hands through the tangled
19 titles and confused and intestate inheritances of
20 the past.

21 We've attached the report of the survey to
22 this testimony so that you can see exactly what we
23 did.

24 We would propose two things for the City:
25 The first is that the list needs to be corrected.

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2 Neighbors need to be involved in this because
3 they're the people who know what's going on in the
4 neighborhood. They're the people who are not
5 afraid to walk down the street, look at the house,
6 knock on the door, and say, "Is somebody actually
7 living here or not?" It's important that that
8 happen. We can't have houses being knocked down on
9 top of people's heads, whether they live there
10 legally or not -- and most of them live there
11 legally.

12 You can't make plans for a city if
13 50 percent of the properties you think are vacant
14 are not. It just doesn't work, the whole budget
15 situation goes out the window. We request that the
16 City get its data and its documents in order so
17 that proper, comprehensive planning can be done.

18 Secondly -- and several people have
19 addressed this today -- the ways to acquire vacant
20 properties need to be streamlined. That number of
21 8.4 percent of publicly owned means that we have a
22 lot of vacant property in private hands that nobody
23 can get their hands on, that nobody can do anything
24 about until a huge number of -- it probably takes
25 five to seven years to get control of a single

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2 vacant property. Neighborhood development
3 corporations can't wait that long, neighborhoods
4 can't wait that long. And I'm talking about any
5 kinds of things. Roofs can't wait that long.

6 Our housing stock is good. And as long as
7 the roof holds, the house can stand abandoned for a
8 while, but as long as nobody's watching it and the
9 roof goes, then we have a problem, and eventually
10 have, instead of a nice little house that could be
11 rehabbed, a lot with cement on it.

12 We think that we can work with this.
13 We're looking forward to having these rules changed
14 so that we can work in a climate of renewal and
15 positive thinking with the City.

16 Thank you very much.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 It's quite evident that you did a lot of
19 work, and I think it's wonderful that you have the
20 interest in your community, and I think more people
21 have to do that.

22 MS. EWING: We live there.

23 COUNCIL PRESIDENT VERNA: That's
24 wonderful. Thank you so much for coming in.

25 MS. EWING: Sure.

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2 COUNCIL PRESIDENT VERNA: And it's quite
3 apparent, as I said, that you have done a lot of
4 work. Thank you so much.

5 MS. EWING: Thank you.

6 COUNCIL PRESIDENT VERNA: Mr. Schwartz.

7 MR. SCHWARTZ: Thank you, Madam President.
8 Nice to see you.

9 COUNCIL PRESIDENT VERNA: Thank you. Same
10 here.

11 MR. SCHWARTZ: My name is Ed Schwartz.
12 I'm here representing the Institute for the Study
13 of Civic Values and, I suppose, my own involvement
14 in some of these issues for a few years. I'm here
15 to testify on behalf of the quick passage of now
16 yet the new formulation of the neighborhood
17 transformation bond issue bill, as introduced by
18 Councilwoman Blackwell.

19 I have not been to a lot of these
20 hearings, aside from the Council hearing on
21 population, 'cause I've respected the fact that
22 negotiating an oversight and collaborative process
23 between the Council and the Mayor is a delicate
24 process and just had to work its way through the
25 system, but I am fairly pleased with what seems to

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2 be unfolding, and so I'm here to offer my full
3 support.

4 I would add, and as evidenced even in some
5 of the testimony you've heard, that just about
6 everybody I know who's been involved in
7 neighborhood revitalization in Philadelphia -- not
8 everybody, but most have hoped for an agreement as
9 well. Many of us took part in the Mayor's
10 Transition Team two and a half years ago, offering
11 our own ideas as to what should be done under the
12 Neighborhood Transformation Initiative to improve
13 neighborhood quality of life.

14 We were aware then, and are aware now,
15 that this is an ambitious undertaking without a
16 detailed, scripted plan to guide us every step of
17 the way, but the passage of the bond issue does not
18 end the public discussions surrounding NTI; it
19 merely moves the process to a next phase. We have
20 been, and will be, debating what should be done to
21 transform our neighborhoods for many years to come.

22 Nor is this the first time that the City
23 has undertaken a large-scale project without an
24 iron-clad guarantee that it would pay off in the
25 end.

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2 Did we have a precise plan for expanding
3 tourism at the time Council supported building a
4 new convention center in the 1980s, when I was
5 here? Hardly. But we were convinced that the
6 hospitality industry had great potential for growth
7 that simply would be not be realized unless we
8 built a new convention center. There was enormous
9 controversy surrounding every aspect of that
10 project, first from within the City, and then from
11 Harrisburg. We watched new hotels open and close
12 while we wrestled with how it would be done and how
13 it all would work.

14 But a decade later, it is clear that the
15 City is reaping great benefits from what we did and
16 what you have done since then, and there will be
17 many more of these benefits to come.

18 And in a similar fashion, I believe that
19 this NTI bond issue represents an expression of
20 confidence that many of our older residential
21 neighborhoods have great potential for recovery and
22 growth, but this simply cannot be realized at this
23 point until we clear away thousands of boarded-up
24 houses that are now beyond reclamation at a
25 reasonable price and create the physical space for

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2 new developments and new kinds of development that
3 will shape and reshape the future of the City.

4 The Mayor now refers to the NTI bond issue
5 as a "predevelopment program," and I agree with
6 this formulation. Redevelopment and new
7 development will proceed over many years, as Miss
8 Wilkerson testified earlier, neighborhood by
9 neighborhood. We will all be taking part in this
10 process.

11 But without the resources, there will be
12 no development, and the public discussion
13 surrounding it will end as well. I do not believe
14 that the City can afford to let that happen now,
15 and that is why what City Council seems to be
16 prepared to do today is so important to us all.

17 Assuming that this bond issue does finally
18 pass, what's next? More than 30,000 lots are now
19 being cleared and cleaned, even without the bonds.
20 With the bond proceeds, large-scale demolition will
21 proceed and the encapsulation of buildings that can
22 preserved.

23 There are various issues that do arise
24 from this in a long-range issue. The two immediate
25 issues that I have identified in my testimony have

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2 already been addressed today, so I will merely
3 refer to them and add my voice to their importance.

4 The first is the ongoing maintenance of
5 vacant lots, which was addressed in the questions
6 that Councilman Clarke asked earlier. I think this
7 is a critical immediate issue, and I do understand
8 that there is a commitment on the part of the
9 Administration to have something done here.

10 I am not yet convinced that the resources
11 needed to do a proper job of ensuring the 30,000
12 lots that we are cleaning -- I understand that the
13 number that we've already cleaned is 17,000 --
14 exists to make sure that they stay clean. If these
15 vacant lots are well-maintained and look nice,
16 whatever they ultimately become, that will be a
17 great asset to the City. If they rapidly become
18 new centers for dumping trash, that will be a
19 disaster for the City and for this project. That's
20 something that we have to address, I believe, right
21 away.

22 The second problem that has been
23 well-addressed right up to my friend Ann Ewing from
24 East Mt. Airy Neighbors has to do with the speed,
25 or lack thereof, of disposing a property or

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2 transferring a property from the City to someone
3 else who might do something useful for it, and, God
4 knows, we're claiming it from some private owner
5 often living elsewhere and then putting it through
6 that process.

7 We've heard a lot about steps that are
8 being taken to deal with that. I support those
9 steps, and I'm glad to see it's still a major
10 priority.

11 I have to tell you that I'm a little
12 mystified as to why, a decade later, we aren't
13 already there. Somebody in an earlier testimony
14 mentioned some task first in 1998; I can tell you
15 that you I organized and chaired for three years an
16 interagency task force on this and left the
17 government at a time when we had not finished our
18 work. No accounting for history.

19 But obviously, if we hope not only to
20 encourage the kind of development that depends upon
21 subsidies, where people might be willing to wait
22 because they're going to get a subsidy, you know,
23 it's been important -- it's even more important if
24 we hope to encourage what in the plan calls for
25 6,000 market-rate houses. These are developers

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2 that are not going to wait. And if we can't solve
3 this and make it work, and I think some of the
4 proposals that I've heard today to do that make
5 some sense to me, we're going to have some real
6 difficulty. So that's the second high priority,
7 and everybody understands that who's involved in
8 this at all.

9 But in my judgment, the fundamental
10 challenge of NTI is long-term, and it relates to
11 neighborhood development itself. As I've been
12 arguing for many years, particularly since leaving
13 the government and seeing how development unfolded
14 after I departed, we need to develop comprehensive
15 strategies for improving our residential,
16 neighborhoods comprehensive strategies so that
17 people will want to remain in Philadelphia and
18 others will want to join us.

19 However, this program, NTI, was first
20 conceived as a blight initiative; that is the way
21 the Administration is defining it now, and it is
22 why NTI has my full support. In fact, it's
23 mystifying to me why many of those writing about
24 this in the press, and even in these discussions,
25 seem not to have grasped this critical dimension of

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2 the program.

3 The Neighborhood Transformation

4 Initiative, when you read it in the City's

5 documents, is no longer just a demolition program

6 leading to new housing development in the future.

7 NTI is now the framework around which the Street

8 Administration as a whole is organizing all of its

9 strategies and programs, even indeed its thinking

10 about neighborhood revitalization. That is

11 precisely what those of us who served on the

12 Mayor's Transition Team on Neighborhood Development

13 urged Mayor to do, and he is doing this.

14 Is this easy? Of course not. Are there

15 ready-made fail-safe plans that can be easily

16 adapted in every neighborhood in the City? Hardly.

17 That's where our challenge is now: To develop

18 them, just as the work of making Center City a

19 decent place to live and work didn't end with the

20 opening of the new Convention Center; in some

21 sense, it began there, with the creation of the

22 Center City District.

23 The Neighborhood Transformation Initiative

24 challenges us to undertake a similar process of

25 planning an improvement all over Philadelphia, and

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2 that's what we need to start doing it as quickly as
3 we can.

4 The City itself in its documents has set
5 forth its own priorities in this process.
6 Philadelphia More Beautiful, under NTI, is now
7 trying to recruit at least 1,000 more block
8 captains beyond the 6,000 currently within its
9 network.

10 Within the framework of NTI, the City
11 intends to take a much tougher stance on building
12 code violations and trash dumping that undermines
13 neighborhood revitalization, just as the litter and
14 trash all over Market and Chestnut Street not so
15 long cast a pall on Center City development.

16 Within the framework of NTI, City
17 departments are wrestling with how to reduce crime,
18 to strengthen after-school programs, and develop
19 more effective ways to deliver social services to
20 the at-risk residents of our neighborhoods.

21 The annual Children's Report Card,
22 developed by the City under the auspices of
23 Philadelphia Safe and Sound, is very much now seen
24 as part of NTI. In an article that I wrote for the
25 Daily News last year arguing that if can't raise

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2 kids in neighborhoods, we're not going to save them
3 has generated a lot of discussion not only in the
4 community but within the Administration as well.

5 Moreover, anyone who thinks that City
6 government by itself can achieve neighborhood
7 transformation in Philadelphia or anywhere else is
8 missing another big point. The City can organize
9 itself better to keep our blocks and our streets
10 clean, to reduce crime, to provide new
11 opportunities for businesses and residents, and to
12 improve the quality of life and education for young
13 our people, but unless we, the citizens and
14 businesses and community organizations in
15 Philadelphia, are equally engaged in this process,
16 it simply won't happen.

17 After all, it isn't the City that dumps
18 trash on our lots or deals drugs in our
19 neighborhood main streets or commits acts of
20 violence against kids in our schools; people do.
21 And if we, the people, the rest of us citizens,
22 aren't as determined as City agencies to move from
23 destruction to construction, from decline to
24 progress, then all of the City workers in the world
25 are just not going to do it by themselves.

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2 And even when we turn to new development,
3 the same principle applies. A lot of discussion
4 is, what is the City agency doing to develop this,
5 that, or the other? For the most part, as you all
6 know, City agencies aren't developers; companies
7 and nonprofit CDCs are.

8 I'm proud to have played a role in helping
9 many organizations and private developers, for that
10 matter, become important contributors to housing
11 and economic development in Philadelphia, both as a
12 councilman and as Director of OHCD, but all we
13 could do is provide encouragement, technical
14 assistance, and critically financing; the
15 developers and CDCs are the ones who do the work.

16 And that's my own final answer to those on
17 City Council who are worried that not enough will
18 happen in their neighborhood or their districts to
19 justify the approval of this bond issue today. You
20 want oversight over the process, fine. Start
21 meeting with CDCs and community organizations and
22 businesses and developers interested in working
23 within your districts and see how you and they can
24 take advantage of this new framework, and some of
25 the new resources made possible by NTI can make

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2 progress for their people of your neighborhoods.

3 Every Councilperson does this now within
4 framework of the City's economic plans, our capital
5 budget and for the low- and moderate-income areas
6 of the City, as has been noted, the community
7 development block grant.

8 None of this comes to a grinding halt
9 because of NTI; quite the opposite. All of it gets
10 a boost from being part of a much larger,
11 comprehensive process to improve neighborhoods
12 throughout the City so that we can hold on to our
13 population and begin to grow again.

14 NTI is not a threat; it's an opportunity.
15 The Street Administration has made it clear what it
16 hopes to do. It has started in removing abandoned
17 cars, in cleaning lots, and in the acceleration of
18 demolition. The bond issue will reinforce and
19 broaden the process.

20 The question, then, is not how we can
21 simply provide critical oversight of this process
22 but how we can join it. Citizen groups like mine
23 all over Philadelphia are ready to work and have
24 started to work. We look forward to working with
25 every member of City Council in this process.

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2 Thank you for the opportunity to testify
3 here today.

4 COUNCILWOMAN BLACKWELL: Thank you very
5 much, Mr. Schwartz.

6 Any questions?

7 (No questions.)

8 COUNCILWOMAN BLACKWELL: Thank you very
9 much.

10 Jeff Brown, AFSCME Local 1971

11 (Applause.)

12 (Witnesses come forward.)

13 COUNCILWOMAN BLACKWELL: Good morning.
14 Please identify yourself for the record and
15 proceed.

16 MR. BROWN: Good afternoon, Madam
17 Chairperson.

18 COUNCILWOMAN BLACKWELL: Good afternoon.

19 MR. BROWN: My name is Jeff Brown, and I
20 am President of AFSCME Local 1971 that represents
21 employees at the Redevelopment Authority, at the
22 City's Office of Housing and Community Development,
23 and at the Philadelphia Housing Development
24 Corporation.

25 Let me first apologize. The last time I

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2 testified, I prepared testimony for the Committee
3 of the Whole and it was before the Finance
4 Committee. Today, I've prepared testimony for the
5 Finance Committee and it's for the Committee of the
6 Whole. Next hearing, I will have it right, okay?

7 COUNCILWOMAN BLACKWELL: You're absolutely
8 fine. And as Chair of the Finance, I'm still here
9 and we're still fine. It all works well, we all
10 work together.

11 MR. BROWN: Okay. And as I said last
12 time, I'm not going to elaborate the duties and
13 responsibilities of the three agencies that I
14 represent employees for. I think City Council is
15 well aware of them, it's in the written testimony,
16 and how crucial a function all three agencies
17 currently perform -- the Redevelopment Authority,
18 OHCD, and PHDC. And virtually all of the work that
19 are performed by Local 1971 union members and the
20 agencies for which we work is proposed as part of
21 the Neighborhood Transformation Initiative.
22 Therefore, we have a crucial interest in the NTI,
23 both as employees and as residents of the City of
24 Philadelphia.

25 After my testimony on December 12th,

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2 representatives of Local 1971 met with NTI
3 officials and were shown a PowerPoint demonstration
4 and given a copy of a booklet entitled "City of
5 Philadelphia Housing Agency Reorganizations
6 Project," dated December 11, 2001. That was the
7 first time union learned how the City
8 Administration was proposing to reorganize the
9 housing agencies.

10 However, neither at that meeting, nor
11 since, have NTI officials asked for union or
12 employee recommendations regarding any housing
13 reorganization. They had not, up to that point,
14 responded to concerns and issues raised by Local
15 1971, as requested by Chairperson Blackwell at the
16 last hearing, until I received a letter just two
17 days ago, which replied to some of the issues the
18 union has been raising since September. And the
19 only time NTI officials apparently have initiated
20 contact with Local 1971 is, coincidentally, just
21 prior to City Council public hearings.

22 Let me reiterate that Local 1971 is not
23 objecting to NTI, although we do have some concerns
24 and questions about it. Our primary focus here
25 today deals with the proposed housing

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2 reorganization, which is summarized on Page 25 on a
3 housing agency reorganization brochure.

4 In a language that would do George Orwell
5 proud, NTI officials proclaim that OHCD will
6 contribute 72 employees to a new Office of Housing
7 and Neighborhood Preservation, will eliminate 0
8 with 12 personnel undecided, will contribute
9 106 employees -- I'm sorry, PHDC will contribute
10 106 employees while eliminating 15, and the
11 Redevelopment Authority will retain 43 but
12 contribute 113, with 3 personnel undecided.

13 In over three decades at the Redevelopment
14 Authority, I've heard layoffs called many things,
15 but this is the first I've heard them called
16 "contributions." As George Orwell's Newspeak so
17 effectively taught us, merely changing the language
18 does not change the situation.

19 Employees may be laid off, they may
20 retire, they may resign, and they may be fired, but
21 they're not contributed. Revising the language in
22 order to get rid of people does not make the
23 functions any more palatable to those losing their
24 jobs.

25 Earlier in the booklet, NTI officials

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2 spoke of functions and programs "migrating," some
3 more Newspeak. In our opinion, if the
4 unresponsiveness and the actions of the NTI
5 officials thus far are an example of the way the
6 City functions, it's no wonder why so many people
7 have migrated out of the City of Philadelphia.

8 In any event, the elimination of OHCD and
9 PHCD in order to create two new organizations -- an
10 Office of Housing and Neighborhood Preservation and
11 a land bank -- merely shifts the work from two
12 current agencies to two new agencies.

13 The cannibalization of the Redevelopment
14 Authority strips the Authority's staff of staff
15 necessary to carry out its significantly increased
16 workload. It's also of questionable legality since
17 it proposes the administration of the Authority's
18 State-mandated functions by municipal employees,
19 thereby raising issues about the Authority's
20 ability to issue bonds and its independence to
21 pursue eminent domain.

22 NTI officials have not provided the union
23 with any logical explanation as to why they're
24 proposing such a reorganization; nor, despite
25 claims to want input from the union and the

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2 employees, have they asked for or accepted any such
3 input into a housing reorganization.

4 When union representatives attempted to
5 speak about labor issues at the December 12th
6 meeting with the NTI officials, we were told to
7 have our attorney, the union attorney, contact the
8 City attorney.

9 NTI officials previously would not respond
10 to union representatives regarding programmatic
11 matters.

12 So if one is to take the NTI officials at
13 their word that they want input, what kind of input
14 are they limiting union representatives to?

15 On February 8th of this year, the City
16 advertised in the Inquirer for a consultant to help
17 in reorganizing three housing agencies. The
18 advertisement indicated price is not a
19 consideration in the determination of technical
20 merit. Apparently, the City is more willing to pay
21 any price for high-priced consultants than to work
22 with the union on reorganizing and improving the
23 current housing agencies.

24 Having lived through at least 7 housing
25 reorganizations and over 32 years of Redevelopment

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2 Authority employment, I've seen time and again how
3 layoffs and staff reductions result in decreased
4 productivity. Layoffs cause an enormous amount of
5 disruption. They require an inordinate amount of
6 time to be spent on bureaucratic functions in
7 dealing with the laid-off employees. The amount of
8 time and energy spent on these functions reduces
9 the time and energy that could be spent on blight
10 elimination.

11 Add to that the problem of establishing
12 two new City offices, hiring staff, finding space,
13 obtaining furniture, equipment and supplies in a
14 timely manner, and integrating all of that in a
15 City system, and you have many months of
16 unnecessary delay.

17 In addition, the NTI officials propose to
18 reduce staffing levels of the current 3 agencies
19 from 359, of which approximately 250 are union-
20 represented, to 291, none of which would be
21 union-represented, while the City Administration
22 wants to expand blight elimination activity as
23 significantly as it proposes. That make no sense.

24 People are needed to make the housing and
25 blight elimination functions work. The current

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2 housing agencies have been understaffed for years,
3 and despite what some efficiency experts with no
4 housing experience may think, you can't get more
5 work in this field out of less workers. There's a
6 point of diminishing returns.

7 Even if some of the current experienced
8 employees are hired at the new agencies, the
9 transition from one agency to another, the issues
10 about their titles, their wages, benefits,
11 including their pensions, hours and working
12 conditions will cause delay and disruption. So
13 will hiring of new inexperienced employees to
14 perform blight elimination functions.

15 Local 1971 has emphasized to the City
16 Administration since May 2001 that the union is
17 willing to work with the City and the three housing
18 agencies to ensure a smooth reorganization of the
19 current housing agencies in order to help improve
20 living and working conditions for all citizens of
21 the City.

22 The union has repeatedly asked to be
23 informed of and be able to provide input regarding
24 any reorganization on a continuing basis, not after
25 any such reorganization has been determined. We

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2 have implored the City Administration not to
3 present us with a housing reorganization fait
4 accomplis.

5 However, NTI officials have done exactly
6 what we beseeched the City Administration not to
7 do: They presented the union with a fait
8 accomplis. The decision has been made to create
9 new housing agencies without any union or
10 bargaining-unit employee input.

11 If this is the treatment that the union
12 receives from the City Administration prior to the
13 authorization of the NTI, what can we expect after
14 its approval?

15 (Applause.)

16 MR. BROWN: AFSCME Local 1971 is extremely
17 concerned about the employees we represent. NTI
18 officials have not said which current
19 housing-agency employees will be laid off, who will
20 be hired by the new agencies, where the employees
21 will be assigned, what will their wages, benefits,
22 hours, and working conditions be, or who will
23 represent them. Based upon the union's experience
24 in dealing with NTI officials up to this point,
25 we're exceedingly apprehensive about the future

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2 employment and working conditions of our union
3 members.

4 Madam Chairperson and members of the
5 Committee of the Whole, on behalf of the City
6 employees who happen to be residents of the City
7 and members of AFSCME Local 1971 and their
8 families, I respectfully ask City Council not to
9 authorize the NTI until written details of the
10 housing organization are provided to Local 1971 and
11 the City Administration works with the union to
12 ensure that current union-represented employees are
13 not adversely affected and continue to be
14 represented by this local.

15 We of Local 1971 District 33 thank you,
16 Madam Chairperson, and the committee and City
17 Council for your support.

18 Thank you.

19 (Applause.)

20 COUNCILWOMAN BLACKWELL: Thank you very
21 much. Thank you, Mr. Brown, and thank you for your
22 continual and constant communication with regard to
23 this and for the work that you're trying to do to
24 keep us informed and to certainly protect the City
25 workers and your membership who work here.

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2 Are there questions?

3 Councilman Cohen.

4 COUNCILMAN COHEN: Yes. I think that's a
5 pretty damning indictment.

6 When you refer to NTI officials, are there
7 any in particular? There were two people who
8 testified this morning; they're the only two that I
9 really know. There's Pat Smith, who's the head of
10 it, and Joyce Wilkerson, the Chief of Staff. Are
11 there any other involved?

12 MR. BROWN: Linda Berkowitz, yes

13 COUNCILMAN COHEN: And Linda Berkowitz.

14 Is Pat Smith and Joy Wilkerson still here?
15 I'd like to hear what they say about this. I don't
16 think this can wait. I think we've got to get a
17 quick answer to the labor thing because maybe the
18 NTI is merely a subterfuge for union-busting. That
19 may be what's --

20 (Applause.)

21 (Witnesses come forward.)

22 COUNCILMAN COHEN: I would like to ask
23 (inaudible) could Pat be specific or Joyce or
24 whoever it is.

25 MS. WILKERSON: Yes.

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2 COUNCILMAN COHEN: I would like to hear
3 the Administration's response because we're very
4 concerned about charges that agencies that have
5 union representatives are being abolished and new
6 ones created without accepting the obligation and
7 the new agencies' continued representation by the
8 same bargaining unit. I'm not even sure that would
9 be satisfactory to the union, but at least that
10 would be a showing of some good faith.

11 MS. WILKERSON: Just on behalf of the
12 Administration, I want to indicate two things:
13 One, the Administration respects its
14 responsibilities to the collective-bargaining
15 process, and we'll engage in that as we move
16 forward; and secondly, the last time I testified, I
17 testified that the Administration does not plan on
18 laying off anybody as we go through this whole
19 restructuring process.

20 People may not have the same jobs that
21 they have currently. For example, we have people
22 in the housing organizations that are engaged
23 directly in workforce development activities. They
24 may more appropriately, you know, be working as a
25 part of the overall workforce development

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2 initiative. And so as we go through this
3 reorganization, it may be that people have
4 different jobs within government as we move
5 forward, but the Administration's commitment is to
6 retain the current employees but to restructure the
7 functions of the organization so that we can
8 operate more effectively and more efficiently.

9 Miss Smith -- Pat Smith can talk more
10 about that.

11 COUNCILMAN GOODE: Point of information,
12 Madam Chair.

13 COUNCILMAN COHEN: I didn't hear a single
14 word about the --

15 COUNCILWOMAN BLACKWELL: Excuse me,
16 Councilman Cohen. We have a point of order from
17 Councilman Goode.

18 COUNCILMAN GOODE: It's a point of
19 information.

20 Would you have Councilman Cohen clarify
21 the record when he suggested that the
22 Administration was floating \$295 million bonds just
23 to consolidate three agencies. Was he actually
24 making that suggestion?

25 COUNCILWOMAN BLACKWELL: Councilman Cohen,

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2 did you hear the --

3 COUNCILMAN COHEN: I heard it, but I don't
4 understand the question.

5 If he wants to know if I'm making a
6 serious charge, the answer is yes. I'm very
7 concerned, and apparently several hundred members
8 of the union are concerned, that their union rights
9 are being lost.

10 COUNCILMAN GOODE: But when you --

11 COUNCILMAN COHEN: I'm not as concerned
12 about whether or not that's one of the major
13 purposes of this program.

14 COUNCILMAN GOODE: But --

15 COUNCILMAN COHEN: I'm asking the
16 officials of the program to explain that and to
17 explain why they have not done the kind of things
18 that are normally done when the union is
19 representing workers who are threatened with
20 changes. Why haven't they consulted with the
21 unions?

22 COUNCILMAN GOODE: Madam Chair, we are all
23 very well aware of the union's concerns. We've
24 received constant information from them.

25 I would simply ask him to clarify the

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2 record, whether Councilman Cohen was actually
3 making a statement that the Administration was
4 trying to float \$295 million in bonds simply to
5 consolidate three housing agencies.

6 COUNCILMAN COHEN: I'm concerned about
7 whether that is a major purpose of the --

8 COUNCILMAN GOODE: But I want you to
9 clarify the record, whether that's what you were
10 saying or not.

11 COUNCILMAN COHEN: I'll say what I would
12 like to say, Councilman Goode.

13 COUNCILMAN GOODE: Point of information

14 COUNCILMAN COHEN: You have not been
15 appointed to censor of what people say.

16 COUNCILMAN GOODE: That's why I'm asking
17 the Chair for the record --

18 COUNCILMAN COHEN: I am concerned about
19 the fact that --

20 COUNCILMAN GOODE: Point of order, Madam
21 Chair.

22 COUNCILMAN COHEN: -- this may be a
23 union-busting program --

24 COUNCILWOMAN BLACKWELL: Yes.

25 COUNCILMAN COHEN: -- period, loudly with

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2 an exclamation point --

3 COUNCILMAN GOODE: Point of order, Madam
4 Chair.

5 COUNCILWOMAN BLACKWELL: Yes, Councilman
6 Goode.

7 COUNCILMAN GOODE: Could you have
8 Councilman Cohen clarify for the record whether he
9 was directly suggesting that the Administration was
10 floating \$295 million in bonds simply to
11 consolidate three housing agencies, whether he was
12 doing that or whether he wasn't doing that.

13 COUNCILMAN COHEN: You draw your own
14 conclusions.

15 COUNCILWOMAN BLACKWELL: Councilman Cohen,
16 would you like to respond?

17 COUNCILMAN COHEN: Yeah, I think
18 Councilman Goode is able to form his own conclusion
19 as far as the public and the unions and everybody
20 else is concerned.

21 COUNCILMAN GOODE: Oh, you weren't
22 serious, okay.

23 COUNCILMAN COHEN: No, I would not say
24 that. I am very serious, very, very serious about
25 actions of an administration that seeks to crush

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2 unions or eliminate them.

3 COUNCILMAN GOODE: But you weren't
4 serious --

5 COUNCILMAN COHEN: And I'm very concerned
6 that part of this program is aimed at eliminating
7 union representation.

8 COUNCILMAN GOODE: But the overall purpose
9 of the program is to eliminate blight.

10 COUNCILMAN COHEN: Please ask your own
11 questions to yourself. I'm not interested in
12 answering that question.

13 COUNCILMAN GOODE: I was asking the Chair
14 to have this clarified --

15 (Unintelligible; parties
16 talking over each other.)

17 COUNCILWOMAN BLACKWELL: Since we have the
18 Chief of Staff Joyce Wilkerson and Pat Smith
19 here --

20 COUNCILMAN COHEN: I want to note that
21 Miss Wilkerson did not in any way refer to union
22 representation or consultations with the union in
23 her answer.

24 COUNCILMAN GOODE: I was simply asking the
25 Chair to clarify the record.

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2 COUNCILWOMAN BLACKWELL: Let me state that

3 -- let me state that --

4 COUNCILMAN COHEN: No, we're going to go

5 on and we're going to get answers to a lot of

6 questions despite Councilman Goode's efforts to

7 apparently prevent the answers to questions.

8 COUNCILWOMAN BLACKWELL: Let the Chair

9 state that what I heard -- and certainly Miss

10 Wilkerson can repeat and Miss Smith can respond. I

11 believe Miss Wilkerson just stated for the record

12 that no jobs would be lost in the transition. Some

13 may be changed, but none will be lost.

14 Is that correct, miss Wilkerson?

15 MS. WILKERSON: That's correct.

16 COUNCILWOMAN BLACKWELL: Thank you.

17 Miss Smith --

18 COUNCILMAN COHEN: But she did not state

19 that there would be any consultation with the

20 union, any discussions, any conferences, any effort

21 to protect the rights of the present procedures

22 that exist, and that's what I'm concerned about.

23 MS. WILKERSON: I commit that the

24 Administration will work with the union, solicit

25 advice on both the model and in the details of the

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2 program as we move forward with the planning on a
3 housing reorganization.

4 The Administration put forward a proposed
5 reorganization plan. We are vetting it with a
6 number of different stakeholders, soliciting
7 reaction to it. That process has not come to an
8 end yet and look forward to, you know, having more
9 conversations with Mr. Brown and both the
10 represented and non-represented people within the
11 housing organizations.

12 COUNCILMAN COHEN: Well, Mr. Brown, as I
13 understood it, expressed concern that NTI officials
14 arrived at conclusions before discussing things
15 with the union. He was seeking to find a way to
16 have some union input at a time when the
17 Administration was considering what it was going to
18 be doing, rather than waiting until the
19 Administration had finally reached a decision, when
20 it's too late to have an impact.

21 MS. WILKERSON: I don't think it is too
22 late to have an impact. We have had conversations,
23 continue to have conversations. People are coming
24 forward, saying, Well, have you concerned this?
25 You know, if you were to get rid of that function,

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2 how did you propose having it accomplished? And we
3 are revisiting issues in the proposal that we made,
4 and the process is not final yet -- the proposal is
5 not yet final late, and it is not too late to --

6 COUNCILMAN COHEN: Have those discussions
7 included formal representation and formal meetings
8 with union representatives?

9 MS. WILKERSON: I'll ask Pat to comment on
10 it.

11 COUNCILMAN COHEN: Again, I didn't hear
12 any reference -- I heard that you're talking to
13 people, but the question is, if there is a union
14 that legally represents workers in a bargaining
15 unit, they have rights under a contract to be
16 consulted whenever there is a program being
17 considered, that they have some kind of impact on
18 the working conditions.

19 And that's the reason why every union
20 everywhere insists on wanting to be involved in the
21 process rather than wait until (inaudible) makes
22 its ultimate decision.

23 MS. WILKERSON: And that is --

24 (Applause.)

25 MS. SMITH: We understand that there are

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2 contractual obligations, and that was one of the
3 reasons why -- that we said, when we met with
4 representatives of 1971 in December, that a number
5 of legal and labor-legal questions that were being
6 raised, why we said that it would be important,
7 'cause I'm not a labor specialist or practice as a
8 labor lawyer, why it would be important for the
9 attorneys to talk with respect to those specific
10 things that impact on contractual and collective-
11 bargaining obligations.

12 MS. WILKERSON: But there have been I
13 don't know how many meetings but, you know, we
14 commit to working actively with the union
15 leadership on this. I've known Mr. Brown for a
16 number of years, and I do believe that that he is
17 very committed to delivering quality housing and
18 blight-elimination services to the people of
19 Philadelphia, and I think that with that in mind,
20 we will be able to come up with a proposed
21 reorganization of the housing agencies that serve
22 the City's interests but also protect, you know,
23 the interests of employees, the workers of
24 Philadelphia.

25 COUNCILMAN COHEN: I'm just trying to get

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2 to a very simple answer.

3 If the union makes the request for
4 meetings with the officials of NTI -- and I assume
5 that means Pat Smith and it may mean you also,
6 Joyce -- to discuss the proposals for changes and
7 to have an opportunity to explain their point of
8 view and the protections they feel are necessary,
9 will such meetings be promptly arranged and will
10 they have a chance to discuss it?

11 MS. WILKERSON: I commit to, you know, to
12 participating and listening to and understand the
13 process leading to -- listening to and
14 understanding the issues being raised by Mr. Brown.

15 COUNCILMAN COHEN: Is that a satisfactory
16 answer, Mr. Brown?

17 MR. BROWN: That's what is said. Of
18 course, when we've had two meetings with City
19 officials on this, the first meeting, whenever we
20 were asking for information, they said, Well, it's
21 really too early, nothing is finalized, we don't
22 know what's going to happen.

23 And then I tried meeting since then
24 because after that first meeting, I think, in early
25 July, we started reading newspaper reports that a

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2 housing reorganization was signed off on. And we
3 wanted to have input before any of that happened.

4 I tried -- we did contact them to get
5 another meeting, and we were told, Well, we don't
6 feel it's needed or we're ready to meet again.

7 I did not -- and even though we kept
8 trying to meet until the day before December 10th
9 or 11th, the day before the last City Council
10 public hearing, did I get an urgent call saying,
11 Oh, can we meet with you? Okay?

12 And when we did meet with them, which was
13 the day after we testified, on December 13th, I
14 think it was, or December 12th, they showed us a
15 PowerPoint presentation. When we tried raising
16 labor issues, as was said, they referred our
17 attorney to the City attorney. Well, we don't need
18 to have the attorneys just talk about some basic
19 issues, number one.

20 Number two, previously when we tried to
21 talk about housing and programmatic issues, they
22 wouldn't deal with us because it was programmatic
23 and we're union and they don't have to deal with us
24 on that.

25 So the issue is, as I pointed out in my

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2 testimony, if they don't want to talk to us about
3 labor issues, if they don't want to talk to us bout
4 programmatic issues, what do they want to talk to
5 us about? That's number one.

6 (Applause.)

7 MR. BROWN: Number two, you can say,
8 Joyce, that nobody's going to be laid off, but if
9 you're going to eliminate 117 jobs at PHDC, is
10 everybody going to retire at once?

11 MS. WILKERSON: No.

12 MR. BROWN: Is everybody going to resign
13 at once? They have to be laid off in order to go
14 somewhere else. The Redevelopment Authority is in
15 a totally different ballgame 'cause it's a
16 State-established agency and it even has a
17 different pension. Is everybody going to retire
18 when they get the notice that there's no more
19 funding? No, they're going to be laid off.

20 You can call it "contribution," you can
21 call it "migration," I don't care what you call it.
22 It's layoff. We've been there before, we've done
23 that.

24 (Applause.)

25 MS. WILKERSON: I think it's important

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2 that I clarify what I intended.

3 What was indicated in my last testimony
4 was that there would be positions for employees
5 within local government. It may not be the same
6 organization that they're with currently, but they
7 will not be out on the street. That is the
8 Administration's commitment.

9 All of the steps involved in migrating
10 from one organization to another, you know, and
11 whether or not that technically constitutes being
12 laid off for one and employed, you know, I don't
13 know the labor answer to that, but we are committed
14 that these individuals will have jobs within
15 government if they're interested.

16 And we also, as I've indicated, committed
17 to renewing our effort to work with Mr. Brown to
18 solicit his input on both the model that was
19 proposed by the Administration, and to the extent
20 collective bargaining is involved, to bargain in
21 good faith on the issues where that's required.

22 COUNCILWOMAN BLACKWELL: All right. Well,
23 let the Chair request that the Chair be informed of
24 these meetings that are set up, and also that we be
25 informed about the specific job situation,

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2 employment situation with the membership, so that
3 we may keep the rest of Council involved, and that
4 may help -- Councilman Cohen and other, that may
5 help to keep this matter clarified.

6 So we'll ask -- and Councilman Cohen, I
7 ask you to listen to this so that you'll
8 understand. We're going to ask that the Chair be
9 involved in notification of the meetings and also
10 be informed about the job situation with regard to
11 specific individuals and who leaves where and where
12 they go.

13 COUNCILMAN COHEN: And I'd just like to
14 respectfully suggest to the Chair that we ought to
15 be informed of the process that's being made
16 between the two parties, and that either of the two
17 parties can at any time come to the Council for
18 whatever assistance we might be able to render to
19 have this transformation, to whatever extent it
20 takes place or remains the same, move as smoothly
21 as possible.

22 We don't need a labor problem in addition
23 to the normal problem that come with the
24 development of a new program.

25 COUNCILWOMAN BLACKWELL: All right, thank

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2 you very much.

3 Are there any other questions?

4 (No further questions.)

5 COUNCILWOMAN BLACKWELL: Thank you very
6 much.

7 MR. BROWN: Thank you.

8 (Applause.)

9 COUNCILWOMAN BLACKWELL: The next witness
10 is Nancy Salandra, Liberty Resources; and Omjasissa
11 Kentu, Grassroots Political Network.

12 Following them will be Philadelphia
13 Interfaith Action so that you can folks can get
14 ready.

15 (Witnesses come forward.)

16 COUNCILWOMAN BLACKWELL: Thank you for
17 your patience and we ask that you identify yourself
18 for the record and begin your testimony.

19 MS. SALANDRA: My name is Nancy Salandra,
20 and I'm speaking today on behalf of Liberty
21 Resources for Eric Von Schmetterling (ph), who
22 couldn't make it.

23 I am an activist who's the chairperson of
24 the Board of Directors of Liberty Resources,
25 Incorporation, which is a Philadelphia center for

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2 independent living for any person with a
3 disability. We are a consumer-controlled,
4 cross-disability, nonprofit organization that
5 provides critical services to people with
6 disabilities, services like advocacy, peer
7 counseling, attendant services, and helping people
8 get out of institutions.

9 The need for affordable accessible,
10 integrated housing is the number-one need for our
11 people today. OHCD in its Consolidated Plan Year
12 27 identified 65,300 persons with disabilities who
13 need housing in Philadelphia. It is this need and
14 the lack of the currently available housing
15 resources that Liberty Resources became and remains
16 a core member of the Philadelphia Affordable
17 Housing Coalition.

18 The Coalition's goal is to increase
19 available housing resources and options for
20 families and individuals receiving \$18,000 a year
21 or less. People with disabilities fall far below
22 that, as 80 percent of us are unemployed, and those
23 on SSI average about \$6,000 a year.

24 This new bill inspired by NTI can be
25 called a good start in some respects; however, it

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2 lacks critical components that would make it a
3 truly responsive and critical necessity. Any
4 manifestation of NTI must continue the concept of
5 the three A's, and these are: Affordability,
6 access, and accountability. To say that they are
7 included in the bill must incorporate the following
8 items:

9 Accountability. No city can afford any
10 mayor so-called carte blanche spending of exuberant
11 [sic] amounts of money; i.e., NTI's \$250 million
12 price tag. A review committee answering to the
13 City's Councilmembers and with direct input by
14 residents of the various neighborhoods impacted by
15 NTI must provide oversight review of the NTI
16 element. A hired consultant or two does not
17 reflect the scope of the required (indiscernible).

18 Access. All designers, builders, and
19 providers of housing developed under NTI must
20 adhere to all access laws -- specifically 504 of
21 the National Rehabilitation Act of 1973, the Fair
22 Housing Act of 1988, and the ADA where applicable.
23 There can be no exceptions or waivers on this.

24 Also, the new visibility ordinance, Bill
25 010742, introduced by Councilwoman Blackwell on

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2 December 20th, should be endorsed and passed into
3 City law. Moreover, the City's Adaptive
4 Modification Program must be increased to
5 \$8 million from its current \$2 million. This is
6 simply not enough to cover the need for this
7 program.

8 Affordability. All 3,500 housing units
9 earmarked under NTI as affordable must be truly
10 affordable; i.e., receiving people who make \$18,000
11 or less must be able to live decently in these
12 units.

13 Relocation policy. As responsible
14 Philadelphians, we need to develop specific
15 questions and guidelines about relocation. As
16 current housing is demolished in the various
17 neighborhoods, where will the people go? Will they
18 have access to affordable, accessible, and decent
19 housing with similar tax levels as opposed to
20 raised taxes in NTI-targeted neighborhoods? Will
21 people have choices available to them as to where
22 they can live? Will they be able to return to
23 their old neighborhoods?

24 We simply cannot allow residents of
25 NTI-demolished housing to join the thousands

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2 already struggling to survive our City streets.
3 City streets or some institutional-like nursing
4 homes are not homes. Such is the precedent
5 Philadelphia can never afford to allow to happen.

6 As City Councilmembers deliberate this
7 bill and any other or even NTI itself, you must
8 remember the public mandate: You are public
9 servants in service to all residents of this city.
10 In this desire to better our city, a noble effort,
11 you must not forget the so-called little people --
12 the poor, the disabled, the elderly; in fact, all
13 of the disfranchised people.

14 Because we vote too, we are a necessary
15 part of our society. As such, we are entitled to
16 share in the rewards of any grand plan like NTI or
17 any other.

18 Thanks for the opportunity for Liberty
19 Resources and myself to express. Thank you.

20 COUNCILWOMAN BLACKWELL: Thank you very
21 much.

22 Any questions?

23 (No questions.)

24 COUNCILWOMAN BLACKWELL: Thank you.

25 Mr. Kentu, please identify yourself for

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2 the record.

3 MR. KENTU: Yes. Good afternoon, Madam
4 Chair. My name is Omjasissa Kentu, Chairman of the
5 Grassroots Political Network, social-change
6 organization, 17-member civic, community-based
7 organizations.

8 I would like to take this opportunity to
9 thank City Council for this opportunity to testify
10 on behalf of the Neighborhood Transformation
11 Initiative. Being a lifetime resident of
12 Philadelphia, residing in the section of this city
13 known as North Philadelphia, the Grassroots
14 Political Network states our support for this
15 initiative put forth by Councilwoman Jane
16 Blackwell.

17 The revitalization of this city must now
18 be directed to neighborhoods. From City
19 Administration to City Administration, the focus in
20 the past have been on revitalizing Center City,
21 while at the same time surrounding neighborhoods
22 continue to decay and residents took flight from
23 this city. With that, a loss of population, which
24 led to a loss of federal resources and political
25 representation due to the 2000 census. Also with

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2 that, a loss of needed City tax revenue.

3 For over 33 years as a social activist in
4 this city and a resident of North Philadelphia,
5 ambitious plans and promises have eluded my
6 community, starting with:

7 The May 7, 1969 Charette Homes
8 Neighborhood Strategic Plan between the City of
9 Philadelphia, the Commonwealth of Pennsylvania,
10 Temple University, and the community;

11 The 1966-1969 anti-poverty programs that
12 infused the City with billions of dollars, where
13 housing and development was targeted to be done,
14 and it wasn't;

15 The Model Cities Program under the
16 leadership of the late Goldie Watson;

17 The 1980s, the Uptown Revitalization Plan,
18 led by the late John Bowser (ph), quote/unquote,
19 the new tech;

20 Under the Mayor Green administration,
21 housing dollars being redirected from North, South,
22 and West Philadelphia to build the commuter tunnel;

23 Galaxy I and II under the Rizzo
24 administration;

25 The Philadelphia Plan under the Mayor W.

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2 Wilson Goode administration;

3 I watched former Mayor Ed Rendell become
4 Houdini, the magician, when he committed \$5 million
5 during the community/Temple conflict regarding the
6 building of the Apollo, now the Liacouras Center.
7 Now you see the money, now you don't, and not one
8 house has been built.

9 (Applause.)

10 MR. KENTU: The many promises made by
11 Willard Rouse, who came into North Philadelphia and
12 offered to the community a very bright vision of
13 how North Philadelphia can be, but nothing of any
14 great magnitude was done;

15 Promises made by former Mayor Rendell
16 regarding the Avenue of the Arts, and we watched
17 south of Market Street develop while north of
18 Market Street still looks much the same;

19 And let's not talk about the Philadelphia
20 Empowerment Zone.

21 I have for over 33 years participated and
22 advocated for serious changes in North
23 Philadelphia, but much of the blight that plagues
24 this city that will be spoken about today is in
25 North Central Philadelphia and other communities

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2 throughout Philadelphia. We, the community and
3 residents of Philadelphia, need this Neighborhood
4 Transformation Initiative.

5 In the current commissioner report of 1965
6 commissioned by then Lyndon Baines Johnson after
7 the cities of America went up in flames in the
8 section on housing, it states, "You cannot do urban
9 housing with a Band-Aid concept. You cannot stop a
10 gunshot wound with a Band-Aid." And Philadelphia,
11 as it relates to housing, we are bleeding
12 desperately.

13 So we, the community of residents of
14 Philadelphia, need this neighborhood transformation
15 program. The City of Philadelphia needs this
16 initiative or the flight of residents will
17 continue, along with tax revenues.

18 But we must reinvest in the communities in
19 an equitable way. Just building low-income housing
20 alone isn't the answer. Just this approach will
21 generate a return in population, but will the
22 economic character of the community change? We at
23 the Grassroots Political Network says no.

24 There have to be an infusion of working
25 people, professional people, and business

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2 coexisting to truly make a neighborhood have the
3 balance of character communities demand today.
4 Anything less will fail.

5 We, the Grassroots Political Network, ask
6 that Council approve this bill, and together, we
7 can restore these communities.

8 If not, not only will we not save
9 communities and neighborhoods, we will not save
10 this city. As more and more people take flight,
11 with them tax revenues, so goes the City.

12 I would like to thank this Council for
13 allowing us to testify today.

14 COUNCIL PRESIDENT VERNA: Thank you very
15 much.

16 Are there any questions from members of
17 the committee?

18 (No questions.)

19 COUNCIL PRESIDENT VERNA: Seeing none, our
20 next witnesses will be Reverend Newkirk and
21 Reverend Miller.

22 (Applause.)

23 COUNCILWOMAN BLACKWELL: Thank you,
24 Brother Kentu.

25 MR. KENTU: Thank you.

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2 (Witnesses come forward.)

3 COUNCIL PRESIDENT VERNA: Good afternoon
4 and welcome.

5 REVEREND NEWKIRK: Good afternoon, Madam
6 Councilwoman.

7 COUNCIL PRESIDENT VERNA: Please proceed.

8 REVEREND NEWKIRK: My name is Reverend
9 Kermit Newkirk, and I'm a leader in Philadelphia
10 Interfaith Action.

11 REVEREND LANEY: Reverend Mary Laney,
12 leader in Philadelphia Interfaith Action.

13 REVEREND NEWKIRK: On behalf of the
14 Philadelphia Interfaith Action and its 30 member
15 congregations and organizations throughout
16 Philadelphia, first of all, I want to thank you,
17 the members of City Council, and all who are
18 gathered here in terms of congratulations. By
19 supporting the Neighborhood Transformation
20 Initiative, Bill No. 020036, you are leading our
21 city into an historic time of rebuilding.

22 The successful implementation of NTI means
23 that we will rebuild Philadelphia on a
24 critical-mass scale. We will create large
25 buildable sites, attract new builders and

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2 developers for a wide range of residential and
3 commercial developments; in short, we will recreate
4 our city and stop the exodus of people out of our
5 neighborhoods.

6 Our success in Philadelphia will redefine
7 our city and how we will rebuild our cities in
8 America. This is a defining moment not just for
9 Philadelphia, but for all of the older shrinking
10 cities like Baltimore, like Washington, like
11 Trenton, and other cities across the northwest and
12 northeast corridor.

13 Already PIA's sister organizations and
14 their industrial-area foundations have met with
15 Governor Glendening of Maryland, a leading
16 proponent of smart growth, to lay out
17 Philadelphia's strategy to reinvest in rebuilding
18 the blighted urban areas, the most obvious solution
19 to suburban sprawl.

20 Fifty years from now, the citizens and
21 leaders of the future will look back and recognize
22 that this City Council, Mayor Street, PIA, the
23 Reinvestment Fund, and others had the guts and the
24 vision to change history, to chart a new course for
25 our nation and our inner cities.

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2 Twenty-five hundred years ago, the people
3 of Jerusalem wept for their city just as we in
4 Philadelphia have wept for Philadelphia. Today, we
5 are reliving this ancient story. Nehemiah did not
6 sit still in the face of devastation, and we are
7 not sitting still in the face of devastation in
8 Philadelphia. And as the book of Nehemiah says, we
9 have rebuilt the walls and all the walls are joined
10 together, for the people had a mind to work.

11 With this new bill coming forth, the
12 Neighborhood Transformation Initiative, we now have
13 a mind in Philadelphia to rebuild the walls of our
14 city, and we congratulate this Council for taking
15 the initiative to move the City of Philadelphia
16 forward.

17 COUNCIL PRESIDENT VERNA: Thank you,
18 Reverend.

19 (Applause.).

20 REVEREND NEWKIRK: Thank you.

21 COUNCIL PRESIDENT VERNA: You're welcome.

22 Our next witness?

23 MR. MCPHERSON: James Shrode, Ruth
24 Birchett, and Floyd Alston.

25 (Witnesses come forward.)

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2 COUNCIL PRESIDENT VERNA: Good afternoon.

3 Please identify yourself for the record and proceed
4 with your testimony.

5 MR. SHRODE: Good afternoon. My name is
6 Jimmy Shrode, and I am President of Disabled in
7 Action of Pennsylvania, Incorporated, which is a
8 grassroots advocacy group by and for people with
9 disabilities. Disabled in Action was created 28
10 years ago to address the issues facing people with
11 disabilities --

12 COUNCIL PRESIDENT VERNA: Excuse me. The
13 noise level is much too high; it's very difficult
14 to hear the witness.

15 Thank you.

16 I'm sorry to have interrupted you.

17 MR. SHRODE: Thank you.

18 Disabled in Action was created 28 years
19 ago to address the issues facing people with
20 disabilities in education, employment access,
21 attendant services, health care, and more
22 importantly, housing. There is a dire housing
23 crises in the City of Philadelphia for people with
24 disabilities.

25 Disabled in Action of Pennsylvania is

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2 proud to be a member of the Philadelphia Affordable
3 Housing Coalition. The Philadelphia Affordable
4 Housing Coalition is a group of organizations that
5 is dedicated to obtaining affordable, accessible
6 housing for Philadelphians who earn \$18,000 or less
7 a year.

8 The need for affordable and accessible
9 housing is very great in the City of Philadelphia.
10 Therefore, we feel that 3500 units slated for
11 development under NTI should be accessible and
12 affordable for this population.

13 Disabled in Action applauds City Council
14 for their work on Bill 010694, especially in
15 calling for oversight and accountability in the
16 Neighborhood Transformation Initiative. This is a
17 very important component of any venture and cannot
18 be discarded for the sake of convenience.
19 Ultimately, the taxpayers will foot the bill for
20 NTI, and we should know what we are paying for.

21 In reading current bill, 020036, I am
22 concerned that there is no mention of
23 accountability, and even more important, no mention
24 of housing that is affordable or accessible. This
25 is Disabled in Action's biggest concern.

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2 According to the Office of Housing and
3 Community Development, OHCD, on Page 24 of the Year
4 27 Consolidated Plan, in Table 3.4, entitled
5 "Summary of Estimated Housing Needs," the number of
6 people with disabilities in needs of housing is
7 65,300. This is 30 times more than people with
8 AIDS, 10 times more than the frail elderly, and 10
9 times more than people with mental health and
10 mental retardation. Again, 65,300 need affordable,
11 accessible housing in the City of Philadelphia.

12 In order for Bill 020036 to meet the needs
13 of our constituency, it must do the following:

14 Produce accessible, affordable housing for
15 people with disabilities. Many disabled
16 Philadelphians are living in inaccessible
17 apartments that they cannot afford. Disabled
18 people are paying anywhere from 80 to 120 percent
19 of their incomes on rent for inaccessible
20 apartments. Most of these apartments are managed
21 by slumlords and are in deplorable condition.
22 People with disabilities are 80 percent or more
23 below the median area income. Additionally, there
24 is an 85 percent unemployment rate for people with
25 disabilities due to lack of education, lack of

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2 skills, and discrimination in the form of physical
3 and attitudinal barriers in the workplace.

4 In order to find an accessible and
5 affordable apartment, it takes an average of three
6 to five years or more to locate one. Many families
7 have been torn apart because they cannot find a
8 place to live with a disabled family member. Many
9 people with disabilities end up in nursing homes
10 because there is nowhere else to go.

11 Housing choices for people with
12 disabilities are not integrated. Housing for
13 people with disabilities has to be integrated.
14 Currently, housing that has been built for people
15 with disabilities have been in congregant that are
16 disability-specific. These so-called apartments
17 are institutions. It is no accident that many of
18 them are owned by nursing homes and other
19 service-providers. These apartments have been
20 isolated from the community and it becomes known as
21 "a place where those people live." We want to live
22 in homes in communities that are integrated with
23 non-disabled people of all ages around us.

24 There must be a clear and careful
25 relocation program. When homes are slated to be

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2 demolished, you will be surprised to find people
3 disabled people living there, since, as I have
4 stated earlier, that finding affordable and
5 accessible units will be extremely difficult and
6 can take up to five years, what does the City have
7 planned? How will people with disabilities be
8 moved? To where? Who will pay the moving costs?

9 I have helped some people with
10 disabilities get Section 8 vouchers, and I can tell
11 you that finding a place to live in the City of
12 Philadelphia is a nightmare. Finding an apartment
13 that takes Section 8 and that is accessible is like
14 searching for the Holy Grail.

15 Will City Council and the Mayor throw
16 people with disabilities out into the streets
17 without a plan of relocation for the sake of
18 political expediency?

19 All new construction should be built
20 incorporating visitability. By "visitable," we
21 mean a home with a zero-step entrance and a 36-wide
22 doorway, a path of travel that is 36 inches wide,
23 and an accessible powder room that a person in a
24 wheelchair can use and be able to close the door
25 behind them. This allows people with disabilities

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2 to visit people in the neighborhood, allows the
3 elderly to age in place so that they are able to
4 keep their homes.

5 There is a Website that describes
6 visitability clearer and it also gives you more
7 information, and I've included that in my
8 testimony.

9 We also want to see that the City of
10 Philadelphia live up to Section 504 of the
11 Rehabilitation Act of 1973. The City has been lax
12 in the enforcement of Section 504 in new housing
13 construction. The Philadelphia Housing Authority
14 has been found liable in court for failing to build
15 5 percent of its scattered-site units accessible.
16 Happily, we have settled that lawsuit with PHA and
17 are looking forward to the 248 accessible units
18 they will be building.

19 To make sure that this does not happen
20 again, we need NTI to have a statement saying that
21 it will live up to Section 504 and so must any
22 recipients of housing dollars. The City must be
23 prepared to take actions to punish those who
24 neglect this.

25 The access modification program that's

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2 administered by OHCD needs to be increased to
3 \$8 million. Currently, there are large waiting
4 lists where people have to wait up to five years
5 just to get a modification on their homes so that
6 they can live in it. This program is the only
7 stopgap for many people who are facing or losing
8 their homes and apartments due to them not being
9 accessible.

10 There needs to be coordination with the
11 Emergency Home Repair Program, a program under the
12 Redevelopment Authority. Many applicants have gone
13 through the waiting list only to find that they
14 have a code violation that prevents all of the work
15 from being done.

16 Finally, accountability and oversight. As
17 Abraham Lincoln so wisely said, "Government should
18 be by the people, for the people, and of the
19 people." We would like the communities being
20 affected to be involved in the process in the
21 Neighborhood Transformation Initiative. There
22 should be public hearings that allow citizens, not
23 special interests and developers, to voice their
24 concerns. Most important of all, there should be
25 an oversight of how the money is spent and to

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2 ensure that it is being spent responsively and
3 responsibly.

4 Thank you very much.

5 COUNCIL PRESIDENT VERNA: Thank you.

6 (Applause.)

7 COUNCIL PRESIDENT VERNA: Councilman
8 Cohen, your light is on. Did you want to be
9 recognized?

10 COUNCILMAN COHEN: I would like to hear
11 what the NTI officials say on this. I think this
12 is another issue that has to be dealt with promptly
13 before the NTI program gets too far underway.

14 Have there been meetings with the NTI
15 officials?

16 MR. SHRODE: With disabled organizations?

17 COUNCILMAN COHEN: Yeah.

18 MR. SHRODE: No.

19 MS. SMITH: I did have one meeting with
20 representatives from the Affordable Housing
21 Coalition. It was probably in the fall of the
22 year. A number of the issues which have been
23 discussed by members of that group, we've talked
24 about.

25 We stressed that one of the things that

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2 still is applicable to how we spend bond proceeds
3 are the existing federal requirements around
4 relocation and the benefits that you're entitled to
5 under that -- that's the federal relocation laws.

6 There's also the requirements around, you
7 know, accessibility in Section 04. All of that is
8 still applicable to redevelopment or new
9 construction activities that would be undertaken
10 with bond proceeds. So we are committed to that.

11 We've also stressed that, you know,
12 affordability is a commitment, but we also
13 recognize and heard people say that what also is
14 critical is keeping people in their homes so that
15 they don't lose their homes. And we know that many
16 of our Basic System Repair Programs and a number of
17 the programs that particularly elderly households
18 tap into are, you know, over-subscribed, and that's
19 why there's a heavy emphasis on the preservation
20 component of NTI.

21 COUNCILMAN COHEN: Well, my specific
22 question would be, how many units of housing has
23 the City agreed to provide for disabled under the
24 NTI program?

25 MS. SMITH: I generally -- we have

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2 projected over the course of five years that NTI
3 will facilitate somewhere in the area of 16,000
4 units. Not all of that are new-construction units.
5 I mean some -- we're including in that, for
6 example, what we call "preservation investments,"
7 where we're making available grants to homeowners
8 to improve their homes under some of our existing
9 programs or new programs. So all of it's not new
10 construction.

11 Historically, I believe -- I can get back
12 to you. I know there's usually a percentage set
13 aside on accessibility on any RFP that the City
14 puts out under block grants, and I just don't know
15 what that percentage is, but I can find that out.

16 COUNCILMAN COHEN: It seems to me we have
17 an urgent problem here that ought to be dealt with
18 very specifically and as soon as possible, with the
19 full-time involvement of the disabled community to
20 make sure that their needs are being met.

21 MS. SMITH: Mm-hmm, mm-hmm.

22 COUNCILMAN COHEN: You know, I think
23 together with the senior citizens you talked about,
24 they represent two elements of the community that
25 this program ought to emphasize.

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2 MS. SMITH: I agree.

3 COUNCILMAN COHEN: Well, what do we do
4 about bringing them closer together to you and
5 having mutual discussions from which something can
6 evolve?

7 MS. SMITH: I'm happy to have further
8 discussions with representatives from the Office of
9 Housing and Community Development, since
10 historically that pool of money has been the
11 dollars that have been used to build affordable
12 units for very low-and low-income persons as well
13 as representatives from the Office of Adult
14 Services (OAS), so we will be happy to meet with
15 members of the Affordable Housing Coalition around
16 that.

17 COUNCILMAN COHEN: Sir, yes? Your
18 response?

19 MR. SHRODE: With your permission, please,
20 I would like to respond that when I read this bill,
21 there was no mention of affordable or accessible
22 housing, there was no mention of how a relocation
23 plan is going to be put into place, especially for
24 people with disabilities. I think just handing
25 somebody a Section 8 and expecting them to somehow

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2 magically find someplace that they can live is
3 irresponsible and short-sighted.

4 I would also like to say that while OHCD
5 may have developed housing for people with
6 disabilities that was labeled "affordable," a lot
7 of these units were tax-credit units and were aimed
8 at people who live about 30 percent below median
9 income, which far exceeds the average person with a
10 disability to afford something.

11 The average person on disability receives
12 about \$6,000 a year, and a lot of what HUD calls
13 "affordable housing" is not affordable for our
14 people.

15 COUNCILMAN COHEN: Miss Smith?

16 (Herb Wetzel comes forward.)

17 MR. WETZEL: The issues that you're
18 raising are very complex and difficult issues. You
19 are correct that the tax-credit units are able to
20 charge rents at 50 percent or 60 percent of median.
21 The problem is, the only way we're going to solve
22 the problem that you're saying is the provision of
23 rent subsidies to these individuals.

24 You cannot operate an apartment complex in
25 this city for less than 350 to \$400 a month, so you

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2 have to have rents at least at that level just to
3 break, and in many cases, you need even a little
4 bit more than that.

5 So if the individuals who are seeking
6 these units can only afford 100 or \$150 a month,
7 the only solution is rent subsidies. So you have
8 to combine both the rent subsidies with the units
9 to make what you're talking about work.

10 COUNCILMAN COHEN: Is there machinery in
11 motion to do that?

12 MR. WETZEL: Councilman, we require every
13 project to meet the 504 guidelines. I note the
14 gentleman spoke about PHA, and that's a separate
15 issue that they've dealt with and effectively have
16 PHA developing those units. But all of the units
17 that have been developed with CDBG or home
18 financing require a set-aside of units that are
19 fully accessible.

20 In all of the elderly projects that we
21 fund, we require accessible units at the 504 level,
22 but we also require every other unit in the
23 building to be an adaptable unit, meaning it can be
24 easily converted to a fully accessible unit. And
25 that's been the City's policy for the last five

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2 years.

3 COUNCILMAN COHEN: Well, it sounds like a
4 very good answer, except I don't know how to apply
5 it to -- what did it provide for disabled housing?

6 MR. SHRODE: Nothing.

7 MR. WETZEL: Well, it didn't provide
8 nothing, but we could give you the number of units.
9 I mean, when you raise the need of 63,500, that's a
10 very difficult one. You know, there's no one in
11 here who's going to be able to develop that many
12 units to satisfy that particular demand.

13 COUNCILMAN COHEN: I think they might
14 settle for that half of that.

15 MR. SHRODE: Yeah, we would settle for
16 half.

17 MR. WETZEL: But we will give you the
18 numbers. We have enforced 504 on the CDBG and home
19 side of the equation and, again, we've extended it
20 when it comes to the production of affordable
21 elderly units, to require all of the units be
22 adaptable; meaning they have the wide doors, the
23 wheelchair turnaround capacity, and just minor
24 changes that it can fully convert it to a fully
25 accessible unit.

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2 COUNCILMAN COHEN: Well, couldn't we make
3 this final suggestion that there be set up a
4 regular means of communication between the disabled
5 organizations and their representatives and your
6 office, the Redevelopment Authority, or NTI so we
7 can begin to count numerically how many additional
8 apartments are there really available, not only
9 technically so, but really available for the
10 disabled?

11 MS. SMITH: Yes, we can --

12 COUNCILMAN COHEN: We've gone through a
13 big battle over the last year or so with the
14 neighborhood transformation program, and I think
15 all of us now want to see real progress in it, we
16 want to get things started, and we want to see that
17 those that need the housing most get it first, and
18 we want to work fully in every aspect of the
19 transformation program.

20 So we're hoping that you begin to deal --
21 that you understand that certain parts of
22 population have needs which are -- maybe at the
23 priority level ought to be dealt with first, or at
24 least assurances ought to be given that they're
25 included in the program, and that's what I'm urging

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2 you do.

3 And, again, I'm urging, Madam President,
4 when the last chairperson was in your seat while
5 you were otherwise occupied, an arrangement was
6 made to let the President of the Council know
7 what's going on. And we would urge that regular
8 reports go by both groups to the President of City
9 Council with respect to the meetings and the
10 results.

11 Would that be agreeable?

12 COUNCIL PRESIDENT VERNA: That would be
13 fine.

14 Miss Smith?

15 MS. SMITH: Yes. And as you know, in both
16 the bill and in the framework, we talk about the
17 submission of quarterly reports on the production
18 activity funded through NTI bonds.

19 COUNCILMAN COHEN: I don't mean quarterly
20 reports. I guess maybe we're not talking the same
21 language. I mean specific reports on this
22 particular issue to indicate that it's an issue of
23 special concern to the NTI people.

24 MS. SMITH: We will include in our reports
25 to Council and to the public that information.

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2 Specific to that.

3 COUNCILMAN COHEN: Well, I don't know
4 whether that would be satisfactory, but at least
5 let's get it on the road.

6 COUNCIL PRESIDENT VERNA: Thank you very
7 much.

8 COUNCILMAN COHEN: Would that be
9 satisfactory to you, sir?

10 MR. SHRODE: We have always been open for
11 dialogue, and we remain open to dialogue.

12 COUNCILMAN COHEN: Well, would you begin
13 to initiate it by requesting the dialogue?

14 MR. SHRODE: Yes, sir.

15 COUNCILMAN COHEN: Thank you, Madam
16 President.

17 MR. SHRODE: Thank you, Madam President.
18 Thank you, Councilman.

19 COUNCIL PRESIDENT VERNA: Miss Birchett,
20 please identify yourself for the record and proceed
21 with your testimony.

22 MS. BIRCHETT: My name is Ruth Birchett.
23 I'm pleased about this opportunity to testify here
24 and I thank my Councilman, the Honorable Darrell
25 Clarke, for the notification of this hearing.

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2 I want to commend Council and our mayor on
3 continuing to work toward bringing this important
4 bill forward to reality. Our neighborhoods -- and
5 we represent an area of North Philadelphia -- is
6 extremely deteriorated, and we're in desperate need
7 for support with regard to restoration of housing,
8 also the prevention of the continued deterioration
9 of our community.

10 We also are in need desperately support to
11 strengthen and restore our social structure to a
12 way that it would be more desirable and that our
13 quality of living can be as other Philadelphians
14 have it.

15 With regard to this particular bill, I
16 would like to express particular concern and
17 interest, rather, for the Appendix 1, which makes
18 reference to the urban redevelopment condemnation
19 by RDA, and it speaks about the Redevelopment
20 Authority's ability to request that the City
21 Planning Commission certify areas as blighted.

22 What I would like to state to you in
23 reference to that is that while I understand that
24 might be a process that's needed to enable things
25 to happen with regard to the revitalization, I

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2 would like to have you know that there is
3 particular concern that such -- how you achieve the
4 designation. What I mean is that too often in the
5 past, it has been a regular practice that the City
6 Planning Commission has not sought the input of the
7 very people who are affected by the decisions that
8 they recommend. And therefore, I'm very, very
9 concerned that disadvantaged people in historically
10 disfranchised neighborhoods will once again, under
11 the hopes of a better day for the neighborhood, may
12 end up being played even further out of position
13 than we are today.

14 And so I caution you and also ask, what
15 kind of process will be underway that ensures that
16 the City Planning Commission does acquire
17 legitimate input from people who reside in the
18 neighborhoods where they are making decisions and
19 plans for and recommendations for, in particular,
20 families that are long-term residents of this
21 community, families that may be third, fourth,
22 fifth generation in these communities, who are
23 vested, well vested by the presence of their
24 continued residence here in these communities.

25 Essentially, all I'm saying is that we do

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2 not want people planning so far above our heads
3 that we don't -- that our interests really aren't
4 being served. These departments exist to protect
5 us and to serve us and, we fully expect to have
6 that happen.

7 Consistent with that too, I understand
8 from my Councilman, that in the area of housing
9 preservation activities, that there will be funds
10 to expand the existing programs that are identified
11 in this area. This is extremely critical.

12 I am very pleased to hear Pat Smith
13 acknowledge that the existing programs are
14 overloaded, over-inquired into. It's true, it's
15 true. You have -- you are hard-pressed to try to
16 get the kinds of resources that you need to repair
17 your home, particularly given that many of these
18 neighborhoods where people are seeking to access a
19 home repair program or whatever are people who are
20 low- to no-income as well.

21 And so this initiative really has to have
22 and has to take into account to avoid wholesale
23 displacement of people who virtually have few other
24 options in terms of where to go. It really has to
25 take into account what kinds of programs you will

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2 offer to help people stay where they are, but also
3 to strengthen where they live as well.

4 It is wonderful that new housing is
5 finally coming to our community, but it is a stark
6 contrast between the condition of the old homes
7 that are there and the people's individual
8 financial ability to keep pace with the
9 improvements and the new housing that is there.

10 We are not just concerned about people who
11 will become our future neighbors; we are incredibly
12 concerned about the people who are our existing
13 neighbors.

14 And as new days are on the horizon for our
15 community, we want to enjoy them too. Now that
16 better days are coming, we don't want to be
17 displaced in our communities. And I would like to
18 see as faithful citizens who have weathered the
19 storms of riots, gangs, heroin, police brutality,
20 etc., in our communities, that these people's
21 contribution to the stability that exists -- in
22 many terms the only stability that exists -- within
23 these neighborhoods not be disrespected.

24 And so I would like to see and would truly
25 like to see and hear what are the specific ways in

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2 which this Council and through this bill and the
3 NTI initiative will elicit the input from
4 individual citizens -- and be they block
5 organizations or whatever -- regarding the planning
6 for our areas.

7 COUNCIL PRESIDENT VERNA: Miss Smith,
8 would you approach the witness table and answer the
9 question, please.

10 (Miss Smith returns to the
11 witness table.)

12 MS. SMITH: With me is Maxine Griffith,
13 Secretary of Strategic Planning, also Executive
14 Director of the City Planning Commission. Maxine
15 will talk a little bit about the planning strategy.

16 MS. GRIFFITH: The concerns that the
17 speaker addressed are concerned that we have heard
18 before and we understand them. I would refer you
19 to my earlier written testimony, where we have
20 included as part of the NTI planning process a
21 community hearing and review.

22 Every plan that's promulgated out of NTI
23 will be presented at the community level in a venue
24 chosen jointly by the Councilperson and the
25 Administration. The plans will be presented and we

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2 will provide an opportunity for public testimony
3 and to record that testimony.

4 Plus I would mention that of the 40 -- I
5 think we're up to 40 plans that we have presently
6 reviewed, not developed but reviewed. All of these
7 plans are plans that have been generated by
8 community-based organizations, either community
9 development organizations, block organizations, or
10 other community-based entities. Many of them have
11 been developed in concert with Councilmembers.

12 So we are very cognizant of the need to
13 work very closely with community members and not to
14 promulgate plans without their input. As a matter
15 of fact, one of the questions that's been often
16 asked is, where is the plan? And in part, our
17 answer is, although there is a planning process in
18 place, we would not even think about generating a
19 plan without community involvement and, of course,
20 we really can't do that until this legislative
21 process has been completed.

22 COUNCIL PRESIDENT VERNA: Thank you very
23 much. Thank you.

24 Thank you both for coming in to testify.
25 We appreciate it.

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2 Our next witnesses are...

3 MR. MCPHERSON: Sharmain Matlock-Turner,
4 Tully Speaker, and Galon Tyler.

5 (Witnesses come forward.)

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

9 MR. SPEAKER: Yes. My name is Tully
10 Speaker, and I'm here on behalf of the Logan Square
11 Neighborhood Association, and I bring you greetings
12 Council President Verna and other members of City
13 Council from the Logan Square Neighborhood
14 Association and admire the tangle of work you have
15 here.

16 It is clear that this legislation's a work
17 in progress and that there is a lot of work that
18 needs to be done with it. I'm impressed with the
19 variety of requests.

20 I'm here to speak in favor of the broad
21 concept of the Neighborhood Transformation
22 Initiative, even though the Logan Square
23 neighborhood is already a quite vital and vibrant
24 and economically viable area. This is the area
25 from Broad Street to the Schuylkill River, north of

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2 Market Street, up to Callowhill. It is largely
3 residential. There are a large number of large
4 corporations, many small businesses in this area.

5 The area has been developed over the last
6 30 to 40 years by individual initiative, single
7 properties at a time -- in some instances two or
8 three properties by a commercial developer, but
9 always, almost entirely, by individual initiatives.

10 I come to speak now with regard to a
11 specific transformation which we would like to see;
12 that's the transformation of one block, the between
13 22nd and 23rd Streets between Arch and Walden
14 Streets. This block is occupied by an open-air
15 parking lot which works -- it isn't beautiful, but
16 it works, and also shared -- that block is also
17 shared by an eight-story cast-concrete industrial
18 building. This is best known perhaps as "the old
19 Daily News building."

20 This building is in a state of serious
21 disrepair. There are many broken windows, and
22 glass falls from those windows when the wind blows.
23 There is falling concrete, pieces the size of man's
24 fist, the size of a person's head, pieces the size
25 of cinder blocks. They fall from heights of six to

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2 eight stories, and they represent a danger, a
3 safety hazard to both pedestrians and vehicles.

4 We would like to see some correction of
5 that as a part of the Neighborhood Transformation
6 Initiative.

7 There is also -- and again, we're
8 interested in the Transformation Initiative. There
9 is also a very severe loss of tax revenue because
10 the owner of that property has not paid taxes for
11 as long as we've been able to rifle back through
12 the tax records, and has not made mortgage payments
13 to the City, which is the mortgage holder. We
14 think the City is frankly being gypped. We think
15 that the City ought to get its taxes. We pay our
16 taxes, and the City ought to get its mortgage
17 payments. I would like to find a way in which I
18 could avoid mortgage payments for upwards of eight
19 years and not have anybody complain.

20 We would like to see if situation reversed
21 as part of the Neighborhood Transformation
22 Initiative because that would allow this, our
23 neighborhood, to undertake the transformation of
24 that building, that property by individual
25 investors. We're not asking for a lot of money,

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2 but we're asking for the resolution of a problem
3 site.

4 We certainly are happy to be available to
5 help shape this bill, if you want our input. I
6 thank you for your attention and I'm happy to
7 answer any questions if you have some.

8 COUNCIL PRESIDENT VERNA: Thank you very
9 much. We appreciate you coming in to testify.

10 Are there any questions of this witness?

11 (No response.)

12 COUNCIL PRESIDENT VERNA: Apparently not.
13 Thank you so much.

14 MR. SPEAKER: Thank you very much.

15 COUNCIL PRESIDENT VERNA: Sharmain, please
16 identify yourself for the record and proceed with
17 your testimony.

18 MS. MATLOCK-TURNER: Thank you very much.
19 Sharmain Matlock-Turner, President and Executive
20 Director of the Greater Philadelphia Urban Affairs
21 Coalition and I'm here today to testify on behalf
22 of supporting NTI legislation before you.

23 I also want to thank you for the
24 opportunity. I was here during the last hearings
25 to testify on behalf of my community association,

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2 the Ogontz Avenue Revitalization Corporation, and I
3 had an opportunity to leave my testimony with you
4 about one of the programs that we think is going to
5 be very interesting as a part of NTI.

6 I want to thank the rest of the members of
7 Council for giving me an opportunity to testify
8 today. Also here with me is James Connor, Vice
9 President of Community Development at Beneficial
10 Saving Bank. Jim and his bank are partners with
11 GPUAC in many ways, including through a GPUAC
12 committee which Jim is an active member, our
13 Community and Economic Development Committee.

14 For the past 33 years, GPUAC has been
15 working in Philadelphia to fulfill its mission of
16 bringing together business and community leaders to
17 solve urban problems. GPUAC's programs provide a
18 wide range of services, from community development,
19 workforce development, health, neighborhood and
20 community services, and education.

21 We are here today to talk about NTI and
22 work we can do together in the area of community
23 economic and business development. I hope to
24 impress upon you the tremendous impact that we can
25 make if City Council will support us in our efforts

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2 to work with the City towards seeing that NTI is a
3 successful program.

4 Each of these issues fits within in Mayor
5 Street's Neighborhood Transformation Initiative and
6 in particular within the neighborhood preservation
7 activities. Jim Connor, whose bank will celebrate
8 150 years of service to the Philadelphia community
9 next year, will speak at the end of my comments
10 about a part of the initiative with the
11 Reinvestment Fund, the Community Legal Services.
12 And housing counseling agencies.

13 GPUAC's Economic Development Projects Unit
14 will also be working with the Neighborhood
15 Transformation Initiative to make sure that there
16 are opportunities for minorities and women as a
17 part of the Mayor's initiative.

18 I also want to talk a little bit more
19 about the Community and Economic Development
20 Committee, which I'll called "CED" for short while
21 we come here to talk to you today. We want to make
22 sure that as a part of your deliberations that the
23 issues of predatory lending, financial literacy,
24 and home-improvement lending are a key part of
25 neighborhood preservation. Our CED Committee is

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2 comprised of banks and other area corporations,
3 CDCs which Rick Sauer co-chairs, and other
4 community organizations, community development
5 intermediaries, and local government officials.

6 Led by the banks and CDCs, the committee
7 members have recently charged themselves and GPUAC
8 with bringing all necessary parties together to
9 address these three critical issues.

10 I know that everyone in this room
11 understands the devastation caused by predatory
12 lending. It wipes out years of hard work by
13 elderly homeowners, undermines stable
14 neighborhoods, and hastens the decline of
15 struggling ones. We all know that we need stronger
16 protections to prevent fraud against City homeowners,
17 but we also need bail-out funds to help victims of
18 predatory lending, and we need to get better
19 information in homeowners' hands and to offer them
20 better alternative loan products so that they don't
21 become victims in the first place.

22 Our focus on financial literacy stems from
23 the fact that susceptibility to predatory lending
24 does not occur in a vacuum. Too few residents of
25 low-and moderate-income communities understand our

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2 financial system, too few understand budgeting and
3 debt management, too few are economically
4 empowered. They go to the check cashers, they go
5 to rent-to-own centers, and they open their doors
6 to predatory lenders, and all of their hard-earned
7 wages too often get sucked out of their pockets and
8 out of the neighborhood.

9 In the future, all Philadelphians will
10 receive a good financial education in our schools,
11 but for now, we hopefully have to play catchup. We
12 need to reach people in classrooms and community
13 centers and churches, on the job, by computer and
14 newspapers that financial literacy cannot be
15 achieved by classroom instruction alone.

16 We also need a marketing and public-
17 relations campaign that hits home. We need to
18 motivate our citizens to learn how to take control
19 of their financial futures.

20 Of course, nothing motivates as well as
21 opportunity. So if you want to stop predatory
22 lending and have better-educated homeowners, we
23 need to develop and market alternative home-
24 improvement loans. The Redevelopment Authority has
25 the Phil Loan Program, and every bank has at least

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2 one home-improvement loan product.

3 But without casting any blame, it's fair
4 to say that many of these are 20th-century products
5 chasing after a 21st-century problem. The
6 predators capture the market that these loans were
7 missing, and now we need to recapture that market.
8 We need to develop user-friendly, flexible home-
9 improvement loans that are more affordable than
10 predatory loans, and then we need to market them
11 all over the City, especially where people need
12 them the most.

13 We also need to address the improvement
14 part of home improvement. Too many homeowners
15 suffer from shoddy repair work by incompetent or
16 unscrupulous contractors. We need to build work
17 inspections and project oversight into more home-
18 repair loans so that homeowners can assure
19 themselves that they are getting the quality work
20 they expect. Let's remember that many predatory
21 loans are initiated by home-improvement companies.

22 Predatory lending, financial literacy,
23 home-improvement lending. These are three big
24 neighborhood-preservation issues that require
25 significant resources, including public funds, but

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2 unlike demolition or some of the other parts of
3 NTI, they do not depend on City government alone.

4 Groups like ACORN and the Housing
5 Counseling Association have begun to take back many
6 neighborhoods from predatory lenders. GPUAC is
7 developing innovative approaches to financial
8 literacy. The Ogontz Avenue Revitalization
9 Corporation enlists, among others, have developed
10 neighborhood-based home-improvement loan programs
11 that include contractor quality controls and that
12 are helping to stabilize neighborhoods.

13 All of these groups are working closely
14 with banks and other lenders, and they are securing
15 commitments from financial institutions to increase
16 their lending and marketing efforts. With these
17 grassroots initiatives sprouting up all over the
18 City, there have been two missing elements that
19 have prevented large-scale impact:

20 • The first missing element has been the
21 coordination of these efforts. Groups have
22 sometimes been working in isolation, sometimes at
23 cross periods. And often, we have failed to
24 leverage each other's strengths. GPUAC's Community
25 Economic Development Committee has resolved that it

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2 will be a part of changing that and has agreed that
3 it will assist in a coordinating role. We want to
4 work with all of those involved: ACORN housing
5 agencies, CDCs, and of course banks, City Council
6 and the Mayor to develop bigger and better
7 initiatives to address predatory lending financial
8 literacy, and home-improvement needs.

9 • The second missing element has been a
10 commitment from City government that will devote
11 the necessary funds to allow grassroots initiatives
12 to succeed. The Office of Housing and Community
13 Development has been supportive, and it can within
14 its budget constraints move forward. We are
15 hopeful that through NTI, City government will
16 invest significant public dollars towards these
17 efforts.

18 The inclusion of neighborhood preservation
19 within NTI offers a renewed commitment by the City
20 to invest its money in fighting predatory funding
21 and expanding home ownership education and
22 financial literacy and opportunities for homeowners
23 to maintain their homes. Each of these activities
24 will help homeowners have a safe and decent home
25 and will help preserve neighborhoods.

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2 In closing, I would like to remind us that
3 the Neighborhood Transformation Initiative is not
4 just a six-year plan for spending public dollars;
5 the ultimate success of NTI will depend on our
6 actions today, next year, and ten years from now.
7 It will require an ongoing commitment by all levels
8 of government and a long-term partnership between
9 government, our residents, community groups, and
10 the private sector.

11 GPUAC has been building such partnership
12 successfully for the past 33 years. We stand ready
13 to do so again. We invite all members of Council
14 and the City and we to join together to make sure
15 that this initiative is a renewal for our
16 community. Thank you very much.

17 And I'd like Jim Connor just to say a few
18 words about an initiative that has already been
19 started as a pilot program with the Reinvestment
20 Fund and Beneficial Savings Bank.

21 MR. CONNOR: Thank you.

22 Madam Chairperson, honorable members of
23 Council, good afternoon. I am James Connor and I
24 am with Beneficial Savings Bank.

25 Miss Matlack-Turner has asked me to

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2 describe a pilot cooperative effort to address the
3 predatory-lending situation in the City. It is a
4 joint effort, including Community Legal Services,
5 Housing Counseling Association, Beneficial Savings
6 Bank, and the Reinvestment Fund.

7 The Reinvestment Fund initiated the
8 program and has asked Beneficial to join them in
9 this pilot program designed to refinance consumers
10 out of high-cost predatory-loan situations.
11 Community Legal Services, the Housing Counseling
12 Association, or with the consumers on the issues
13 necessary to extricate them from their current loan
14 situation [sic]. Beneficial Savings Bank will
15 process a new loan, get to it a closing, and assign
16 it to the Reinvestment Fund, who will be the
17 ultimate investor, with our bank servicing the loan
18 for its duration. Rates, fees, underwriting
19 criteria are essentially determined by the
20 Reinvestment Fund, but they are consistent with the
21 market terms currently available today.

22 It is still a very new initiative; however
23 we think it is a very important one and one that we
24 can use as a model for a larger initiative going
25 forward.

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2 We are currently working with GPUAC, City
3 Council and the Mayor's Office, as well as other
4 various community leaders that Sharmain has alluded
5 to to develop a program going forward to address
6 this very necessary issue.

7 I thank you for your time, and I'm
8 available for any questions.

9 Thank you.

10 COUNCIL PRESIDENT VERNA: Thank you.

11 The Chair recognizes Councilman Cohen.

12 COUNCILMAN COHEN: Thank you, Madam
13 President.

14 Do you think a city bank could play a role
15 in helping assist private-banking industries?

16 MR. CONNOR: Do I think -- I'm sorry.
17 Would you repeat that?

18 COUNCILMAN COHEN: I'm thinking there may
19 be certain households that can't meet any kind of
20 banking requirements with respect to the amount of
21 risk involved.

22 MR. CONNOR: That basically is true,
23 Councilman, and I think it can be documented that
24 there are certain people basically who cannot
25 afford certain loans and basically should not get

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2 them, and they should go through counseling to
3 determine that and determine what their limits are,
4 as well as part of the financial literacy that was
5 alluded to by Sharmain that they should be
6 education to who are the good guys and who are the
7 bad guys.

8 COUNCILMAN COHEN: Well, all the education
9 in the world will not may not be able to raise
10 their funding (inaudible).

11 MR. CONNOR: That, unfortunately, is a
12 fact of life; however, those who can, we want to
13 make sure that they know who they can go to and
14 know what their limits are and whether they can
15 afford that.

16 COUNCILMAN COHEN: But wouldn't a city
17 bank be a bank of last resort?

18 MR. CONNOR: I cannot answer that; I can
19 speak only for my own bank, sir.

20 COUNCILMAN COHEN: Okay, thank you.

21 MR. CONNOR: Fine, sir.

22 COUNCILMAN COHEN: Thank you, Madam
23 President.

24 MR. CONNOR: Thank you.

25 COUNCIL PRESIDENT VERNA: Are there any

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2 other questions from members of the committee?

3 (No questions.)

4 COUNCIL PRESIDENT VERNA: Thank you.

5 Sir, would you identify yourself for the
6 record and proceed with your testimony.

7 MR. TYLER: Yes. My name is Galon Tyler
8 from Kensington Welfare Rights Union. Good
9 morning -- I mean, good evening -- good afternoon.

10 COUNCIL PRESIDENT VERNA: Whatever
11 (laughing).

12 MR. TYLER: I've been here since 9, but
13 I'm here to speak on behalf of our director, who's
14 in Washington D.C. on some other matters. My name
15 is Galon Tyler and I'd the lead organizer for the
16 Kensington Welfare Rights Union. And or
17 organization works with, like, hundreds of family
18 every day who comes in that needs problems with,
19 like, food, clothing, and housing problems. You
20 know, if you having problems with utilities and
21 other such and -- but we usually be the last stop
22 when they are unable to obtain any other types of
23 services from the City.

24 We mostly work with people around the
25 housing issue here. Right now we have, like,

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2 currently two families that are a victim of --
3 they're fire victims that are currently waiting for
4 some type of transitional housing from the City
5 that we have living in some abandoned housing,
6 waiting for some affordable housing from the City.
7 Also, we have, like, a couple of domestic-violence
8 families that are living in abandoned HUD houses,
9 waiting for some affordable housing from the City.

10 We have, like, a number of other stories
11 that could I talk about all day that are people
12 that are coming into our office that are in
13 desperate need of, like, affordable housing.

14 But my real reason -- what my real fear is
15 that soon, there are going to be, like, new
16 families that are going to be cut off when they
17 reach their five-year time limit with TANF, and
18 this summer, we're assuming that there's going to
19 be tons and tons more people displaced, not being
20 able to afford their housing, and we wonder where
21 in the NTI plan is there a plan for these families
22 that are not going to be able to afford housing.

23 And we know that a great deal of money has
24 been allocated for cleaning up the City of
25 Philadelphia, but what plans has been made for the

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2 soon-to be-crisis?

3 This is why our organization is set up to
4 protect the needs of the Philadelphia working-poor
5 and would like to see a program and development
6 consultant hired by the City Council to regulate
7 the report -- to regularly report to the City
8 Council and to the community on how the NTI program
9 is going so that it's a problem or something that
10 occurs, we can immediately address them and take
11 some type of action.

12 We think this is extremely important since
13 we have seen firsthand how the City has already
14 struggled to relocate families. By implementing
15 this monitoring process, it might save us from a
16 disaster in the years to come.

17 So thank you for allowing me to speak here
18 today, and also, the Kensington Welfare Rights
19 Union is committed to working with the Philadelphia
20 Affordable Housing Coalition to make sure that
21 families making less than 18,000 a year have an
22 opportunity to be able to live in some type of
23 affordable, accessible housing.

24 COUNCIL PRESIDENT VERNA: Thank you very
25 much.

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2 Any questions from members of the
3 committee?

4 (No questions.)

5 COUNCIL PRESIDENT VERNA: Thank you again,
6 sir.

7 (Applause.)

8 COUNCIL PRESIDENT VERNA: Do we have
9 anyone else to testify? Is there anyone else to
10 testify?

11 (No response.)

12 COUNCIL PRESIDENT VERNA: I believe we're
13 waiting for a couple of members to return to the
14 chambers.

15 Councilman Nutter, did you want to be
16 recognized since we don't have any other witnesses?

17 COUNCILMAN NUTTER: Yes, Madam Chair.

18 COUNCIL PRESIDENT VERNA: Do you want to
19 make a statement?

20 COUNCILMAN NUTTER: No, not really. I did
21 have a couple questions. I wasn't in the first
22 round, and I did have a couple questions on two
23 items that were in the bill, and I just wanted to
24 ask the Administration about it.

25 COUNCIL PRESIDENT VERNA: Would the

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2 Administration please come forward.

3 (Miss Wilkerson and Miss Smith
4 return to witness table.)

5 COUNCILMAN NUTTER: Thank you. Good
6 afternoon.

7 On Page 9 of the program framework in the
8 bill -- and I meant to ask this question actually
9 back in December -- there's, I guess, a bullet
10 point or a diamond that talks about repair of
11 streets, driveways, curbs and sidewalks and
12 retaining walls, and provision of utility
13 infrastructure and public facilities.

14 The question was based on many, many
15 conversations we'd over the years; obviously that's
16 something that I'm certainly in support of and
17 looking forward to. My question was, that's the
18 only place either in the program statement, now
19 program framework, or anywhere else that there is
20 any reference to those particular items, and I
21 didn't see it in, I think it's Roman numeral V
22 under "Neighborhood Preservation Activities," which
23 is -- I mean, that sounds like it's kind of a part
24 of it, and so what I didn't understand was just,
25 what was that going to be and how would that work?

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2 MS. WILKERSON: Yeah. I think what we
3 tried to do in structuring the financing is to
4 preserve maximum flexibility so that, you know, as
5 you go into a neighborhood and begin assessing what
6 it is that's critical to stabilizing that
7 neighborhood, we wouldn't find that, you know, that
8 we don't have a strategy, and I think we meant to
9 include that in the framework and in the bond
10 financing structure, so that, you know, in the
11 event that's an activity that is appropriate to
12 undertake, there would be a vehicle for it.

13 I think that the City's ability to do that
14 is going to be extraordinarily constrained. It's
15 not meant to supplant the City's Capital Program
16 and Budget, but I think there are situations where
17 you go into a neighborhood and, you know, it may be
18 that the most appropriate thing to preserve the
19 investment and the stability of a neighborhood is
20 by addressing some of those issues, and that's why
21 it was put there.

22 COUNCILMAN NUTTER: Right. No -- and,
23 again, I'm glad that it was in there; the three of
24 us have had a lot of conversation about that.

25 From a programmatic standpoint, is it

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2 something that would fit under that general
3 category of "Neighborhood Preservation Activities,"
4 Roman numeral V on Page 22?

5 MS. WILKERSON: Yeah. We're convinced
6 that as the ordinance is currently constructed, you
7 know, integrating both the service agreement and
8 the program framework, you know, it will be a
9 activity that is permissible and fundable.

10 COUNCILMAN NUTTER: Okay.

11 MS. SMITH: It would also be a part of the
12 development, you know, where you do land assembly
13 for redevelopment activities so -- from a
14 programmatic standpoint.

15 COUNCILMAN NUTTER: Okay.

16 MS. SMITH: That type of infrastructure
17 development.

18 COUNCILMAN NUTTER: Okay.

19 MS. SMITH: This list was intended to show
20 the examples of types of things you can finance
21 with tax-exempt financing.

22 COUNCILMAN NUTTER: Okay. Is it also
23 possible, though, to use those funds -- I
24 understand the redevelopment concept where you may
25 have full-scale demolition and you're literally

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2 rebuilding a block. Some of our conversations,
3 though, has been more in the realm of pretty much
4 fully stabilized neighborhoods where there is no
5 demolition activity, and this may be the activity.

6 Are you saying even with the constraints,
7 that you would be able to use these funds to do on
8 a block that has full occupancy but is showing that
9 type of distress or wear and tear, that you would
10 be able to use the funds for that as well?

11 MS. WILKERSON: I think that it would be a
12 permitted activity. You know, I think then there's
13 the whole -- you know, I mean, it would be
14 permitted. I think there's, you know, that you can
15 use the whole budget trying to do that kind of
16 activity.

17 COUNCILMAN NUTTER: I understand.

18 MS. WILKERSON: So I think we have to
19 refine it, but it would be a permitted activity,
20 yes.

21 COUNCILMAN NUTTER: Okay. And,
22 Miss Wilkerson, in your initial answer, you did
23 make reference back to -- I think you said,
24 paraphrasing, that you didn't want these plans to
25 supplant or substitute for Capital Budget dollars.

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2 I think you were not here on Wednesday, but I am
3 sure that you got an update --

4 MS. WILKERSON: I caught wind of it

5 COUNCILMAN NUTTER: I'm sorry?

6 MS. WILKERSON: I caught wind of the
7 discussion.

8 COUNCILMAN NUTTER: Yeah. There was a
9 little bit of discussion with the City Planning
10 Commission Director -- I know she has an additional
11 title -- and a person from the Law Department about
12 that particular issue, and I don't know that we've
13 gotten to a complete resolution of that but, I
14 mean, are you -- I don't want to stretch it any
15 further than you're willing to go but, I mean, are
16 you saying that there are these opportunities with
17 capital dollars, or do you not want for the moment
18 want to --

19 MS. WILKERSON: Oh, no. On that issue,
20 I'd have to defer to the City Solicitor. I don't
21 think that was the...

22 COUNCILMAN NUTTER: I mean, I figure with
23 the two lawyers at the table, I might be able to
24 get something by you but --

25 (Laughter.)

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2 MS. WILKERSON: I'll defer to the City
3 Solicitor.

4 COUNCILMAN NUTTER: So while you were
5 fully updated, you wish not to be a part of the
6 discussion, right.

7 MS. WILKERSON: No. We're seeking
8 clarification and guidance from the City Solicitor
9 so that everybody will be on the same page on that
10 issue.

11 COUNCILMAN NUTTER: Okay. A couple of
12 last things.

13 In, again, a slightly less distressed but
14 still neighborhoods that are in need of various
15 activities, what's your best idea at the moment of
16 the blocks that have the one to three vacant, all
17 others occupied, which the unfortunate universe of
18 that is, usually in those neighborhoods, there are
19 virtually no active CDCs because generally, people
20 don't start a CDC to fix two houses on a block.

21 And, again, in a lot of those
22 neighborhoods, you have the storefront property
23 phenomenon; it used to be a cleaners, it used to be
24 a butcher shop, it used to be a store, it's usually
25 got retail on the ground floor -- or formerly had

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2 retail on the ground floor, often with a
3 residential up top. Sometimes that's the only
4 thing that's really a mess, but it's big and it's a
5 big mess.

6 Is anything targeted to deal with those
7 kinds of situations as well as the one to three
8 vacants with no CDCs in sight?

9 MS. WILKERSON: Yes. It would be the
10 encapsulation strategy that would be targeted for
11 that very kind of situation. We have identified
12 the Housing Authority as a development resource for
13 stabilizing properties. We are also working with
14 and trying to identify home-builder/private-
15 developer capacity to help us tackle that issue.

16 I think that one of the good things that
17 has been added to the process is the step that
18 requires the Administration to really sit down and
19 develop plans in reaction to a Councilmember's
20 interest in tackling specific projects like that.
21 And what we've committed is to come up with a
22 strategy and also come up with the development
23 resources so that we will be out there trying to
24 identify the home builder, figure out, you know,
25 can the developer really do it, is there a small

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2 contractor active in that neighborhood that could
3 be enlisted into the initiative.

4 We've got to really cast the net much
5 broader and bring additional development resources
6 to the table, and I think that step in the
7 development process will, you know, in the
8 back-and-forth with City Council will really force
9 us all to, you know, sit down and be much more
10 creative and put real things in place.

11 COUNCILMAN NUTTER: In that same regard,
12 tell me a little bit about -- just a little -- both
13 on the encapsulation side as well as -- and I'm
14 pleased to hear about the -- whether it's the home
15 builder model or some other local neighborhood
16 person that's kind of in the house renovation
17 business or building renovation business.

18 What I've not really been clear on, at
19 least to date, having nothing to do with NTI --
20 we've been doing encapsulation for a couple of
21 years. It was never crystal-clear what actually
22 happened after encapsulation, which is a good thing
23 in and of itself but, I mean, obviously, we do
24 encapsulation, we still don't own the property, and
25 what's the second step of the marketing of that

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2 property? 'cause our goal, naturally, is not just
3 the encapsulation; our real goal is putting a body
4 in that house and having somebody live there.

5 MS. SMITH: Exactly.

6 COUNCILMAN NUTTER: How does that --

7 MS. SMITH: And the framework speaks to
8 that, that we can't just encapsulate for
9 encapsulation's sake, that as part of that and
10 running concurrently with that is the acquisition
11 planning, and we see two types. For example, the
12 properties that the City, on a test basis,
13 encapsulated last year, we shared those addresses
14 with members of the Board of Realtors, who sit on
15 one of our stakeholder groups, because they may be
16 able, you know, within their group, identify
17 Realtors who could track down the owner and get it
18 under agreement of sale and get it into the private
19 market.

20 Worst-case scenario is sometimes there is
21 not a way we can avoid, let's say, a public
22 process, in which case we've also simultaneously --
23 not sequentially, have scheduled or slated those
24 properties for an Act 94 taking, and then once we
25 have control, then we can bundle them, issue an

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2 RFP, using a program like the Home Ownership Rehab
3 Program and say, These properties are available
4 under the HRP Program, we can provided up to
5 \$25,000 in subsidy.

6 With the addition of the bond proceeds, we
7 can expand that. We are talking about -- because
8 we have more flexible income requirements with bond
9 proceeds, the homeowner need not be, you know, just
10 simply meeting the CDBG criteria.

11 And that's some of the work that we're
12 beginning to (indiscernible) out in some terms of
13 the policy and programs with the Redevelopment
14 Authority.

15 COUNCILMAN NUTTER: Okay.

16 MS. SMITH: So that we can be responsive
17 to communities where there isn't a CDC in line.

18 COUNCILMAN NUTTER: I think you touched on
19 this earlier, and I apologize, and I'll take the
20 very shortened response to it.

21 There's been a lot of discussion either
22 State or City or regulatory relief on either, I
23 think, the Act 94 process, possibly even a
24 sheriff's sale, everything in the realm of
25 acquisition disposition. At the moment, without

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2 locking yourselves into anything, if we got all the
3 relief that we wanted in whatever the proposals may
4 be, do you have a sense of how long it would take
5 from identification, taking it in, and getting it
6 out? I mean, do we have a particular goal in mind
7 if we got every relief that we wanted in an ideal
8 system?

9 MS. SMITH: We're starting the
10 benchmarking process. We want to work with what we
11 want as opposed to --

12 COUNCILMAN NUTTER: Right, and then work
13 backward.

14 MR. WETZEL: Right. We have not completed
15 that yet.

16 COUNCILMAN NUTTER: Okay.

17 MR. WETZEL: What we want to do is
18 establish a very specific goal. In six months or
19 nine months -- no more than nine months, we'd like
20 six months -- we want that to be the goal. And
21 what gets us there is the legislative reform, the
22 application of appropriate technology, and
23 that's -- and obviously, the one thing that has
24 slowed it down a lot that no one talks about is a
25 lot of times, when the request is made to acquire

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2 the property, there isn't the cash to proceed with
3 the condemnation. And so you wait for the cash to
4 be made available before you can even proceed with
5 the condemnation.

6 So with the proposed \$50 million for land
7 assembly and relocation in NTI, that money is
8 available for that -- for acquisition purposes so
9 we're not waiting for cash to come on line in the
10 future CDBG year to carry out an acquisition
11 activity.

12 So, Councilman, I think we would get back
13 to you when we establish our benchmark goal, and by
14 establishing those goals, then that forces us to
15 look deep into the system on how to make
16 improvements to it.

17 COUNCILMAN NUTTER: Okay. Lastly, I know
18 there had been a little bit of discussion of this
19 earlier, and I apologize for a bit of a procedural
20 snafu. I did want to ask, though, at least on the
21 record, your perspective on -- this is obviously
22 unique, and the development of these various ideas,
23 I think, deserve recognition.

24 As we go through this process, I think
25 we're anticipating NTI, or its framework or its

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2 activities, to going on for somewhere in the
3 neighborhood of three, five, seven years.

4 (Indiscernible; parties
5 talking over each other.)

6 COUNCILMAN NUTTER: Right. Well, you can
7 stay for a long period of time.

8 MS. WILKERSON: I'm too old.

9 COUNCILMAN NUTTER: I'm just going to move
10 on from there, okay.

11 (Laughter.)

12 COUNCILMAN NUTTER: In that context, in
13 large programs that are multi-year and have various
14 funding resources, in other situations, more
15 grant-funded, foundation-funded kinds of
16 activities, often there is kind of an ongoing or
17 realtime, as well as a longitudinal study is often
18 done. Is that something that the Administration
19 would look upon favorably in terms of not only
20 seeing what's going on and getting in essence a
21 third-party evaluation, but also -- I mean, at some
22 point in time, somebody has to tell the story of
23 NTI and what it's done, the impact that it's had
24 and things that we can learn from.

25 Do you have any reaction to that?

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2 MS. WILKERSON: We are talking about that.

3 I mean, I think it's something we've talked about
4 from the beginning that, you know, we set out goals
5 when we first proposed NTI back in April, you know,
6 we have goals for the different segments of the
7 housing market. You know, we did stretch and have
8 always talked from the beginning about monitoring
9 and assessing how well we did do.

10 And Pat, who has a history of coming out
11 of the foundation world, has begun thinking about
12 possible, you know, sources for funding that kind
13 of assessment of the project, and I think that is
14 fair, and are taking a look at that now.

15 MS. SMITH: And from just very, sort of
16 like preliminary sort of, like, background
17 conversations, when we first launched NTI, there
18 is, I believe, interest in looking at an evaluative
19 component to the initiative that we might be able
20 to get private support for.

21 COUNCILMAN NUTTER: Right, and whether
22 that might be local or even on a national level
23 like Urban Land Institute or an entity like that?

24 MS. WILKERSON: I mean, I think it's
25 important. I think these are -- and I think

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2 that's -- you know, I think that is important. I
3 think that, you know, I think it will help all of
4 us, you know, as in the coming months, we start
5 trying to propose programs and budget and, you
6 know, we wrestle with what it is that gets funded
7 and what doesn't get funded, I think it will be
8 important, you know, to try to stick to the model
9 and not just sprinkle dollars around, but always
10 ask ourselves, you know, what's going to be the
11 impact of this. You know, are we going to really
12 stabilize neighborhoods, is this going to, you
13 know, turn around an area and take something that
14 is now a wasteland and make it, you know, a vibrant
15 and redeveloped area.

16 And I think that by, you know, asking the
17 questions, by having an assessment, you know, a
18 structured assessment done, you know, it's a way of
19 keeping all of our feet to the fire.

20 COUNCILMAN NUTTER: Okay. Last question.

21 On Page 6 of the --

22 MS. WILKERSON: I thought that was the
23 last question.

24 COUNCILMAN NUTTER: Did I say that? I'm
25 sorry.

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2 (Laughter.)

3 COUNCILMAN NUTTER: On Page 6 of the bill,
4 it talks about working with the Councilperson in
5 the district about bid packages related to
6 demolition and encapsulation. Obviously, there are
7 other programmatic activities, preservation
8 activities and the like. Will that same protocol,
9 I guess, if you will, or process and procedure
10 extend to the other components of NTI, I guess, at
11 least with regard to bond funds?

12 MS. SMITH: Yes, it does. And we outline
13 that role and how that plays out under the -- for
14 all activities: Blight elimination, land assembly,
15 housing investment, and neighborhood preservation
16 in the framework.

17 COUNCILMAN NUTTER: Okay.

18 MS. SMITH: As we've said, I think one of
19 -- as Joyce talked about in her open testimony, the
20 conversations that we've had over the last months,
21 I mean, one of things that really became clear to
22 the Administration is putting in place the
23 appropriate process.

24 Sometimes we make assumptions that project
25 advance when they really don't advance, and

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2 sometimes it really is sitting up front and talking
3 through what is that's needed to advance this; or
4 if you run into a difficulty, why is that the case,
5 how do you resolve that.

6 Some things are totally unforeseen, you
7 know. If a funding commitment from the
8 housing-finance agency falls through.

9 And so I believe that the process we
10 outline in that conversation and in that dialogue
11 is critical to the success.

12 COUNCILMAN NUTTER: Okay, good. Thank
13 you.

14 Thank you, Madam Chair.

15 COUNCIL PRESIDENT VERNA: Finished?

16 Okay, are there any other questions or
17 comments by members of the committee?

18 (No further questions.)

19 COUNCIL PRESIDENT VERNA: Thank you very
20 much.

21 MS. WILKERSON: Thank you.

22 COUNCIL PRESIDENT VERNA: This will
23 conclude our public hearing.

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2 COUNCIL PRESIDENT VERNA: We will now go
3 into our public meeting, and the Chair recognizes
4 Councilwoman Blackwell.

5 COUNCILWOMAN BLACKWELL: Thank you, Madam
6 President.

7 A technical amendment is being submitted,
8 and it has already been circulated, with regard to
9 the Economic Opportunity Plan, so we submit that.

10 Madam President, I move for the adoption
11 of the amendment.

12 (Duly seconded.)

13 COUNCIL PRESIDENT VERNA: It has been
14 moved and seconded that the amendment be approved.

15 All in favor will signify by saying aye.

16 Those opposed?

17 The ayes have it.

18 And the Chair recognizes Councilwoman
19 Blackwell.

20 COUNCILWOMAN BLACKWELL: Thank you, Madam
21 President.

22 I move that Bill No. 020036, as amended,
23 be reported out of committee with a favorable
24 recommendation and a recommendation for a
25 suspension of the rules so as to be considered at

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2 our next session of Council.

3 (Duly seconded.)

4 COUNCIL PRESIDENT VERNA: It has been
5 moved and seconded that Bill No. 020036 be reported
6 out of committee with a favorable recommendation,
7 as amended, and also a recommendation that the
8 rules of Council be suspended so as to permit
9 consideration at our next Council meeting.

10 All in favor will signify by saying aye.

11 Those opposed, nay?

12 The ayes have it.

13 I thank you all very much for your
14 patience. Have a good weekend.

15 (Proceedings end at 2:53 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia's meeting of the Committee of the
Whole of Friday, February 15, 2002, are contained
fully and accurately in the stenographic notes
taken by me and that this is a true and correct
transcript of same.

RE: Bill No. 020036

_____,
Josephine Cardillo
Registered Professional Reporter
and Notary Public

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