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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING
COMMITTEE ON FINANCE

- - -

Room 401, City Hall
Philadelphia, Pennsylvania
June 4, 2001
10:00 a.m.

- - -

BILL NO. 010373 - An ordinance authorizing the
Mayor, on behalf of the City, to file an application
for a Community Development Block Grant...

- - -

PRESENT:

COUNCILWOMAN JANNIE BLACKWELL, Chair
COUNCILMAN DARRELL CLARKE
COUNCILMAN JAMES KENNEY
COUNCILMAN MICHAEL NUTTER

- - -

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2 COUNCILWOMAN BLACKWELL: Good morning.

3 Thank you, everyone, for your patience. We thank
4 all of you for coming. We're very happy to make
5 any detailed testimony part of the record. However,
6 we would like to request, if possible, that you try
7 to limit your remarks to three minutes so we don't
8 hold everyone up and everybody gets a timely chance,
9 certainly, to testify this morning.

10 Having said that, we will now begin our
11 testimony. Rick Sauer, Philadelphia Association of
12 CDCs; JoAnne Jackson, Executive Director Advocate
13 CDC; and Staci Moore, Women's Revitalization Center
14 of Philadelphia, will you come forward? And then
15 after that, we will call more representatives from
16 CDCs.

17 (Witnesses come forward.)

18 COUNCILWOMAN BLACKWELL: Thank you.

19 Please identify yourself for the record and begin
20 your testimony, and welcome.

21 To my right is Councilman Kenney. Many
22 Councilmembers have their boxes on in their offices,
23 but they are part of this Committee which was
24 formally convened on Friday. Thank you. Good
25 morning.

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2 MR. SAUER: Good morning, Councilwoman
3 Blackwell and Councilman Kenney. I want to thank
4 you for the opportunity to testify on the City's
5 proposed Consolidated Plan for Year 27. My name is
6 Rick Sauer and I'm the Executive Director of the
7 Philadelphia Association of Community Development
8 Corporations, which is the City-wide association of
9 over 70 CDCs and other organization that are working
10 to rebuild communities and revitalize their
11 neighborhoods.

12 PACDC strongly supports several aspects
13 of the latest version of the City's consolidated
14 plan, such as increased funding for the Naval CDCs
15 to advance neighborhood revitalization activities,
16 in particularly, commercial corridor revitalization
17 through programs that the Commerce Department
18 operates such as the Neighborhood Development Grant
19 Program, the Neighborhood Support Services, planning
20 marketing grants and pre-development funding.

21 Unfortunately, several additional keys
22 on the allocations supported by PACDC and our
23 members that were in the preliminary version of the
24 plan were dropped due to the decision to take out
25 the \$35 million in private activity bonds since the

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2 NTI initiative has not been addressed by City
3 Council yet. In particular, this includes
4 significant funding for property acquisition,
5 housing production through the City's Homeownership
6 Rehabilitation Program and initiatives to combat
7 predatory lending activities in our neighborhoods.

8 Given that City Council will not be
9 acting on NCI until the fall, we believe it's
10 critical that the City utilize available resources
11 such as CDBG to ensure continued advancement of an
12 effective neighborhood revitalization strategy until
13 additional resources are available. And while City
14 Council is acting to allocate additional resources
15 to support demolition activities, we believe there's
16 two additional key areas that need to be addressed.
17 One is the lack of funding to support property
18 acquisition for real estate development projects.
19 And secondly, there's insufficient resources to on
20 support real estate development projects currently
21 in the pipeline as well as additional proposed
22 projects. If these issues are not addressed, we
23 believe there's going to be a significant delay in
24 advancing needed projects, if not a stoppage overall
25 in the real state development process here in the

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2 City.

3 The most pressing need for resources is
4 for funding to support affordable housing
5 development PACDC recently did a survey of our
6 members back in January and found out that the gap
7 for the projects they currently have in the pipeline
8 is \$68. And while they can obtain some of the
9 funding for many of these projects from other
10 sources, such as from the State or directly from the
11 federal government, the City does control the
12 largest allocation of funds such as CDBG. In the
13 past, a significant amount of those funds has been
14 used to support affordable housing development.

15 Thus, we're very disappointed to see that
16 the overall funding for housing production in the
17 plan has been cut by nearly 10 percent over the
18 current year. When you take into account the
19 transfer of the homeless and special needs funds
20 into the production area. There's a tremendous need
21 for quality affordable housing in Philadelphia, as I
22 think we know. Yet programs such as the
23 neighborhood-based homeownership production program
24 is cut by 28 percent. Neighborhood-based rental
25 production is cut by 17 percent, and funding

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2 homeless and special needs development financing is
3 cut by 33 percent.

4 Thus, although we're looking at overall
5 \$14 million increase in the total amount of
6 resources in the consolidated plan, the total number
7 of low or moderate income households that are going
8 to benefit from new housing is likely going to
9 decrease. Clearly, there's a mismatch between
10 housing need and the stated goals of the higher
11 level of production over the next few years and the
12 allocation of resources in the plan.

13 We recognize that existing resources are
14 insufficient to address the magnitude and diversity
15 of housing community development needs in our
16 neighborhoods, and certainly support efforts to
17 obtain additional resources here in the City.

18 I think in John Kromer's testimony this
19 past Thursday he submitted a list of nine ways to
20 create more resources for neighborhood
21 revitalization. To that list, we'd like to add a
22 few additional suggestions that we think would
23 really bring more resources to the table. One of
24 them is to move up the CDBG program year for next
25 year to January 1st. It would provide about \$40

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2 million in addition resources for next fiscal year
3 for the City. Secondly, for the City to allocate
4 additional economic stimulus funds to supporting
5 neighborhood economic development housing projects.
6 And thirdly, to use City operating budget dollars to
7 cover a portion of the \$34 million in annual
8 operating expenses that are currently funded through
9 CDBG.

10 Just to wrap up, there's four quick
11 areas I want to summarize that we think need to be
12 acted on in this plan. Property acquisition is the
13 first. The City currently has no funds to acquire
14 properties for new real estate development projects.
15 And while the City is working on streamlining the
16 current acquisition disposition process which we
17 strongly support and is definitely needed, we need
18 more funds to acquire properties immediately and we
19 need the City to resume its acquisition authority
20 and use that power to acquire more properties so
21 projects can start moving through the process
22 because it will take a few years to get to the point
23 where they can be completed.

24 Housing production, Mr. Kromer submitted
25 a list, I think, of \$44 million in projects that the

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2 City already has commitments to but needs funds for
3 still. So the money in the current housing
4 production budget doesn't even address that need
5 much less the additional projects that City
6 Councilmembers or other folks have to propose, so we
7 need more resources allocated to housing production.

8 With economic development, we strongly
9 support preserving the increased funding levels that
10 are allocated in the plan for commercial corridor
11 revitalization and encourage the City to use
12 economic stimulus funds that provide more
13 flexibility to also supplement those programs.

14 And finally, with allocation of funds,
15 there are two issues. One, we strongly believe that
16 the City should issue requests for proposals to
17 ensure that there's a more open and competitive
18 allocation process for funds, for acquisition,
19 housing production, economic development. And
20 secondly, funds should be allocated in a manner that
21 are consistent with strategic neighborhood plans.

22 The City Council and various city
23 agencies have been very supportive of CDC efforts to
24 revitalize our neighborhoods over the last decade,
25 and we look to continuing our partnership with the

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2 City to accomplish this goal. We hope that you
3 allocate resources in the manner that makes this
4 partnership as effective as possible. Thank you.

5 COUNCILWOMAN BLACKWELL: Thank you very
6 much.

7 Are there any questions for Mr. Sauer?
8 Thank you.

9 Obviously, you're not JoAnne Jackson, so
10 we will ask you to identify yourself.

11 MS. MOORE: Staci Moore.

12 COUNCILWOMAN BLACKWELL: You're Staci
13 Moore. Thank you. I assume that JoAnne Jackson is
14 not here. Please begin your testimony.

15 MS. MOORE: Thank you. Good morning.
16 Good morning, my name is Staci Moore and I've come
17 here today to testify for much needed funding for
18 housing. As co-chair of the board of directors at
19 Women's Community Revitalization Project, I am here
20 to represent WCRP. I'm also here to represent the
21 need for more adequate housing as a single parent
22 and low-income working woman.

23 In 1992, I become one among
24 Philadelphia's homeless. In shock, I felt that I
25 had nothing to deserve this devastating blow. I

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2 needed to concentrate on finding shelter for me and
3 my son who, as luck would have it, was visiting his
4 grandmother in Florida and would not have to go
5 through seeing his mom in despair.

6 I was one of the lucky ones. I was
7 accepted into the Salvation Army Red Shield on Broad
8 Fairmount where families have room to themselves and
9 a key to lock your belongings and have a sense of
10 privacy. I and my son who came later had to spend a
11 year at the Salvation Army before being awarded a
12 Section 8 voucher. Once again, I realize how
13 extremely blessed I am. I've met dozens of women
14 who explain to me how they applied for Section 8 and
15 were on the waiting or how they couldn't get a foot
16 in the door on the voucher program because there was
17 a freeze on the program.

18 I think it's a shame that a low-income
19 mother of, say, four normally pays most of her
20 earnings toward rent when she must also pay for
21 heat, water, food, clothing, sometimes very
22 expensive day care and transportation. I think it
23 is a shame that in this day and age a great
24 metropolitan City such as Philadelphia this year
25 only plans to contribute 2 million from its General

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2 Fund toward housing, while a City such as LA
3 contributes 30 million and New York contributes \$269
4 million. Housing should be affordable to everyone.

5 That is my personal story, but as I
6 said, I'm also here to represent WCRP. I joined
7 WCRP because affordable housing for all is an issue
8 close to my heart. Having said that, on behalf of
9 WCRP, I want to make the following points:

10 WCRP is glad to see that the
11 consolidated plan calls for an increase over last
12 year in a number of extremely low-income households
13 that will be assisted with rental housing and
14 homeownership units. But WCRP still argues that
15 this a fraction of what is needed to address the
16 housing needs of the City's poorest families.
17 According to the most recent consolidated plan needs
18 assessment over 100,000 extremely low-income
19 households cannot afford their rent or mortgages,
20 not to mention having other types of housing
21 problems. Therefore, even with an increase, it is
22 distressing to see that only 722 households in this
23 income group will be assisted with rental housing
24 and about 6,000 households will be assisted with
25 homeownership needs, addressing about 7 percent of

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2 the households who need affordable housing. In
3 addition, since there are more renters than
4 homeowners in this income group, WCRP urges the City
5 to increase the number of renters it plans to
6 assist.

7 WCRP also believes that the City should
8 increase the number of new construction rental
9 units. Many renters currently live in terrible
10 conditions and they need decent housing. In some
11 cases, this need can only be met through
12 construction of new units.

13 In the preliminary consolidated plan, 7
14 million was allocated for acquisition. This money
15 is no longer part of the proposed plan. WCRP urges
16 the City to reinstate these dollars. Without money
17 for acquisition, community development groups cannot
18 move forward to meet the housing needs of
19 Philadelphians.

20 WCRP also urges City Council to create a
21 fair process for groups to get access to City
22 development dollars by instituting a process that
23 includes published requests for proposals with
24 established review criteria based on the proposal's
25 focus on meeting vital needs and the organization's

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2 capacity to carry out their plan.

3 WCRP doesn't normally advocate at these
4 hearings for the specific sites and projects that we
5 do. We normally testify for our constituents and
6 the need for housing. However, we would like to
7 make an exception today. WCRP has been trying to
8 get money to build housing at Third and Diamond for
9 the past two years. We would like to thank
10 Councilman Mariano at this time for his support of
11 this project and urge Council to include this
12 project in the consolidated plan for the year 27.
13 Thank you.

14 COUNCILWOMAN BLACKWELL: Thank you very
15 much.

16 Any questions?

17 We certainly agree and Councilman
18 Mariano has been very vociferous in his support for
19 this project. And obviously, we commend you for
20 your statement and you're part of a great
21 organization.

22 And thank you, Mr. Sauer, as well.

23 Are there any questions?

24 Thank you very much.

25 Joe Wingert, Mr. Charles Wingfield.

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2 Mill Creek CDC, Joe Wingert, Director of Housing
3 Partnership CDC; and Steven Kazanjian, Greater
4 Germantown Housing Development Corporation. If he
5 is not here, John Ungar, Ogontz Avenue
6 Revitalization.

7 (Witnesses come forward.)

8 COUNCILWOMAN BLACKWELL: Thank you very
9 much. Good morning. Welcome. It's a pleasure to
10 see all of you, especially, certainly, Blane
11 Stoddart who is leader in my area, Partnership CDC
12 from West Philadelphia. Thank you all.

13 MR. STODDART: Thanks for having us this
14 morning.

15 COUNCILWOMAN BLACKWELL: Identify
16 yourself and begin your testimony.

17 MR. WINGERT: Good morning, Councilwoman
18 Blackwell. My name is Joe Wingert. I am the
19 Director of Housing for the Partnership CDC in West
20 Philadelphia and you've already Blane who is sitting
21 beside me.

22 I'd first like to review what the
23 Partnership CDC does. We are dedicated to address
24 affordable housing, vacancy, blight, economic
25 development in West and Southwest Philadelphia. We

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2 accomplish our goals through coordination with
3 community groups, other CDCs, churches, government
4 agencies, public and private funding sources,
5 contractors, professionals, and concerned citizens
6 in the West Philadelphia community. Our service
7 area is located from 40th to 63rd Street between
8 Market Street and Baltimore Avenue.

9 Housing rehabilitation is a prime
10 concern for the Partnership CDC, for both rental and
11 the sale of low and moderate income housing to
12 residents in West Philadelphia and who want to
13 settle in that area. We also, as a certified
14 mortgage counseling agency, provide mortgage
15 counseling services to any resident in the City who
16 needs assistance and information in the home-buying
17 process. Our Home Buyers Club takes the home-buying
18 process a step further through a seven-week seminar
19 where prospective home buyers learn about savings
20 and credit mortgage programs, home inspections and
21 the home purchase agreement.

22 Partnership CDC also serves as a
23 catalyst for business and job creation in
24 collaboration with business groups, government
25 institutional partnerships. The Mercy Hospital

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2 District and the 52nd Street area tree plantings and
3 the sidewalk replacement project of 40th Street and
4 plans to redevelopment the 60th Street corridor are
5 successful examples of these types of collaboration.

6 The partnership CDC has had considerable
7 success over the last several years with the help
8 and continued support of Councilwoman Blackwell in
9 the development and implementation of projects such
10 as the Mercy Special Services District, the Mercy
11 Hospital Homeownership Initiative, and the Year 25
12 home-funded project which will start this summer and
13 will be completed during the Year 27. Councilwoman
14 Blackwell has also supported collaborative efforts
15 with private developers in housing, particularly in
16 the Mercy Hospital area and the award-winning Chadam
17 Court Apartments where 44 affordable apartment units
18 were developed last year. Also, the home school
19 where 40 apartments are currently being developed
20 for retired in West Philadelphia.

21 Partnership CDC supports many of the
22 proposals in both the Year 27 Consolidated Plan and
23 the Mayor's Neighborhood Transformation Initiative.
24 However, specific areas of concern require attention
25 by both this committee and the City Council as a

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2 whole. The Partnership CDC will support stronger
3 participation by community development corporations
4 in the Mayor's Neighborhood Transformation
5 Initiative. We believe CDCs will be vital to the
6 transformation of Philadelphia's neighborhoods and
7 the elimination of blight and the overall goal of
8 blight prevention. We also support increased
9 funding for the homeownership rehabilitation
10 program.

11 Partnership CDC anticipates increased
12 activity over the next several years of up to 30
13 units of single family homes. Increased funding
14 will be crucial to the success of the overall
15 program. We also support an increase in the per
16 unit subsidy to \$40,000 per unit for the
17 homeownership rehabilitation program. Undue
18 pressure is building on the current \$25,000 subsidy
19 with increased marketing cost, increased
20 architectural fees, and increased construction
21 specifications which result in increased cost. We
22 support additional funding for aggressive
23 acquisition of vacant housing stock, but the City
24 must first streamline the process bu consolidate
25 overlapping activities from several agencies to one.

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2 And the City must also implement and enforce the
3 police powers it is entitled to remove blighted
4 properties.

5 Finally, we support funding for special
6 projects such as in University City collaborative
7 efforts between CDCs institutions and neighborhood
8 groups combined to revitalize the community.
9 Demolition of the 4600 block of Sansom Street for
10 redevelopment where the Mill Creek is undermining
11 the majority of structures in that area is one such
12 example of this kind of collaboration.

13 I want to thank the committee for
14 hearing our concerns. And we're open to questions.

15 COUNCILWOMAN BLACKWELL: Thank you very
16 much. And certainly, thank you for your statements
17 about West Philadelphia. And as you know, we've
18 been really working very, very hard to improve
19 economic development and increase housing production
20 and rehab in this area, and we thank the partnership
21 for the role that they have played in all of this.

22 MR. STODDART: Madam Chair, I'd be
23 remise if I didn't add to Joe's statements with
24 regards to the neighborhood transformation
25 initiatives. I really think that City Council is

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2 onto something in terms of inviting neighborhood
3 groups and CDCs to the table to discuss the
4 initiative. I think CDCs have invested hundreds of
5 millions of dollars in the community and should be a
6 part of the planning process as we move forward with
7 the neighborhood transformation initiative.

8 COUNCILWOMAN BLACKWELL: Thank you very
9 much.

10 MR. UNGER: Good morning. My name is
11 John Ungar. I'm the Director of Housing and
12 Economic Development for the Ogontz Avenue
13 Revitalization Corporation, also known as OARC.
14 Thank you for giving me the opportunity to testify
15 this morning.

16 OARC is a non-profit community
17 development corporation founded in 1983 to achieve
18 the economic revitalization of the West Oak Lane
19 community. Beginning with the development of the
20 Ogontz Plaza Shopping Center back in 1987, we
21 focussed on reclaiming and reconstituting the
22 community's commercial assets. Our various projects
23 have attacked blight and vacant commercial
24 properties, turned them into community assets that
25 provide business, retail, and human services.

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2 While we continue to maintain some
3 commercial and economic development activities,
4 we're now turning our attention to a comprehensive
5 five-year community rebuilding initiative called
6 Welcome to West Oak Lane. Through this initiative,
7 we'll attract new residents to the community and
8 encourage current residents to remain. We'll
9 address the many components necessary for a thriving
10 community which include buying and fixing up vacant
11 properties, facilitating the transfer of properties
12 to reduce vacancies, providing support to residents
13 to make repairs to their homes and energy
14 efficiency, attracting business that meet the needs
15 of the residents, and improving the quality of life
16 through improved public safety, public services and
17 community recreation activities.

18 To eliminate blight, OARC with the
19 support of the Presbyterian Foundation for
20 Philadelphia is managing a market-driven vacancy
21 reduction program that will acquire, rehabilitate,
22 and sell 175 vacant houses over the next five years.
23 Successful completion of this project will improve
24 the safety and quality of life of the community,
25 help attract new families to the community, and

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2 reduce population loss.

3 To prevent future housing vacancy and
4 improve the housing stock in the neighborhood, we're
5 also focussing on housing preservation. In
6 partnership with LISC, we recently completed a
7 senior home repair program that provided basic
8 systems repairs to 26 senior citizens in the
9 community. Building upon the success of that
10 program, we're about to begin a large-scale home
11 improvement program combining a home repair loan
12 with grant. This provides assistance to homeowners
13 who don't qualify for City programs but can't afford
14 to pay for repairs that will maintain their homes.
15 In addition to this program, we'll link homeowners
16 to a variety of support resources, will help them
17 stay in their homes, preserve their homes and avoid
18 excessive debt. Successful completion of this
19 project will enhance the quality of the community's
20 housing stock and reduce housing vacancy and
21 abandonment.

22 On the economic development front to
23 attract new businesses to serve the community's
24 needs, we're going to focus on the two major
25 commercial corridors. We'll upgrade the shopping

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2 center facade, upgrade the tenant mix and develop
3 and improve streetscape plan for Ogontz Avenue. We
4 will also complete the gate way project at Stenton
5 and Haines that will clean up an abandoned gas
6 station, build new stores, add quality day care and
7 community technology center.

8 West Oak Lane is working and middle
9 income boarder community adjacent Montgomery County.
10 It has always been and should continue to be a
11 community of choice. We directly compete with the
12 neighboring suburbs to attract new families to the
13 City, retain current residents, place them in
14 employment, and spending their income in the City.

15 To stop the loss of City residents and
16 their dollars, OHCD in partnership with community
17 development corporations and other City agencies
18 must invest in strategies that address the needs of
19 all types of neighborhoods.

20 Funds must not only be devoted towards
21 low-income neighborhoods requiring revitalization,
22 but also communities such as West Oak Lane requiring
23 stabilization.

24 While we've been very fortunate to find
25 many private partners who have joined with us in our

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2 strategy to address the community revitalization, we
3 also need resources from the City. On that end, we
4 support the increased funding for economic
5 development initiatives in the consolidated plan.
6 These projects are crucial to the physical
7 improvement and stabilization of communities such as
8 ours. However, with regard to housing preservation
9 and homeownership, we have some concerns about the
10 recent changes made to the plan as a result of the
11 elimination of the private activity bond.

12 The original plan allocated additional
13 resources to help preserve working and middle income
14 communities. Now, no funding is available for
15 settlement grants, housing counseling and housing
16 inspection. First-time home buyers in all
17 neighborhoods across the City need these resources
18 to help them become homeowners. Furthermore, middle
19 income families would have greatly benefited from
20 the access to reduced-interest home improvement
21 loans that now are not included in the plan.

22 Through our own recent experience, we've
23 learned there are very few repair programs in the
24 City and almost none available to middle income
25 families. Without financial help, these homeowners

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2 will not be able to care for their homes.

3 Finally, we're concerned about the
4 elimination of the funding for new initiatives to
5 combat predatory lending. This is a serious problem
6 in our community and we need the resources to both
7 prevent future fraud and help those that have
8 already been victimized. Thank you for hearing our
9 concerns this morning.

10 COUNCILWOMAN BLACKWELL: Thank you very
11 much.

12 Are there any questions?

13 We thank you for your testimony.

14 Priscilla Woods, LaVern Jones, John
15 MacDonald, Pat Evans, Stephan Kazanjian, Greater
16 Germantown CDC.

17 MR. WINGFIELD: Good morning.

18 COUNCILWOMAN BLACKWELL: Hi, Mr.
19 Wingfield.

20 MR. WINGFIELD: I'm CEO and President of
21 Mill Creek Neighborhood Advisory Committee
22 Independent. I'm also CEO of Mill Creek Council,
23 Incorporated, Self-help Center. I'm also the CEO of
24 Mill Creek Development Corporation in West
25 Philadelphia.

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2 I'm very sorry that I didn't come
3 prepared this morning, but I did bring one of our
4 project books to leave with you. All I can say is
5 that if all the agencies that I have been dealing
6 with since 1984 would just go in their files and
7 pull out everything on Mill Creek, I won't need to
8 put this in again. I've been testifying since CD
9 Year 3 and up until now CD Year 27. I've tried to
10 put our projects together, and just the other day I,
11 received a letter from the Water Works telling me
12 that the piece of property 748 North 48th Street or
13 47th Street is going to be taken to do a project
14 with Philadelphia Water Works. That project there
15 was supposed to be under Freeman Hankins Recreation
16 Center which we need in West Philadelphia very bad.
17 But I'm happy to see Hope 6 is coming in. Maybe
18 we'll be able to get some work done.

19 I'm not going spend all this time trying
20 to tell you what projects I have. You can just look
21 in this book and you can see every project we have
22 put together since 1984. I thank you for the time
23 to speak to you about my projects.

24 COUNCILWOMAN BLACKWELL: Thank you, Mr.
25 Wingfield. And we know you are always prepared

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2 because of a plan for every inch of Mill Creek,
3 professionally done. You fought for it as long as I
4 can remember and certainly long before I was here.
5 We thank you for your life-long commitment to the
6 area. Thank you, Mr. Wingfield.

7 Stephen Kazanjian. Did I say it
8 correctly?

9 MR. KAZANJIAN: Close enough. Thank
10 you, Madam Chair. My name is Stephen Kazanjian.
11 I'm a resident of the City Philadelphia as well as
12 the Executive Director and Chief Executive Officer
13 of Greater Germantown Housing Development
14 Corporation.

15 I have reviewed the Office of Housing's
16 preliminary Year 27 Consolidated Plan for spending
17 the City of Philadelphia's Community Development
18 Block Grant, HOMES, and other funding during Fiscal
19 Year 2002, and I'd like to offer following comments.

20 First, I would like to thank the Office
21 of Housing and Community Development, the
22 Redevelopment Authority and Commerce Department for
23 their continued support of GGHDC's in Germantown
24 over the years. With funding from OHCD, we've
25 completed 34 units of housing under the

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2 Redevelopment Authority's Housing Rehabilitation
3 Program and we have another 6 units in various
4 stages of development. The Office of Housing
5 provided us with \$650,000 during Year 21, which we
6 developed 19 units of affordable rental housing. In
7 Year 22, OHCD provided GGHDC with \$855,000 in
8 funding to develop 13 units of homeownership housing
9 which are construction right now as we speak.
10 Attached to this testimony are pictures of GGHDC's
11 LINK Phase I development which we are currently
12 developing with that \$855,000.

13 GGHDC received Year 24 and Year 25
14 development funding to create 8 units of housing in
15 partnership with YouthBuild Philadelphia Partnership
16 for Change. The Office of Housing last year
17 committed \$600,000 GGHDC and we're about ready to
18 start construction on our Elders II project which
19 will provide 40 units of affordable rental housing
20 for senior citizens.

21 In addition, with support from the
22 Redevelopment Authority GGHDC was able to
23 successfully complete a 228-unit garden style
24 apartment complex known Cricket Court Commons. This
25 project was completed without any City of

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2 Philadelphia funding in place. The development
3 consists of now 143 units of affordable rental
4 housing utilizing the low-income housing tax credits
5 and 85 market rate housing. GGHDC has been able to
6 provide these market rate units at rental rates
7 between \$675 a month and \$800 a month, attracting
8 residents to the City of Philadelphia with various
9 diversified incomes.

10 Through the City's housing improvement
11 program, GGHDC has completed Cricket Court
12 Townhouses Phases I and II which consists of 28
13 units of both affordable and market rate
14 homeownership housing. Attached again to this
15 testimony are pictures of the Cricket Court
16 development that GGHDC has now completing.

17 With support from the Office of Housing
18 through the Commerce Department, GGHDC was able to
19 create a Main Street initiative along Germantown
20 avenue as well as complete the acquisition and
21 redevelopment of 125 thousand square foot in office
22 retail complex, which now houses or corporate
23 offices.

24 Funding through the Commerce Department
25 has also enabled GGHDC to acquire and redevelop

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2 three mixed-use buildings on Germantown Avenue which
3 when completed will create three new store fronts
4 and eight apartments.

5 By renovating vacant unsightly housing
6 in the community and demolishing selected
7 deteriorated housing units and abandoned factories,
8 GGHDC's development efforts have begun to effectuate
9 real positive change in parts of Germantown. For
10 the first time, GGHDC has developed and successful
11 leased market rate rental housing.

12 GGHDC has also been selling housing in
13 our market rate Cricket Court Townhouse development
14 for prices of between \$108,000 and \$113,000, a price
15 point that was unheard of in Germantown before GGHDC
16 started out development efforts. As a result of our
17 development, moderate and middle income home buyers
18 are moving to the community to assist us in
19 preserving the diversified economic base of the
20 neighborhood. Private developers have begun to
21 acquire to acquire vacant housing units in the
22 community and renovate structures for sale at a
23 profit. This has long been a goal of GGHC in our
24 efforts to improve the community, but we still have
25 a long way to go before we restore the collapsed

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2 real estate market in all of Germantown.

3 With regard to the Year 27 plan, GGHDC
4 is in favor of OHC's proposal to continue funding
5 the ongoing housing rehabilitation program of the
6 redevelopment authority. We would like the Office
7 of Housing to consider identifying additional funds
8 for the City's Housing Investment Program which
9 enable developers to see completed houses to
10 residents whose incomes are up to 120 percent of
11 median income. GGHDC would also like the Office of
12 Housing to consider increasing the \$25,000 on the
13 program which would enable CDC to redevelop larger
14 house and those that require more than moderate
15 rehabilitation.

16 GGHDC is also looking to the Office
17 Housing to support our development of LINK Phase II
18 which will include 20 units of homeownership
19 housing. We have been working with the Redevelop
20 Authority for over three years to acquire sites for
21 this project and the funding is now attached to Year
22 27 Consolidated Plan. GGHDC has used our LINK
23 Phase I housing development to create a prototype
24 housing product. These houses have been developed
25 using modular construction that have resulted in

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2 some of the most attractive new housing units
3 developed in the City. Our plan is to use this
4 cost-effective construction for LINK Phase II,
5 however, we will need funding from the City to
6 subsidize the units.

7 GGHDC is also planning the development
8 of our next homeownership project, Wister Manor,
9 which will create 60 units of new and renovated
10 housing centered around the Wister Station stop of
11 SEPTA's Chestnut Hill regional rail line. Although
12 we are confident that this transit-oriented
13 development will command sales prices of close to
14 \$80,000, we will still need city subsidy to develop
15 the units.

16 GGHDC also supports OHCD's funding of
17 Neighborhood Based Rental Housing Production. We
18 are excited that our Elders Place II development
19 will be under construction this summer, as this will
20 remove a former vacant factory building and renovate
21 it into 40 units of housing for senior citizens. We
22 are in the planning stages for our LINK Phase III
23 development and will be approaching the City this
24 year about funding for 40 units of rental housing
25 using the Low Income Tax Credit Program. GGHDC is

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2 also working with the residents of the Queen Lane
3 Public High Rise to create a redevelopment strategy
4 for the high rise and the area surrounding it. This
5 section of Germantown has long been plagued with
6 abandonment, crime and blight. Our plan will
7 include the redevelopment of this area with a mix of
8 new and renovated houses. And for those of you who
9 are familiar with Germantown, you'll know that this
10 section of the city of Germantown centers right next
11 to our Cricket Court area, which is where we're
12 realizing a lot of our success with our market rate
13 development. We're confident that if we could clean
14 up the area around Queen Lane, we could really
15 stabilize an entire section of Germantown.

16 GGHDC also supports OHCD's funding of
17 housing counseling services and is pleased that the
18 Office of Housing is increasing funding for this
19 activity. These services ensure that first-time
20 home buyers have access to mortgage, financing and
21 develop the wherewithal to sustain the pressures of
22 homeownership.

23 We would like to see more funding
24 utilized for initiatives that improve the housing
25 stock, curb appeal and quality of life for existing

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2 Germantown residents such as the Model Blocks
3 program, the Phil Loan program, Basic Systems Repair
4 and funding for Philadelphia Green. We have used
5 these programs to assist existing residents,
6 stabilize their houses, landscape their yards, plant
7 street trees and improve the curb appeal of their
8 blocks. Programs like this make neighborhoods more
9 attractive which will assist us in our efforts to
10 entice new residents to move to the City.

11 GGHDC is pleased that the Office of
12 Housing is funding community economic development
13 activities. We have used City's funding in the past
14 to assist our revitalization efforts along the
15 commercial corridors of Germantown Avenue. Vacant
16 store fronts are being filled with businesses that
17 have graduated from GGHDC's Entrepreneurial Training
18 Program, also funded by the Office of Housing.
19 GGHDC is looking to acquire additional vacant
20 structures along Germantown Avenue and renovate the
21 buildings with a mixed use of rental on the first
22 floor and rental apartments on the upper floors. We
23 have two such properties under agreement of sale and
24 we are negotiating to acquire four more. Due to the
25 severe deteriorated condition of these structures,

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2 however, they will require significant subsidy
3 funding to renovate.

4 I would, again, like to thank the Office
5 of Housing, the Redevelopment Authority, the
6 Commerce Department and the City of Philadelphia as
7 well as members of City Council who have assisted us
8 over the years in our work to revitalize the
9 Germantown community. Together we are starting to
10 make a difference in this community and the lives of
11 the people reside there. With the plan that has
12 been created by the Office of Housing, I know
13 together we can do more, and I am hopeful that City
14 Council will support the Office of Housing plans and
15 look for to a productive Year 27. Thank you.

16 COUNCILWOMAN BLACKWELL: Thank you very
17 much. We have a question for you from Councilman
18 Kenney.

19 COUNCILMAN KENNEY: Thank you, Madam
20 Chair. On the Cricket Court Townhouse and on LINK
21 phase I, these were not subsidized by OHCD or they
22 were? Because it says City subsidy \$60,000. I
23 thought on the LINK Phase I, part of your testimony
24 was these projects weren't done without City
25 dollars.

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2 MR. KAZANJIAN: Actually, the Cricket
3 Court development, some of the units there were done
4 without City subsidy. However, LINK Phase I, we
5 acquired approximately \$60,000 per unit in subsidy .

6 COUNCILMAN KENNEY: On Cricket Court,
7 the subsidy, it says subsidy \$18,000. What is that?

8 MR. KAZANJIAN: There are certain units
9 in Cricket Court development that are subsidized and
10 certain units that are market rate. The units that
11 are subsidized range in price from about \$90,000 to
12 now as high as \$97,000. The units that are
13 unsubsidized started at \$108,000 and we're now
14 selling them at \$113,000.

15 COUNCILMAN KENNEY: So the subsidized
16 ones are more expensive to build?

17 MR. KAZANJIAN: No, they're all the same
18 price. The difference in the sales price is the
19 subsidy, 113 versus 97.

20 COUNCILMAN KENNEY: Typical home buyer
21 profile median to 120 percent median income. I've
22 been dealing with these hearings for 10 years now.
23 I wish, not only the people testifying, but the City
24 administration people would just tell us what that
25 number is. It's much easier to understand. Just

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2 tell me how much you have to make a year or how much
3 you can't make a year to be eligible? Median to 120
4 percent is like -- I used to remember when I was in
5 physics class, I didn't understand that either.

6 Just give me a number.

7 MR. KAZANJIAN: Well, Median income for
8 a family of four is approximately 40-some thousand
9 dollars right now.

10 COUNCILMAN KENNEY: And this is just a
11 general question I've had on these types of
12 proposals throughout the City. I live in a \$80,000
13 row house in Philadelphia. I do not have central
14 air-conditioning and my mortgage is affordable for
15 me to pay. How do I explain to the middle class and
16 upper middle class homeowners and home buyers that
17 if you made \$45,000 you could get federal and state
18 city dollars to buy a house worth 108? How do we
19 balance that?

20 MR. KAZANJIAN: Well, actually, the home
21 buyer is being asked to buy a house even though it's
22 valued at -- the cost to develop it is \$108,000.
23 The cost that they're paying is \$97,000, which is a
24 still a lot of money for a City of Philadelphia
25 house.

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2 COUNCILMAN KENNEY: How does a person
3 with \$40,000 income make a mortgage payment on a
4 \$97,000 house?

5 MR. KAZANJIAN: Well, actually, most of
6 the people who have bought those houses are a little
7 bit higher, so they can go to 120 percent of median
8 income.

9 COUNCILMAN KENNEY: How much that is
10 that?

11 MR. KAZANJIAN: It's about \$55,000 a
12 year.

13 COUNCILMAN KENNEY: How do they afford
14 to make a \$97,000 a year mortgage payment?

15 MR. KAZANJIAN: A lot of them have come
16 to the table with som down payments to buy down the
17 mortgage. Again, Councilman Kenney, these are
18 middle income home buyers. Some of them have
19 savings that they've invested in the house. There
20 are also some affordable mortgage programs that have
21 enabled them to get into these houses.

22 COUNCILMAN KENNEY: Why is the cost of
23 LINK Phase I total development cost \$125,000? Isn't
24 that new construction?

25 MR. KAZANJIAN: Ten of the units are new

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2 construction and three of the units are rehabs.

3 COUNCILMAN KENNEY: And is that high
4 compared to development around the region?

5 MR. KAZANJIAN: I don't think it's high
6 compared to development around the region,
7 especially for what the product that we're offering.

8 COUNCILMAN KENNEY: I understand. I'm
9 all for building houses and I'm all for housing
10 people. I think it's a terrific thing. It's hard
11 to explain to somebody who can't afford to qualify
12 for a program but also can't afford to buy \$125,000
13 home that somehow they're out of the loop.

14 MR. KAZANJIAN: But if you looked at
15 trying to sell that house on the private market in
16 Germantown, you'd only be able to command a price of
17 about \$70,000. What we're doing is basically
18 subsidizing the appraisal gap because the value of
19 the housing stock is not worth what it would cost to
20 develop it.

21 COUNCILMAN KENNEY: To the taxpayer
22 subsidizing the gap.

23 MR. KAZANJIAN: Exactly.

24 COUNCILMAN KENNEY: And on Cricket
25 Court, they were all rehabs? Because I see before

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2 it looks like there was a substantial structure
3 there.

4 MR. KAZANJIAN: Yes, those are all
5 rehab. There are 44 units in total. We've
6 completed 28, and they're all rehabs.

7 COUNCILMAN KENNEY: So why was the total
8 development cost there \$108,000 and the new
9 construction was 125.

10 MR. KAZANJIAN: Because the existing
11 structure for Cricket Court was in very good shape
12 and we did not have to do anything structural to
13 them.

14 COUNCILMAN KENNEY: No, I asked the
15 question because I'm curious as to why it was that
16 high.

17 MR. KAZANJIAN: Oh, why it was that
18 high? Because basically what we did with Cricket
19 Court when we acquired the properties, they were two
20 apartments each doorway that you see there
21 represented two apartments. There was a one-bedroom
22 apartment on the first floor and a two-bedroom on
23 the second floor. And in an effort to reduce the
24 density in the neighborhood and offer affordable
25 homeownership opportunities to residents, we decided

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2 to carve out 44 units and we created these units.

3 So basically we had to do more than your typical

4 moderate rehabilitation in that we removed some of

5 the structure, including the interior staircase.

6 However, we did not have to do a total -- we did not

7 have to build the exterior walls which were in very

8 good shape and the structure, the joists and all of

9 that was all in good shape.

10 COUNCILMAN KENNEY: Okay. Thank you

11 very much.

12 COUNCILWOMAN BLACKWELL: Thank you, Mr.

13 Kazanjian.

14 Scott Mazo, Pat Evans. After that we'll

15 have Ann Czajka from New Kensington CDC and Gina

16 Snyder, United Community CDC. You're next.

17 Good morning.

18 MS. EVANS: Good morning, Councilwoman

19 Blackwell and Councilman Kenney. My name is Pat

20 Evans and I'm the Executive Director of SOCCA

21 Community Development Corporation located in the

22 Angora neighborhood of Cobbs Creek and Baltimore.

23 The neighborhoods we service are Cobbs

24 Creek, Upper Baltimore, Angora, Whitby and

25 Springfield. I'd like to read a statement that our

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2 team has prepared for the record.

3 Our community along with others is an
4 older traditional and economically challenged
5 community of Philadelphia. Our residents are
6 primarily senior citizens who own their own houses.
7 However, many are unable to care for them due to a
8 number of reasons. They are living on fixed incomes
9 or are raising grand and great grandchildren or have
10 developed medical conditions that have made some of
11 their living conditions unsafe therefore creating a
12 greater need for diversified housing programs.

13 In Mayor Street's Neighborhood
14 Transformation Agenda radio address of March 31st,
15 the Mayor said, "This is a unique opportunity to
16 rethink our neighborhoods and implement solutions
17 that will make our communities more vibrant exciting
18 and desirable."

19 SOCCA believes that more public funding
20 is needed if we CDCs are to development diversified
21 affordable housing and if we are to improve and
22 preserve the aging stock of real estate that already
23 exists in our neighborhoods then more public funding
24 is needed for diversified housing programs. And
25 finally, more public funding is needed if we are to

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2 develop and implement a plan of action vision of our
3 neighborhoods in this, the 21st Century.

4 Past projects such as the Bernice Arms,
5 an independent living complex for seniors, graffiti
6 removal and park development projects are
7 demonstrating neighborhood revitalization in this
8 the 21st Century. Our thanks to Councilwoman
9 Blackwell and City Council for helping us create an
10 environment for neighborhood investment by helping
11 us to eliminate blight and begin stabilizing our
12 neighborhoods.

13 A recent commercial investment by Pat
14 Burns, owner of Great Value Supermarket, is also
15 helping to revitalize and stabilize our area of the
16 Baltimore Avenue corridor by providing us with the
17 ability to purchase our basic needs right in our own
18 community.

19 In closing we ask when considering the
20 many areas of the City to finance for worthwhile
21 investments, please consider Southwest Philadelphia
22 because we are really on the move in terms of
23 reclamation and economic revitalization.

24 Respectfully submitted, SOCCA CDC, Pat
25 Evans.

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2 COUNCILWOMAN BLACKWELL: Thank you very
3 much. SOCCA has been so important in just targeting
4 southwest, an area between west and the extreme
5 southwest that has really been left out. We just
6 love you and love the work that you're doing, Pat.
7 Thank you.

8 MS. EVANS: Thank you. We love what
9 you're doing for us out there too.

10 COUNCILWOMAN BLACKWELL: Thank you.
11 Scott Mazo.

12 MR. MAZO: Thank you, Madam Chair. Our
13 company is Neighborhood Restorations. We're a
14 developer of affordable housing in the City have
15 been since 1989. We're unique in that our company
16 has invested primarily our own funds in affordable
17 housing. Precisely to this point, we rehabilitated
18 and built new 500 homes in West Philadelphia in your
19 district alone Councilwoman.

20 COUNCILWOMAN BLACKWELL: I know. And
21 aren't I pleased.

22 MR. MAZO: I say this because our
23 private investment in West Philadelphia which has
24 reached \$50 million total is the largest private
25 investment of any developer in the City. And I want

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2 to mention that because I'm going to turn my
3 comments to the Mayor's blight initiative.

4 So many developers and CDCs work in the
5 City and build housing in the City. One of the main
6 issues is creating markets that can support housing
7 without the enormous subsidy that today is required.
8 So I say that we have stepped forward and
9 investigated our own dollars and dollars of very
10 conscientious investors in West Philadelphia, and
11 I'm going to turn my remarks -- before saying
12 something about the blight initiative, I also want
13 to refer to, not only yourself, Madam Chairwoman,
14 but also people such as Pat Evans and Charley
15 Wingfield, the CEO of Mill Creek Community Council.
16 I know Lionel Drane is here from Mantua, Blane
17 Stoddart from the Partnership CDC. So many -- I
18 didn't see Margaret Sheppard, the ex-president of
19 the Dunlap Community Association. But for all the
20 requests that we've had to work in communities and
21 work side by side with community groups, we feel
22 this is a really critical time in the development of
23 the City's housing policy. And with that, I would
24 like to say I know this Council is grappling quite a
25 bit with the Mayor's initiative and the plan, but I

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2 think that for us to respond to all the requests
3 from the community groups and from yourself and from
4 so many people who have asked us to continue to
5 reinvestment, to continue to invest dollars in
6 housing in West Philadelphia and even in other parts
7 of the City, to me -- and I also said that just a
8 little bit in other parts of the City, but primarily
9 in West Philadelphia. It's important that a
10 long-range plan to achieve market rate housing be in
11 place. And I know that all the groups that are here
12 to speak are part of that, but I also want to say
13 that I want to take this moment to urge Council to
14 work closely with the Mayor and to really support
15 this blight initiative because I think that the
16 Administration has really tackled some tough issues
17 to try and solve problems that are probably 50, 60
18 years in the making from the change of the
19 manufacturing marketplace, from the
20 manufacturing-based economy to what we have today.
21 So I think that in the thought process, and I've
22 read carefully the Mayor's plan, he is actually
23 thinking about initiatives and policy and Council
24 was thinking about these issues in ways in which for
25 all of us will benefit. And I just want to add,

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2 honestly, I think the Mayor is forcing us to look at
3 these issues in a time frame that is not our normal
4 time frame. Where, I as for-profit developer or Pat
5 at a CDC might look at what's in our best interest
6 in the next year or two or three years. The housing
7 situation and the situation in the City is such that
8 it requires us to think of policies that will have
9 an impact 5, 10, and 15 years down. And I really
10 want to applaud the Mayor and Administration for
11 this initiative. And, Councilwoman, I know that
12 you're going to work hard to make this reality. And
13 we will be in West Philadelphia if this becomes a
14 reality.

15 COUNCILWOMAN BLACKWELL: Thank you very
16 much. Certainly we do commend you for your
17 \$50 million private investment in our area.
18 Obviously, that's made us hard-fast friends and we
19 want to keep it going on. But on a serious note,
20 we're really trying to change block by block the
21 housing stock in West Philadelphia. And for many
22 who are here and don't know, that program exists
23 because of Neighborhood Restoration his and Scott
24 Mazo and his team. And certain, we are very, very
25 appreciative of all that you do and certainly look

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2 forward to your commitment to stay in West
3 Philadelphia so that we can expand on all that you
4 have already started and are doing.

5 MR. MAZO: Thank you, Councilwoman.

6 COUNCILWOMAN BLACKWELL: Thank you. New
7 Kensington, Anne Czajka.

8 MS. CZAJKA: It's Czajka, C-Z-A-J-K-A.
9 I'm the housing service director at New Kensington.
10 I'd like to thank Councilwoman Blackwell and the
11 Members of City Council for the opportunity to have
12 input into the Year 27 proposed Consolidated Plan.

13 New Kensington believes that
14 homeownership is important to the stability of our
15 community. Homeownership not only adds to the City
16 tax base, they also add to the fabric of our
17 community by becoming involved in the churches,
18 schools and civic organizations. They care about
19 the community because they are investigated in the
20 neighborhoods.

21 In the year 2000, New Kensington CDCs
22 Mortgage Counseling Program counseled 659 household
23 clients. We assisted 131 families in obtaining
24 mortgages with a total dollar amount of
25 approximately 6,658,000. However, like everyone

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2 else, we are concerned about the ever increasing
3 numbers of foreclosure and possibly predatory
4 lending practices that continue to plague our
5 neighborhoods. We want to commend John Kromer and
6 his staff for the excellent job they have done in
7 collaborating with the Housing Counseling
8 Association to provide training in addressing the
9 predatory lending practices. New Kensington has
10 done some outreach in the senior communities and we
11 definitely see the need to alert this population.
12 As you know, our neighborhood has a large number of
13 senior citizens. Most have real equity in their
14 homes and can easily become prey to unscrupulous
15 lenders. Finally, we appreciate OH's support of the
16 Homeless Prevention Program as it has helped
17 stabilize some foreclosure clients who are losing
18 their homes due to no fault of their own. Some have
19 had income losses due to medical conditions and job
20 loses and in some cases even divorce. We are
21 concerned now that the Homeless Prevention Program
22 is being transferred to the new Office of Adult
23 Services. How will this impact on our clients? We
24 are seeing more clients facing the loss of their
25 homes and anticipate more with the slowing of the

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2 economy. People need the safety net we provide with
3 these programs.

4 We also believe that real estate
5 development is vital to our community. We are an
6 old industrial area with a number of vacant
7 properties. We realize that we cannot renovate all
8 of them, but there is some very strong blocks that
9 deserve to have property rehab rather than
10 demolished. Our real estate development goes hand
11 in hand with the housing counseling and open space
12 work that New Kensington offers our community. We
13 are in the process of completing 10 scattered site
14 homeownership units and anticipating doing another
15 eight houses in the Year 27. We are also looking
16 forward to starting the Wesley Wei affordable
17 housing pilot project, an experiment in building
18 homes on pilings in older neighborhoods to avoid the
19 problem of settling foundations.

20 Our Open Space Program has had a
21 tremendous positive effect on our community. In the
22 past five years we have partnered with OHCD and
23 Philadelphia Horticultural Society, Philadelphia
24 Green, we have cleaned over 650 parcels of land.
25 The side yard program has been very successful. To

24 Thank you for giving me this
25 opportunity.

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2 COUNCILWOMAN BLACKWELL: Thank you very
3 much.

4 Ms. Gina Snyder United Communities.

5 MS. SYNDER: Thank you very much for
6 providing us the opportunity to make some brief
7 comments. I'm the executive director of United
8 Communities Community Development Corporation which
9 is Southeast Philadelphia and targets a particular
10 blighted area near the intersection of Eighth and
11 Snyder. We are on the front line of doing
12 redevelopment in this community and want to support
13 OHCD's budget for the upcoming year in the area of
14 housing rehabilitation funds. We have particular
15 concerns, and I'll be brief about them.

16 The first is in the area of property
17 acquisition. One of the largest hurdles to us in
18 development is the acquisition of properties. It is
19 very difficult to find owners and to acquire
20 property in the area, and this is resulting in
21 continued dis investment in the City. The City
22 government plays a very strong role in acquiring
23 properties and preparing them for development that
24 small community development corporations would be
25 unable to do. We are disappointed that the City is

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2 not acquiring properties and are hoping that that
3 will increase.

4 We are in support of any funding,
5 additional funding, for housing production. That is
6 how we accomplish our projects at you United
7 Communities. And we ask that that support continue.

8 Finally, and I've heard this echoed
9 already this morning, in the area of housing
10 counseling, we are encouraged for continued support
11 of housing counseling particularly in the area of
12 predatory lending. We are in the front line of
13 bringing investors into the community, and in our
14 community particular a lot of immigrants who come
15 with dollars ready to invest in the community and
16 what we do is we provide them with a translation
17 explaining how the housing purchase process works
18 and we are bringing in investors into the community.
19 At the same time, we're very concerned about
20 predatory lending because this has a potential to
21 devastate the community particularly with the strong
22 concentration of aging seniors in the community who
23 are particularly vulnerable.

24 We want to thank John Kromer for his
25 support of the predatory lending and predatory

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2 lending training. That is all my comments. Thank
3 you again.

4 COUNCILWOMAN BLACKWELL: Thank you very
5 much.

6 Any questions?

7 Thank you very much.

8 The Chair now calls Lionel Drain, Ted
9 Spaeth, Lynne Williams.

10 Good morning, friends. We welcome you
11 and are glad to have you testify this morning.

12 MS. WILLIAMS: Good morning.

13 COUNCILWOMAN BLACKWELL: Good morning.

14 When I received a call and was asked to speak before
15 City Council, I had no idea what I was going to say,
16 therefore, I have nothing written. But of course,
17 yesterday I started jotting notes.

18 First we want to say we want 3 million
19 of the \$143 million appropriated for Homeless and
20 Special Needs Housing Project. I have program
21 director for the Travelers Aid Families in
22 Transition Program. We have service 25 large
23 families with a maximum of 100 children. We master
24 lease the majority of our properties, but recently
25 we have endeavored into a project called Melville

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2 Way which will afford us permanent housing for some
3 of our families. This is a project that certainly
4 requires some help and assistance from the
5 Councilwoman who has been giving us a lending ear
6 and would also require some money form OHCD and
7 other funding sources. We would hate to see these
8 monies dry up and not help those that are in crisis.

9 We would like you to know that Travelers
10 Aid has been around for over 100 years and we have
11 assisted some of the people coming into our City
12 with nowhere to go, no food to eat, and certainly no
13 money to do anything with. There has never been
14 enough money to do what we know and all understand
15 should be done to provide a decent and stable
16 environment for this population to realize the
17 crisis, trained to prevent another crisis and become
18 stable enough to prevail should another crisis speak
19 in their lives. We owe them that opportunity. We
20 drop the ball. Why make them the sacrificial lambs
21 because we have not utilized the funds allocated in
22 the years past specifically for the administration
23 of housing needs?

24 It has been mentioned that some agencies
25 lack the experience to operate residential

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2 facilities according to a statement that was made
3 before you last week. I say look around you. Here
4 we are and we want 3 million of the \$143 million
5 appropriated for homeless development.

6 (Applause.)

7 MS. WILLIAMS: We know housing is a
8 premium in the City of Philadelphia. We say make it
9 happen. You say how. We say give it is to us and
10 watch. Give us the 3 million and we will make a
11 positive impact in our City to help abolish
12 homelessness. Thank you.

13 (Applause.)

14 COUNCILWOMAN BLACKWELL: Thank you very
15 much.

16 Any questions?

17 MR. DRAIN: My name is Lionel Drain.
18 I'm president of the Aspen Olive Community
19 Development Corporation. We are a non-profit CDC
20 organization based in Mantua and we support your
21 efforts in getting this funding for communities.
22 But we also have an exodus coming from Mantua where
23 people are leaving our community because there are
24 no affordable housing. We are more mixed with low
25 income to moderate. We don't have people that make

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2 40, 60, 70 thousand, 80 thousand dollars, but the
3 City, what they are doing now, they are tearing down
4 houses. We've built 22 houses in Mantua in the past
5 20 years and now people are coming to me asking,
6 "Mr. drain where are the houses? Where are the
7 funds?"

8 There are no funds. I have to tell them
9 the truth; there are no funds at this time, there
10 are no housing. We need money for the housing so
11 that people can stop leaving the community. There's
12 big exodus coming out of Mantua. They want to stay
13 in Mantua, they don't want to leave the community,
14 but they have to leave for better housing. Thank
15 you.

16 COUNCILWOMAN BLACKWELL: Thank you so
17 much. And as you may know, we have really been
18 trying to focus on Mantua in the Mayor's
19 Neighborhood Transformation Initiative so we are
20 hoping for great things to happen out there and
21 appreciate your commitment to the community.

22 MR. DRAIN: Thank you.

23 COUNCILWOMAN BLACKWELL: Thank you.

24 MR. SPAETH: Good morning.

25 COUNCILWOMAN BLACKWELL: Good morning.

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2 MR. SPAETH: Thank you for this
3 opportunity to testify on behalf of the special need
4 for housing development for families and individuals
5 recovering from homelessness and other related
6 problems such as addiction. I am presently the
7 supervisor of Project Safe, supportive assistance
8 for family empowerment of Episcopal Community
9 Services, and I have worked with homeless people,
10 drug addicts and alcoholics since June of 1970,
11 including many years as an addictions counselor,
12 three years as a housing development specialist, two
13 years as a housing program planner and seven years
14 as an emergency shelter director. I have also
15 served on Homeless Advocacy Projects Board of
16 Directors for 10 years.

17 The people of Philadelphia are fortunate
18 to have wide variety of highly qualified housing
19 developers such as the People's Emergency Center
20 Community Development Corporation and many others
21 whom you've heard from today which are ready,
22 willing, and able to produce top quality special
23 needs housing for families and individuals.
24 Unfortunately, there is still a desperate need for
25 such housing. Therefore, especially given Mayor

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2 John Street's eloquent advocacy for emphasis upon
3 the need for housing development, especially
4 affordable homeownership opportunities for low and
5 moderate income people, I am both confused and
6 perplexed by the proposed \$1 million reduction from
7 3 million to \$2 million in Year 27 for the
8 development of special needs housing.

9 City Council should act immediately to
10 reinstate funding for homeless housing development.

11 (Applause.)

12 MR. SPAETH: The City should also
13 increase funding for homeownership and rental
14 housing and make funds available for critical
15 property acquisition. It is penny wise and pound
16 foolish to cut funding for development financing for
17 homeless and special needs housing especially at a
18 time when many families are making great progress in
19 recovering from various causes of their homelessness
20 and yet are extremely stressed by the pressure's
21 associated with the welfare reform laws and the
22 slowing economy. The overwhelming demand for public
23 and other permanent housing opportunities has
24 already made it extremely difficult for those in the
25 homeless system to move into permanent housing.

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2 Even when they have made great progress in following
3 their individualized treatment plans and agreements
4 of mutual responsibility with the Department of
5 Public Welfare. The proposed cuts would seriously
6 aggravate rather alleviate existing problems which
7 homeless people presently have when attempting to
8 move forward along the housing continuum.

9 Overall, the total housing production
10 proposed by City Council is over \$18 million with
11 homeless housing production now representing only 11
12 percent of the total. This is a drop from last year
13 when homeless housing represented 15 percent of the
14 total. This reduction will make it much harder for
15 homeless families to move beyond the emergency
16 shelter system. As a former shelter director, I can
17 testify from experience that nothing destroys the
18 morale of people more brutally than harming their
19 hope for a healthier, happier, and more independent
20 existence in the future. Many of the alcoholics and
21 other addicts I have worked with over the last 31
22 years of my career have relapsed when forced by
23 circumstances beyond their control into a state of
24 abject despair.

25 Episcopal Community Services would like

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2 to go on public record as opposing cuts which
3 aggravate the despair of the poor and supporting
4 expenditures which enhance hope. By spending public
5 money wisely on housing development and supportive
6 services for people who are successfully recovering
7 from homelessness and related problems, the City of
8 Philadelphia can enhance hope and leverage private
9 investment in Philadelphia neighborhoods. Please
10 restore the \$1 million cut in development financing
11 for homeless special needs housing to the Year 27
12 Consolidated Plan.

13 (Applause.)

14 COUNCILWOMAN BLACKWELL: Thank you very
15 much. Certainly we agree with your comments. Mr.
16 Kromer has been walking around. I know he's here.
17 We would like him to comment on that.

18 Also, the Homeless Association for
19 Homeless Advocacy Project was represented and they
20 had to leave. I'll only read the last paragraph of
21 their letter. The entire letter will be made part
22 of the record. But it states as follows: "Every
23 day, the City provides emergency shelter to
24 approximately 2500 people - 2500 men, women, and
25 children without homes of their own. Given the

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2 magnitude of the need for housing for homeless
3 individuals and families, the City's commitment of
4 even three million dollar to create such housing
5 seems exceedingly modest. To reduce that funding by
6 one-third at this time would be extremely harsh. We
7 HAP therefore urge you and your fellow
8 Councilmembers to, at the very least, maintain
9 funding for homeless and special needs housing at
10 the three million dollar level.

11 (Applause.)

12 COUNCILWOMAN BLACKWELL: And again, the
13 entire letter will be made a part of the record.
14 This letter was signed by James G. Newman, Senior
15 Staff Attorney.

16 And certainly, when Mr. Kromer is back
17 in the room, we would certainly ask him to respond
18 to this issue. Thank you.

19 A. Frank Donaghue, Red Cross, my friend
20 who we see all over the globe trying to help people
21 in trouble and speaking so well for the Red Cross.
22 After he speaks, we're going to ask Steve Culbertson
23 to speak.

24 Welcome Mr. Donaghue. Thank you always
25 for the work you do.

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2 MR. DONAGHUE: Thank you Councilwoman
3 Blackwell. Thank for allowing us the opportunity to
4 come today and talk about this important issue,
5 important to the Red Cross as well. Since the Red
6 Cross has been in Philadelphia since the late 1800s
7 when our first home was at Independence Hall. We've
8 seen the staggering number of disasters in our own
9 community continue to escalate. Believe it or not,
10 last year 10,000 people were helped by the Red Cross
11 in this community alone who were put out of their
12 homes because of local disaster. The average of a
13 thousand residential fires a year is what the Red
14 Cross in Philadelphia is now responding to. And our
15 role to help people from becoming homeless in those
16 situations because we leave, as we said before, that
17 no one should become homeless because they have a
18 house fire. So the City and the Red Cross and the
19 whole community needs to continue to look at a
20 variety of issues that we're facing that all cities
21 face today, an aging infrastructure, timeworn
22 housing stock, new urban disasters, school violence,
23 workplace violence, collapsing and sinking homes,
24 neighborhood transformation, even threats of
25 terrorism and the increased possibility of aviation

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2 disaster are all the kinds of things that Red Cross
3 in Philadelphia as well as in all urban centers are
4 facing. In order to address that specifically in
5 Philadelphia, the Red Cross is proud to announce
6 that we're building a facility at the corner of 40th
7 Powelton in West Philadelphia called Red Cross
8 House. It will be a \$4.3 million capital project
9 that we hope to get both public and private dollars
10 for and it will house about 25 units. It will house
11 about 250 families a year, and the work of that
12 house will be to make sure that those families don't
13 become homeless, to get those families from fire
14 back into the community in a relatively short period
15 of time. It will be a combination of a facility
16 that involves intensive case work, temporary lodging
17 and counseling and an ability to kind of move into
18 picking housing choices. We've learned that one of
19 the most important parts of recovery of disaster Dr.
20 Ann Kean from the University of Pennsylvania did a
21 study five years ago with the Philadelphia Fire
22 Department that immediate and comprehensive
23 assistance for fire victims is what makes them
24 recover or not. If they don't get that immediate
25 and comprehensive assistance, many of those people

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2 become the chronically homeless. Red Cross House
3 will be an effort to make sure that doesn't happen,
4 to make sure that people get back on their feet as
5 quickly as possible.

6 We want to work with facilities like
7 People's Emergency Center who will work with us on
8 this project that's right across the street, Rowan
9 House and many other community organizations. Our
10 commitment of operating in capital dollars is really
11 a testimony, Councilwoman Blackwell, particularly to
12 your leadership and vision on how we together can
13 work to keep people from becoming homeless. We're
14 proud to be a part of this project, and we really
15 ask the City to think seriously and hard about
16 keeping programs like Rowan House and People's
17 Emergency Center and the Red Cross a top priority in
18 its setting allocation for CDBG funds. Thank you.

19 COUNCILWOMAN BLACKWELL: Thank you so
20 much and thank you for the work that you always do.
21 And certainly, we look forward to this new project
22 in West Philadelphia. Thank you so much, Frank.

23 STEVE CULBERTSON: Good morning. Thank
24 you very much for giving me the opportunity to
25 testify. My name is Steve Culbertson, and I'm the

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2 Executive Director of the Community Development
3 Corporation of Frankford Group Ministry. I do not
4 have any written testimony today. I wanted a few
5 things about Frankford and then a little bit about
6 some wider issues this the City.

7 The first thing is that in Frankford
8 we've been able to increase property values about
9 \$10,000 over the last five years. We've done that
10 with support from the Office of Housing and
11 Community Development, particularly for their
12 affordable homeownership development. It seems
13 really crazy to me that we are cutting that right
14 now.

15 We've been able also to rehabilitate
16 houses in Frankford and we've done about 40 houses
17 so far in the last five year. It seems really craze
18 that we are not adding to the funding for the
19 Homeownership Rehabilitation Program. We've also
20 been able to revitalize the commercial strip on
21 Frankford Avenue. We've decreased vacancy from
22 about 40 percent in 1997 to about 18 percent right
23 now. We've done that with funding from the City's
24 Commerce Department Community Development Block
25 Grant money from the City's Commerce Department.

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2 We're very happy that that's continuing. Clearly
3 we've got to do more with that.

4 What I'm trying to give you are some
5 indicators of the good that's happening in the
6 Frankford community and I know is going on in many
7 of the communities throughout this City. That good
8 is happening because of the Community Development
9 Block Grant funding that we all receive. In fact,
10 we have been doing neighborhood transformation in
11 the neighborhoods, some of us for 40 years, some of
12 us like me for the last 10 years when we've seen a
13 great increase in the amount of work that's been
14 going on. We've done that because of steady support
15 from many of the City officials and from you.

16 I would just like to encourage you to
17 move forward with this budget and with this plan for
18 Year 27. I would like to encourage you to really
19 look at the programmatic side of this and add back
20 the funding. We really have two choices. We can
21 either add that from this budget which means it's
22 got to come out of somewhere else, or we can move
23 forward with the Mayor's Neighborhood transformation
24 Initiative. And I would like to exhort this City
25 Council to move forward as quickly as possible with

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2 the Neighborhood Transformation Initiative. I don't
3 agree with everything in this plan. I've looked at
4 it closely. There are things that I don't agree
5 with. But it is the first time in the 10 years that
6 I've been doing community development that we have a
7 comprehensive idea to impact on our neighborhoods,
8 and we must do it. And to simply sit around and now
9 take off the summer and say that we're going to go
10 into the fall and wait through the summer for
11 testimony -- or wait through the fall is ludicrous
12 to me. We have an opportunity here, a major
13 opportunity to move forward. And, yes, there needs
14 to be debate and yes there need to be changes in it,
15 but let's do it. I'm going to be working this
16 summer. I'm going to be working in the heat of the
17 summer. I would like encourage you to do the same,
18 to not take this recess but to use it as an
19 opportunity to really talk about and debate with us
20 and come up with solutions to how bring back our
21 neighborhoods. Thank you very much.

22 (Applause.)

23 COUNCILWOMAN BLACKWELL: Thank you very
24 much, Steve. And let me, say because we are not in
25 session doesn't mean we're not here.

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2 MR. CULBERTSON: Yes, I know.

3 COUNCILWOMAN BLACKWELL: We certainly
4 appreciate your comments and appreciate the work
5 you've continued to do, first as head of the CDC's
6 Philadelphia Association of CDCs and now certainly
7 in Frankford. Thank you.

8 MR. CULBERTSON: Thank you,
9 Councilwoman.

10 COUNCILWOMAN BLACKWELL: A question for
11 you. Councilman Clarke.

12 COUNCILMAN CLARKE: Thank you, Madam
13 Chair.

14 Good morning, Mr. Culbertson. I too
15 agree with you that we should be working on NTI and
16 I'm assuming that my members will in fact be working
17 during the course of this summer and discussing this
18 very important issue.

19 I had one specific question. You
20 mentioned the HRP Program. And on occasion I've
21 attempted to get that program implemented into my
22 councilmatic district through various CDCs, and some
23 of the responses I got about the technical nature of
24 the program and sometimes organizations' inability
25 to put together a deliverable package for that

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2 potential homeowner, and they simply just got
3 frustrated and opted out of the program and we ended
4 up coming back and doing a Home Start or something
5 like that. Can you tell me, is there anything or do
6 you think that there's anything that needs to be
7 changed in that particular program to make it an
8 easier program and an easier funding source to
9 access?

10 MR. CULBERTSON: Sure. I would like to
11 say something that I know is close to, we use
12 neighborhood labor for the Homeownership
13 Rehabilitation Program. We're able to employ
14 people from Frankford to do the work on our program.
15 It's one of the few programs because we do it in
16 such a small scale that we really we can really
17 target the neighborhood contractors and the
18 neighborhood labor so it's been very successful in
19 our community in that way.

20 There's a lot red tape associated with
21 the program. It's been very successful for us
22 because we've figured it out. We've learned how to
23 maneuver through the approval process and the
24 inspection process while we're under construction.
25 But it's a lot. There's a lot of restrictions that

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2 are attached to it right now by the virtue of the
3 sources of funding. If we can figure out -- I mean,
4 it's been proposed in NTI that some of that money be
5 used for the HRP Program. Hopefully that money
6 would not come with all the same restrictions that
7 are on the funding right now and we'd be able to use
8 it for people that are above 80 percent of median.
9 I understand that earlier Councilman Kenney was
10 raising concerns of working class people who don't
11 feel like they have an opportunity for this if we
12 raise -- if we're able to take up to 120 percent of
13 median, it would delay some of those things.

14 For instance I can have somebody that
15 comes in at \$48,000 for a family of four and I can't
16 sell them a house right now. They come in, the
17 qualify, we've worked on their credit; we can't sell
18 them the house because they're over the income
19 limit. And I understand why we have to set income
20 limits but I think we should be looking at that a
21 little bit more closely.

22 I would certainly be willing to sit down
23 with anybody in your district, Councilman, to work
24 on the program because we have figured it out.

25 COUNCILMAN CLARKE: That will be very

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2 helpful.

3 With respect to the 80 percent median
4 income -- and I guess I didn't ask the
5 Administration OHCD or RDA when they were in here
6 the other day and I don't know, Scott, if you want
7 to speak to that. I had asked about that,
8 particularly given the fact when we did the
9 Homeownership Zone in Cecil B. Moore, all of the
10 earlier applicants came in to apply for the 120
11 percent median income, which I think we got 20
12 percent waiver by the federal government, and I was
13 wondering is that a local reg or is that a federal
14 reg? And I'm hearing both sides of that. If you
15 can respond.

16 MR. WILDS: I'm Scott Wilds from the
17 Office of Housing. The answer is that the HUD
18 requirement that we only sell houses to those
19 households that are at or under 80 percent is a
20 requirement of HUD. The exception was made by HUD
21 for the Homeownership Zone and that was the
22 exception that was put in the national request
23 proposals that we responded to. So that's an
24 exception, it's not something that HUD is allowed to
25 weigh. It came with a special set of funding that

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2 we got that came to fund that special project.

3 COUNCILMAN CLARKE: So that 80 percent
4 is across the board, all funding sources?

5 MR. WILDS: We're stuck with that, yes.

6 COUNCILMAN CLARKE: Do you think that in
7 the future we will be requesting additional waivers
8 for any of the programs?

9 MR. WILDS: My understanding that that
10 is in the law. It's not up to HUD to waive, but
11 that is a legal funding requirement from the
12 appropriation bill from Congress so that it's not up
13 to HUD administratively to be able to waive.

14 COUNCILMAN CLARKE: Because of the
15 specific Homeownership Zone, it allowed the 20
16 percent.

17 MR. WILDS: It allowed that that one
18 time. You just might like to know that the maximum
19 household income now for a household of four is
20 48,100 a year. So that is a reasonably high
21 household income. It's not excessive. I think the
22 problem, and Steve may speak to this, is that
23 households in which two incomes exist are often
24 above that. They may be jobs that don't pay a huge
25 amount but with two household incomes it gets up

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2 above that level, and that's the problem, I think.

3 COUNCILMAN CLARKE: We tent to like to
4 encourage the two-income family so sometimes we do
5 run into that.

6 MR. CULBERTSON: I would only add to
7 what Scott is saying, this is housing advocate in
8 me, let's keep CDBG for 80 percent of median and
9 below and figure out other ways to go above that.
10 And I think that the Neighborhood Transformation
11 Initiative does say that, you know, how do we figure
12 out how to deal with the population above 80 percent
13 of median. But this is a precious resource for low
14 and very low-income people. We should keep it as it
15 is. Thank you.

16 COUNCILMAN CLARKE: I've been thrust
17 into the Chair for a moment so let me see if I can
18 take advantage while I can..

19 I have a Brenda Cooper Cutts from the
20 Horizon House.

21 MS. CUTTS: Good afternoon. My name is
22 Brenda Cooper Cutts, manager of Horizon House West
23 in Southwest Philadelphia Outreach and Community
24 Research Development Program. I am pleased to be
25 here today on behalf of Horizon House to speak to

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2 you about the importance the permanent housing in
3 solving the problem of homelessness in the City of
4 Philadelphia.

5 In my 11 years serving the homeless, I
6 have witnessed that housing is the carrot on the
7 stick. The availability of safe and affordable
8 housing is what makes homeless men and women want to
9 get their lives together and live as contributing
10 members of the community. All of us who perform
11 outreach duties witness miracles every day. I
12 personally have worked with dozens of men and women
13 on the streets and soup kitchens who are now living
14 in their own homes and are productively working.
15 Without the availability of permanent housing, these
16 men and women would still be living in the street
17 and dependent upon soup kitchens and shelters.

18 There are many causes to homelessness
19 and obviously as many solutions. However, no one
20 would question that safe and affordable housing is
21 most critical need in solving homelessness in the
22 City and in our country.

23 The million dollar decrease in this
24 year's housing budget disturbs me greatly as I think
25 about all the success that will not happen due to

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2 these cuts. I urge you to reconsider this budget
3 and at the very least restore the million dollars.

4 In fact, we should not be discussing restoring
5 funding, we should all be working together to
6 increase the City's housing budget. Thank you very
7 much.

8 (Applause.)

9 COUNCILWOMAN BLACKWELL: Brenda, let me
10 say thank you. Were it not for you and Horizon
11 House and your outreach activities, so many people
12 who need treatment, who have mental ill problems, so
13 many people who were homeless, on the streets in
14 West Philadelphia and Citywide would be there if it
15 were not for you. I thank you for all that you've
16 always done.

17 MS. CUTTS: Thank you. And you know,
18 one other thing, I work with Jean Bun and I've
19 watched all the people that go through this welfare
20 to work, and it's such a difference out there in the
21 soup kitchens because I have to work on the front
22 line and to see that when they see hope and see
23 other people come back and help outreach with me and
24 they have their own homes and their own jobs, it
25 makes all the difference in the world. It makes my

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2 job he is year. Thank you.

3 (Applause.)

4 COUNCILWOMAN BLACKWELL: Thank you.

5 Jane Silverman, Salvation Army.

6 And let me say while you're coming
7 forward that people like her, people like Ted Spaeth
8 who I've known since entering politics who have
9 always been involved with this population are to be
10 commended. What so many people consider thankless
11 jobs, many of us consider a life of commitment,
12 something that we have to do to improve the quality
13 of life for everybody on this planet. And thank
14 you, Brenda; thank you, Ted.

15 (Applause.)

16 COUNCIL PRESIDENT VERNA: Jane
17 Silverman, thank you, too, for all that you're doing
18 in West Philadelphia and for people in need across
19 the City.

20 MS. SILVERMAN: Thank you for I didn't
21 prepare anything and I guess -- well, I am nervous,
22 but I didn't prepare anything anyway. One of the
23 things that has been pointed for me this morning is
24 that we've been talking housing, and behind those
25 houses are people that are people in need. I work

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2 in a transitional housing program for families and
3 single women who been chronically homeless. A
4 number of themselves have long-term chronic mental
5 illness, long-term substance abuse histories and
6 long periods of domestic abuse and they've been
7 victims and they've been survivors, but they've been
8 surviving on the street. We work with people for a
9 period of year to help them become independent and
10 to help them become able to live on their own and
11 became a contributing part of society rather than
12 dependent on society. Taking away money when people
13 in need are increasing in the level of need that are
14 coming to is more than tragic. It's almost
15 unconscionable. We would look at the time when
16 welfare benefits are being cut, people are going to
17 be more needy and more in need of services and the
18 services aren't going to be there without the money.
19 So I would just to look at the people that are
20 behind those houses and in need of those houses.
21 Thank you.

22 COUNCILWOMAN BLACKWELL: Thank you,
23 Jane, also for what you do and I'm sure that, of
24 course, most of you who are here today realize the
25 problems and that's why you're here. But you thank

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2 you for what you're doing. And I want to call on
3 the representative from New Courtland, Drew Seibert,
4 CFO of new Courtland, are you? Thank you for your
5 patience. Thank you for coming in today and for the
6 commitment to help people with additional housing
7 who are part of the New Courtland system. Please
8 identify yourself for the record and begin.

9 MR. SEIBERT: Good morning, Councilwoman
10 Blackwell. My name is Drew Seibert, I'm the Chief
11 Financial Officer of the Presbyterian Foundation for
12 Philadelphia and it's operating subsidiary New
13 Courtland. As the largest provider of long-term
14 care in the City of Philadelphia, New Courtland has
15 a long history of caring for the older and disabled
16 population and is fully in support of affordable
17 housing for low-income special need populations. I
18 appreciate this opportunity to discuss our views on
19 housing and community development activities.

20 New Courtland is in support of the
21 proposed consolidated Plan for Fiscal Year 2002. We
22 have long been interested in rehabilitation of
23 vacant, deteriorated homes located within the
24 vicinity of our long-term care facilities. New
25 Courtland is proud to have six facilities and

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2 administrative offices within the city limits of
3 Philadelphia. We feel it is important to provide
4 support for the revitalization and stabilization of
5 the communities that surround our facilities, and we
6 have worked to eliminate blight in these areas
7 through leveraging both public and private funding
8 for development of affordable housing. As an
9 example, I will outline rehabilitation activities
10 we have been involved in surrounding three of our
11 centers.

12 Number 1, Tucker House. Since we have
13 faced challenges in recruiting employees for our
14 Tucker House nursing community we have joined
15 together with our interested community organizations
16 to try to revitalize the block surrounding Tucker
17 House and develop 108 new housing units. This
18 project called the Alfonso Deal Development will
19 provide both rental housing and home ownership
20 opportunities for low-income and moderate-income
21 individuals. We are also prepared to provide
22 support for employees of Tucker House who wish to
23 have opportunities to purchase some of these homes.
24 The Presbyterian Foundation for Philadelphia
25 believes so strongly in this project that we are

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2 willing to make \$3 million available to Tucker
3 House. This is one of the largest contributions
4 ever made by a private foundation for housing in
5 North Philadelphia.

6 Number 2, the Germantown Home is West
7 Mount Airy is located in a community where the older
8 and disabled population is steadily growing and many
9 senior disabled residents are finding it extremely
10 difficult to find and maintain adequate and
11 affordable housing given their extremely low
12 incomes. The addition of quality apartments would
13 allow these disabled citizens to remain close to
14 their families, neighbors, and church communities.
15 The development of housing not only boosts the
16 quality of lives for these residents, but also adds
17 an enriched advantaged and enhancement to the
18 overall community.

19 And lastly, the Presbyterian Foundation
20 for Philadelphia has given \$1 million in support of
21 the Ogontz Ave. Revitalization Corporation, for the
22 Welcome to West Oak Lane 175 Home Community
23 Development Initiative. This comprehensive
24 neighborhood housing strategy strives to eliminate
25 blight and increase homeownership within the

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2 vicinity of our Cheltenham York Road Nursing and
3 Rehabilitation Center. New Courtland is in support
4 of strategic city-wide plan to preserve healthy
5 neighborhoods, to create opportunities for
6 redevelopment and to help transform distressed
7 neighborhoods into vibrant communities.

8 Transitioning blight and revitalizing
9 the community is not an easy undertaking. However,
10 vacant properties offer an opportunity to rebuild
11 Philadelphia's distressed neighborhood. We're
12 willing to work with the City in developing a plan
13 to ensure continued restorations for neighborhoods
14 suffering from physical blight and economic
15 divestment. Thank you for the opportunity to
16 present our views. We're happy to answer any
17 questions.

18 COUNCILWOMAN BLACKWELL: Thank you very
19 much. Certainly, we thank New Courtland for what
20 you're trying to do near nursing homes where people
21 work -- where many of your employees work who are
22 trying to help people in those homes, and certainly
23 we commend you for your leadership to try to create
24 housing to keep them the neighborhood so you can
25 have neighborhood people helping neighborhood

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2 people. And certainly in various areas of the City
3 where you're working, three that we're aware of, we
4 certainly thank you and certainly offer our
5 commitment to helping this project in West Philly
6 and North Philly in Germantown or Mount Airy come
7 about. Thank you again.

8 Any questions?

9 Thank you.

10 (Applause.)

11 COUNCILWOMAN BLACKWELL: JoAnne Jackson,
12 Executive Director Advocate CDC.

13 Is Priscilla Woods or LeVern Jones here?

14 After this, since Priscilla Woods and
15 LeVern are still not here, we will have Michelle
16 Lewis and John Roe.

17 Thank you and good morning.

18 MS. JACKSON: Good morning, Councilwoman
19 Blackwell. I have brought testimony and some other
20 information. Thank you for allowing me to testify
21 today.

22 I first want to thank OHCD and John
23 Kromer for all the assistance they have given to
24 ACDC during the past two years. We were especially
25 happy to see that our 1600 Diamond Street project,

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2 also known as the Fernes restorations is one of the
3 pipeline projects and will be funded this year.
4 However ACDC would like to see some changes made.
5 We would very much like to see the acquisition of
6 houses be done more quickly. It slows down our
7 development process.

8 Secondly, we would also, like many of
9 the groups here today, like to see more resources
10 given to housing.

11 Finally, I would like to tell all of you
12 that it's a very exciting time to be on West Diamond
13 street. Not only are we preceding on the 1600
14 block, we have a private developer or private
15 individual who's pledged a million and a half to the
16 1500 block and we have another project for the 1700
17 block. Watch us; we're going to do great things.
18 Thank you again for allowing me to testify.

19 COUNCILWOMAN BLACKWELL: Thank you very
20 much. We appreciate the work. We're glad to have
21 you testify again this year. We try not to hold you
22 as long as last year. We do appreciate you, JoAnne.
23 Thank you.

24 We have a question from Councilman
25 Clarke.

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2 COUNCILMAN CLARKE: I just wanted to
3 say, Ms. Jackson, I understand that the
4 stabilization efforts will take place for the 1900
5 block.

6 MS. JACKSON: 1900 block, yes. Thank
7 you very much. We are looking forward to that. The
8 Councilperson, so that everyone else knows, has
9 allowed us to go ahead and encapsulate the houses on
10 the 1900 Diamond, that by not compromising the
11 Diamond Street Historic District anymore than it's
12 already been compromised. We are very excited about
13 that and we're looking forward to it.

14 COUNCILMAN CLARKE: Very shortly we'll
15 be receiving a --

16 MS. JACKSON: I have not received the
17 figures from the architects that looked at them.
18 That meeting out got postponed. I'm aware that I'm
19 behind schedule with you. In fact, as soon as I get
20 back to the office, I will make a phone call.

21 COUNCILMAN CLARKE: Thank you. Thank
22 you very much.

23 MS. JACKSON: Thank you.

24 COUNCILWOMAN BLACKWELL: Thank you very
25 much. In addition to that group, we'll have Linda

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2 Hicks, One Day at a Time; Jennifer Lewis, PEC,
3 People's Emergency Center. Is Michelle Lewis from
4 Northwest Counseling Center here? And John Roe,
5 Executive Director of TAG, Tenant Action Group.

6 Good morning. Welcome. Please identify
7 yourself for the record and begin your testimony.

8 MS. HICKS: Good morning, Madam Chair
9 and Councilman Clarke. Linda Hicks with the One Day
10 at a Time organization, and also with me is
11 Christine Verrier, GPUAC's Blueprint to End
12 Homelessness and she's going on read testimony.
13 Thank you.

14 MS. VERRIER: Good morning. I want to
15 thank the members of City Council for the
16 opportunity to offer comments as part of the Year 27
17 CDBG hearings. I submit testimony today on behalf
18 of GPUAC, the Blueprint to End Homelessness and the
19 homeless community at large. The Blueprint is a
20 unique and effective coalition that brings together
21 people from the public, private, foundation and
22 provider communities to stimulate job opportunities
23 and increase transitional and permanent housing for
24 the homeless in the City of Philadelphia.

25 The purposes of the Blueprint is to

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2 guide public policy and to put forth positive and
3 practical solutions to homelessness in Philadelphia.
4 To accomplish our goals the Blueprint to End
5 Homelessness works in partnership with OESS, OHCD,
6 the Mayor's Task Force on homelessness, the public
7 and private sector and nearly all of the homeless
8 providers in the community to implement the
9 Blueprint's goals and initiatives. Through a grant
10 from the Office of Housing and Community
11 development, we provide educational workshops and
12 programs to over 1500 members of our public private
13 task force on homelessness. Our programs are very
14 well received and attended. At our last workshop
15 presented by Estelle Richman and Robert Hess over
16 140 from the homeless community attended at 9 a.m.
17 on a Friday morning. Through our web site, we serve
18 as a clearing house for homeless community for
19 advocacy resource and service information. We know
20 that this a type of information sharing and
21 collaboration is critical to our fight against
22 homelessness. And I would like thank the City for
23 its continued support of our efforts.

24 Today I'm here to address a specific
25 concern that we identify within the Year 27 Plan as

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2 it relates to development financing for the
3 homeless. We were astonished to see enormous
4 proposed cuts in the current year's allocation for
5 development financing for homeless and special needs
6 housing. The Year 27 plan calls for \$1 million, 33
7 percent cut in funding for development financing for
8 homeless and special needs housing from 3 million to
9 2 million. This decrease was unexpected and would
10 be unwarranted. Currently there are many homeless
11 individuals and families trapped in transitional
12 housing because there's sufficient housing stock
13 available. These people cannot afford the housing
14 created by traditional community development
15 corporations. Fortunately, there is a wealth of
16 developers in our community that have built hundreds
17 of high-quality housing units over the past 10
18 years. These agencies include PEC, Project HOME
19 Salvation Army, Project Rainbow, Dignity Housing and
20 others. These organizations submit RFPs each year
21 for new housing development in excess of the
22 currently allotted \$3 million. Due to the fact
23 \$100,000 to develop a single unit of housing in
24 Philadelphia, it would be catastrophic to cut a
25 million from this desperately needed funding. These

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2 funding cuts would be especially appropriate this
3 year due to the occurrence of welfare recipients
4 hitting their five-year TANF limits in combination
5 with the slowing national economy.

6 Financially unstable and special needs
7 populations are at even greater risk for
8 homelessness. Therefore, homeless housing
9 production is extremely critical right now and the
10 City would be ill-advised to cut money from these
11 already shallow pockets.

12 We urge City Council to reconsider the
13 effort of this extreme cut in funding with the
14 available housing stock out of reach and in great
15 demand by this highly vulnerable population. We
16 plead with City Council to immediately reinstate the
17 \$3 million in funding for homeless housing
18 development. Thank you again.

19 (Applause.)

20 MS. HICKS: Councilwoman, Linda Hicks
21 again. I'd just like to add that at One Day at a
22 Time, which is a part of GPUAC, Greater Philadelphia
23 Urban Affairs Coalition, we're very much aware of
24 the need to not only to keep this money for our
25 homeless housing development, but of course there

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2 really is a need for more money. And I have with me
3 today, and I'm just going ask them to applaud, some
4 of the people who through domestic violence,
5 substance abuse and other issues and unemployment
6 are some of the very people who will affected and
7 who would be and are in need of housing, affordable
8 housing. Thank you.

9 (Applause.)

10 MICHELLE LEWIS: Good afternoon. My
11 name is Michelle Lewis. I am President and Chief
12 Executive Officer for Northwest Counseling Service
13 in Philadelphia and I'm also here to represent the
14 Philadelphia Predatory Lending Task Force for which
15 I serve as Chair.

16 I'd like to first say that I'm here to
17 support the consolidated plan and particularly with
18 regard to the provision and the increase in housing
19 counseling dollars. We have worked as housing
20 counseling agencies for the last eight or nine years
21 and have made a significant difference in the fabric
22 of the City of Philadelphia in the sense that we
23 have turned the City into something that has been
24 recognized nationally for the number of
25 homeownership opportunities that we've created. We

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2 have certainly turned around and changed market here
3 in the City of Philadelphia in terms of the
4 conservative lending patterns that had happened
5 prior to this time, so we've had a huge, huge impact
6 and that's been recognized around the country.

7 On the other side of the coin, we've had
8 this proliferation of predatory lending. We
9 initiated back in September with the support of a
10 resolution introduced in Council, the Philadelphia
11 Predatory Lending Task Force which has been involved
12 in providing education to consumers because we feel
13 that education is the key in being able to turn
14 around predatory practices where they exist in the
15 neighborhood. But also, there is research that has
16 to be done, product development. We have initiated
17 a 24-hour consumer hotline that we've gotten over
18 400 calls so far and the results of that, because
19 we've got enormous amount of demographic information
20 from those calls, will be issued in a report that we
21 will provide in mid-June sometime probably in a
22 press release. But I'm saying this to say that in
23 addition to that, we've done the web site and the
24 education forums all on a deficit budget. We are
25 very, very pleased that we've had the support of

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2 OHCD, but in addition, the support of very
3 courageous and prestigious Councilpersons Blackwell,
4 Tasco and Goode who are a part of the task force as
5 well as other legislatures and other notable members
6 who are arguably the most informed around the
7 country in this issue, so we just want to keep that
8 first and foremost. We do support the effort that
9 OHCD has put into predatory lending this year and
10 hope to see that increase turn around into being
11 able to provide the kind of education and
12 information we need in the City. Thank you.

13 (Applause.)

14 MS. LEWIS: Hello. Good morning. Good
15 morning Councilwoman Blackwell. Good morning
16 Councilman Clarke. My name is Jennifer Lewis and I
17 want to thank the members of City Council for the
18 opportunity to offer comments as part of the Year 27
19 CDBG hearings. I represent People's Emergency
20 Center Community Development Corporation or PECCDC.
21 I speak today on behalf of Glory Guard who is in
22 Harrisburg today. The PEC Community Development
23 Corporation was established by People's Emergency
24 Center in 1992 to increase the City's supply of
25 affordable housing while revitalizing the community

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2 in which PUC operates. PECCDC has developed two
3 model social service facilities, 94 units of
4 permanent housing and a 14,000 square foot community
5 playground for a total capital investment of nearly
6 14 million in our West Powelton neighborhood.

7 PECCDC's comments on the Year 27 Plan
8 fall into four areas: First and foremost, we ask
9 City Council to immediately reinstate the funding
10 for homeless housing development. Second, funds
11 must be made available for critical property
12 acquisition. Third, the City must maintain the
13 homeless set-aside. And fourth, it is imperative
14 that Council increase funding for homeownership and
15 rental housing.

16 (Applause.)

17 MS. LEWIS: The first point, restore or
18 increase the level of funding for special needs and
19 homeless housing production. We are deeply
20 disturbed to see extraordinary cuts in the current
21 year's allocation for development financing for
22 homeless and special needs housing. The Year 27
23 Consolidated Plan calls for a \$1 million cut in the
24 development financing for homeless and special needs
25 housing from 3 million to 2 million. Funding cuts

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2 in this area are especially inappropriate this year
3 as our colleagues have stated given the impact of
4 welfare reform and a slowing economy. It cost
5 approximately \$100,000 to develop a unit of housing
6 in Philadelphia. Even with a dollar-for-dollar
7 match by federal McKinney funds, the Year 27 Plan
8 would only support a paltry 40 units of new housing
9 in the coming year.

10 We are aware that the Administration has
11 testified that half of the proposed 1 million cut
12 reflects a drop in Section 108 funds available for
13 housing. The other half reflects the belief that
14 there is insufficient capacity among developers to
15 produce housing. On the first point, PECCDC notes
16 that there is \$15 million overall increase in
17 Section 108 funds devoted economic development. A
18 portion of this amount could be used to make up for
19 the half million reduction for housing. On second
20 point, we simply disagree. Agencies like PECCDC,
21 Project HOME, and others have more than proven that
22 our capacity equals or exceeds that of housing
23 developers.

24 Not only are these proposed cuts
25 significant, but they put a disproportionate burden

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2 on the most vulnerable citizens. Of City Council's
3 proposed 18 million in housing production funding,
4 only 11 percent is for housing for the homeless.
5 This drop is from last year's 15 percent allocation.
6 While the decree may seem small, it would have a
7 significant impact on homeless housing providers and
8 the communities that they serve.

9 The second point. Make funds available
10 for critical property acquisition. The elimination
11 of acquisition assistance for difficult-to-acquire
12 properties would present a severe setback for
13 PECCDC's efforts to revitalize the West Powelton
14 community. When private acquisition efforts fail
15 and in situations where owners of vacant properties
16 have died or left town, CDC's can turn to City's
17 condemnation process. PECCDC has converted nearly 60
18 vacant blighted properties into vibrant housing and
19 facilities throughout assisted condemnations. We
20 have explored acquiring properties through
21 non-assistance combinations, but those costs
22 including the required condemnation bond for 200
23 percent of the properties fair market value have
24 made such acquisitions financially infeasible for
25 us. Without acquisition assistance from the City,

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2 therefore, we will be unable to continue our efforts
3 to reverse Urban blight in our community.

4 The third point. Maintain the homeless
5 set-aside. We applaud the City's office of housing
6 and community development and John Kromer for
7 recommending that Philadelphia continue its practice
8 of a specific set-aside for homeless and special
9 needs housing and programs. This set-side assures
10 that those individuals and families who have no
11 permanent place to live and those with disabilities
12 can obtain appropriate housing in a timely way
13 rather than suffering the chaos of stop gap living
14 situations or languishing in the shelter system.

15 The fourth and final point, increase
16 funding for homeownership and rental housing. Our
17 dual mission is to provide housing and services for
18 homeless families while promoting their overall
19 strategic revitalization of the West Powelton
20 community. In the interest of community
21 stabilization, PECCDC urges the City to increase
22 funding of rental housing production and
23 neighborhood-based homeownership production.

24 I'd like to thank you again for the
25 opportunity to appear today and for your

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2 consideration of our comments.

3 (Applause.)

4 COUNCILWOMAN BLACKWELL: Thank you so
5 much to all of you. Thank you for the work that you
6 do and for your testimony.

7 Did John MacDonald come in, Impact
8 Services? John Roe; Elise Wise, West Powelton;
9 Gertrude Weaver, Belmont Improvement Association;
10 Sister Ann-Marie Weisglass, Home Ownership Council
11 Association.

12 Good morning. Welcome. Thanks for your
13 patience. Please identify yourself and begin your
14 testimony.

15 MR. ROE: Good morning. I am John Roe,
16 Executive Director of the Tenants Action Group of
17 Philadelphia. I am pleased to appear before you to
18 provide testimony on neighborhood housing and
19 community development.

20 TAG's mission is to advance and defend
21 the rights and interests of tenants and homeless
22 people. TAG has been privileged to receive support
23 from OHCD which has allowed us to provide needed
24 services and housing assistance in many forms to
25 tens of thousands of individuals and families over

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2 past year. On an annual basis, TAG provides a
3 tenants rights hotline to inform 15,000 of their
4 rights. We serve 2,000 tenants through six weakly
5 tenants rights workshops and two weekly eviction
6 defense workshops. We provide one-on-one
7 tenant-related housing counseling to over 2500
8 individuals and we provide organizing assistance to
9 improve the communication between building
10 management and tenants to maintain the quality of
11 their housing. We operate lead-safe houses to
12 provide temporary relocation to 72 families with
13 lead-infected children so that their primary
14 residence can be lead abated. We prevent
15 homelessness through case management in the
16 emergency cash assistance for 1,000 families at risk
17 due to delinquent rent mortgage and utilities.
18 TAG provides security deposits, rental
19 assistance, housing and budget counseling, case
20 management and supportive services for over 350
21 former shelter residents in our transitional housing
22 program and for over 400 individuals and families
23 with special needs including those with HIV/AIDS,
24 substance abuse, and mental health disabilities,
25 families undergoing reunification in large,

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2 hard-to-place or under-served populations.

3 TAG graciously and respectfully publicly
4 acknowledges and thanks City Council, OHCD, and John
5 Kromer for its support of our mission. TAG's
6 general philosophy is that safe affordable decent
7 housing is a basic human right and that tenants must
8 take a proactive role in addressing issues that
9 affect their housing.

10 TAG's organizing and advocacy work play
11 a vital role in preventing the blight that is caused
12 by large rental buildings deteriorating to the point
13 of abandonment. At present, we have 14 active
14 tenant councils comprised of tenants who have banded
15 together to solve current problems.

16 For example, in Germantown we have
17 assisted the tenants of a 32-unit apartment building
18 badly in need of plumbing repairs. Sewage from
19 upper floors was spilling into units in lower
20 floors. Negotiations with the building owners
21 proved unproductive. After a very vocal
22 demonstration on the sidewalks and initiating a
23 rent-withholding campaign, repairs are being made.
24 TAG is remaining vigilant so this building does not
25 become a troubled building.

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2 Another example is in Overbrook in which
3 we organized a 97-unit building. There was no heat
4 on numerous occasions for periods up to five days.
5 Changes occurred here only for a very local
6 demonstration on the sidewalks and rent withholding.
7 Here, too, blight was prevented before it occurred.

8 With the help of Councilwoman
9 Blackwell's office, we prevented the gas shutoff of
10 over 600 units of apartments owned Philly Gardens.
11 We have 40 community-based organizations who ar
12 organizational members of TAG who are our partners
13 and who formed a foundation of a growing City-wide
14 tenant organization whose purpose is to strengthen
15 the voice of tenants City-wide. These organizations
16 allow TAG to take our services to the neighborhoods
17 where we offer tenant rights workshops and other
18 tenant-related services.

19 The work we do prevents evictions and
20 homelessness. We offer six workshops a week on
21 tenants rights and two classes on eviction defense.
22 We offer telephone hotline counseling and one-to-one
23 counseling. Those who use our services have severe
24 difficulty paying for the most fundamental
25 necessities of life, including the basic cost of

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2 housing, rent, and utilities. Overall, we serve
3 about 20,000 tenants a year, attempting to head the
4 very real misery associated with eviction and
5 ultimately homelessness. Though we counsel and
6 assist a relatively enormous number of tenants, we
7 observe so many more tenants in landlord tenant
8 court who have not been fortunate to have received
9 our services. In case after case, we see that an
10 eviction could have been prevented if only we were
11 able to provide adequate counseling.

12 The injustice that we see sometimes is
13 simply outrageous, such as the case of a 27-year-old
14 single mother with a five-year-old boy. She
15 complained to her landlord of smoke coming from
16 electric sockets and what was ultimately determined
17 by L & I to be a faulty and unsafe electrical
18 system. Complaints to her landlord went nowhere.
19 Fearing for her safety and that of her son, she
20 withheld her rent to force the landlord to fix the
21 problem. He in turn served her with an eviction
22 notice. Outrageous? Not quite. She found herself
23 in landlord tenant court, an intimidating place in
24 which the rights of tenants are treated with casual
25 respect at best and not uncommonly with no request.

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2 Additionally, this is a place where the landlord is
3 at home, having been there many times in the past.
4 She found herself on the wrong end of a
5 nonappealable agreement brokered by the resolution
6 dispute unit of the court. According to this
7 bonding agreement, she agreed to vacate the
8 apartment within 30 days. And here is the
9 outrageous part, agreed to pay for the electrical
10 repairs. This was in exchange for the landlord not
11 putting her out immediately. Unfortunately, TAG was
12 not contacted until after this happened. We did
13 help her with counseling and with other programs
14 that TAG runs, but at a higher cost if we had the
15 opportunity to serve her from the start.

16 The 20,000 tenants who we serve cost a
17 little more than \$14 each to serve on the average,
18 very inexpensive compared to other services which
19 would be necessary and very inexpensive compared to
20 the price which would have had to be paid in real
21 human misery. It has become impossible to fully
22 meet the demands for our services. We are working
23 today with approximately half the resources of ten
24 years ago in terms of real dollars and we are
25 providing more tenants rights in organizing

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2 services. There is so much more that needs to be
3 done, such as monitoring the courts to prevent
4 unjust evictions or assisting tenants in an
5 intimidating and often confusing court mediation
6 process. And so many more consumers to serve such
7 as those who never get through our greatly overtaxed
8 telephone system or who never see our overbooked
9 counselors.

10 While we praise OHCD support for
11 homeownership counseling and settlement grants
12 programs and its fight against predatory lending,
13 TAG is the agency that tenants in trouble call. TAG
14 is the place that has the experienced staff and the
15 passion for upholding the rights of tenants. I,
16 again, respectfully request your help to increase
17 our ability to provide these greatly needed
18 organizing and tenant services. I ask you to please
19 consider providing the increased funding that is
20 necessary to come closer to our meeting the demand
21 and so that we may better address the systemic
22 obstacles to neighborhood revitalization. We really
23 need more help. TAG applauds OHCD for its efforts
24 in providing support that enables TAG to assist low
25 and very income individuals. Thank you for your

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2 time.

3 (Applause.)

4 COUNCILWOMAN BLACKWELL: Thank you very
5 much. And let me say that we have worked with TAG
6 as long as, gosh, since the '70s and we don't know
7 what we'd do if we didn't have you to help people in
8 trouble. Thank you very much and thank you to TAG.

9 MR. ROE: Thank you.

10 COUNCILWOMAN BLACKWELL: Please identify
11 yourself for the record.

12 MS. WEAVER: Good afternoon. My name is
13 Gertrude Weaver, and I'm the Executive Director of
14 Belmont Improvement Association which has been
15 established since 1976. We are an energy center and
16 in that we work with the Neighborhood Advisory
17 Council under OHCD. We are presently working with
18 Friends Rehabilitation in the development of Belmont
19 Gardens. We are a newly certified CDC and we are
20 working to remove the blight in our area.

21 We're requesting funding for the West
22 Philadelphia area specifically for the Belmont area.
23 We are trying to eliminate the blight and develop
24 things in our area. Thank you.

25 COUNCILWOMAN BLACKWELL: Thank you very

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2 much. We appreciate all that you do and your
3 commitment to the community.

4 Are there any questions?

5 Thank you.

6 We'd like to call Mr. James Shrode,
7 Disabled in Action of Pennsylvania, Inc., and Eric
8 Erik von Schmetterling.

9 Good afternoon. Thank you for your
10 patience. We welcome you. Please identify yourself
11 for the record and begin your testimony. Thank you.

12 MR. SHRODE: My name is Jimmi Shrode,
13 J-I-M-M-I; S-H-R-O-D-E. And I'm with Liberty
14 Resources Incorporated which is the Center for
15 Independent Living in the Philadelphia area. I was
16 going to present the testimony that I had written
17 up, but as a housing counselor for Liberty
18 Resources, I'm beginning it find more and more
19 frustrating to do my job to serve people with
20 disabilities. Over and over again I keep receiving
21 phone calls from people with disabilities who need
22 help with housing. There's nothing I can tell them
23 except that there isn't very much out there there's
24 a waiting list of three to five to seven years for
25 housing and that there is not enough accessible

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2 housing stock for people with disabilities at all.

3 If you look on Page 24 of the Year 27
4 Consolidated Plan and see in Table 3.4 titled "The
5 Summary of Estimated Housing Needs," you'll see that
6 the number of people with disabilities in need of
7 housing is 65,300 people. 65,300 people. This is
8 30 times more than people AIDS, 10 times more than
9 the frail elderly, and 10 times more than people
10 with mental health and mental retardation.

11 Year after year it seems like our
12 funding gets cut and there's never enough of it. We
13 face diminishing housing stock and we have nothing
14 at all to fall back on or rely on. A lot of people
15 are paying anywhere from 80 to 110 percent of their
16 income, which is nothing but about \$6,000 a year on
17 rent. A lot of people are facing eviction time and
18 time again, being thrown out of one slum landlord's
19 horrible inaccessible apartment to the other,
20 building up a lot of bad credit along the way.

21 We need the City of Philadelphia to
22 really, really commit itself to spending money to
23 really build housing for people with disabilities.
24 We can no longer just say, "Oh, well, there's not
25 enough housing and that's the way it is." We have

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2 people who have gone into nursing homes because
3 there is no housing for them. And even though the
4 Supreme Court says that it is against their
5 Constitutional right under the Homestead decision
6 that people with disabilities have the right to move
7 in the community, there's no place to move into the
8 community at all. A lot of people are being held
9 one to two years in nursing home against their will
10 all because of the lack of housing.

11 We have a large baby boom generation
12 that as it ages, it's only going to continue to
13 increase the need for accessible housing. A lot of
14 people, as they age, become disabled, and that will
15 increase the need for housing.

16 I would like to see the City of
17 Philadelphia really expand the budget for housing
18 for people with disabilities beyond just the measly
19 \$15,000 that's already budgeted. It needs to go up
20 even more than that.

21 There's also a program called the
22 adaptive modification program which right now is at
23 \$2 million. It takes five years for people with
24 disabilities to even get their house looked at to be
25 considered for adaptive modification because of the

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2 limitations on the funding. And then a lot of
3 people when they finally do get their chance to go
4 to the head of the line find that their house cannot
5 be modified all because there is one problem with
6 one of the systems in the house and there's not
7 enough money to fix the house and keep it in repair.

8 I would like the City of Philadelphia
9 and OHCD to advocate the State and the Federal
10 Government to get housing dollars for people with
11 disabilities that do not segregate people into
12 disabled-only high-rises. We need to start asking
13 that the Aid 11 Program become 100 percent
14 voucher-based for people with disabilities instead
15 of becoming project-based. We need to ask that HUD
16 amend its 232 Program that's used to build nursing
17 homes and assisted living centers and spends in
18 excess of \$2 billion in just three years on 40-year
19 guaranteed mortgages to house people with
20 disabilities. If we could turn a fraction of this
21 program into mortgage assistance for people with
22 disabilities, it would really help.

23 Finally, the Disabled in Action
24 partnership with OHCD has not yielded any benefits.
25 All of the housing in the OHCD partnership have been

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2 built with tax credit money and is aimed at people
3 who are low to moderate income. A lot of people
4 with disabilities are far below what is considered
5 low income. We're about 80 to 90 percent below the
6 lowest figure that HUD has. We need money to pad
7 the affordability gap for tax credit housing if
8 people with disabilities are even to get a fair
9 shake. Thank you.

10 (Applause.)

11 MR. VON SCHMETTERLING: Hello. My name
12 is Erik von Schmetterling. I am an adapt activist,
13 a member of Disabled in Action of Pennsylvania or
14 DIA, and I'm member of the board of Liberty
15 Resources, Incorporated, Philadelphia's local center
16 for independent living. I am also a person with can
17 multiple disabilities and I am here to say that the
18 disability community is pissed off because we face
19 the severest housing crisis ever. In short, there
20 is no housing for us.

21 (Applause.)

22 MR. VON SCHMETTERLING: In the past, it
23 was standard practice to place us in nursing homes
24 or similar long-term custodial facilities like
25 mental institutions, state schools, and personal

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2 care boarding homes. I know because I've been in
3 those places. I've been homeless. I was an a
4 grate. I've been in a nursing home and I was in a
5 mental hospital for four years because the waiting
6 list for accessible apartments in our City was three
7 to five years. That was in 1985. It's now the year
8 2001, and the situation has grown far worst because
9 the number of people needing house has increased.

10 As Mr. Shrode said, the number of people
11 with disabilities who are needing housing in the
12 City of Philadelphia is now 65,300 people, and
13 that's according to the Consolidated Plan.
14 Ironically, some housing units have been built
15 since, say, 1985 for instance. However, most
16 developers and builders of that housing have not
17 been compliant with federal law, specifically
18 Section 504 of the National Rehabilitation Act of
19 '73 and the Fair Housing Act amendments of 1988.
20 Most entities, as they like to be called, have been
21 guilty of this, including HUD and the Philadelphia
22 Housing Authority to have name just two.

23 But I have not come to bury Caesar, so
24 to speak, blame placing has its place, but we need
25 to constructively work together to come up with

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2 solid solutions to this severe housing shortage
3 facing my people today. Short of going out there
4 ourselves to actually build more affordable
5 accessible housing, if we cannot do that, we must
6 charge ourselves with the responsibility of ensuring
7 that those homes and apartments are in fact built.
8 How can we do that? I'll give two possible
9 suggestions, but there are more and the so-called
10 housing experts that are here today need to learn
11 and implement them all.

12 First, the recent trend has to build
13 housing that is financed by tax credits. These are
14 designed to help those who are low to moderately
15 low-income persons or families. That's fine and
16 good. However, it is no help whatsoever for most
17 people with disabilities. 85 percent of my people
18 are not employed, not because we cannot work, mind
19 you, but because society continues to see my people
20 as weak, sick, special needs or vulnerable and
21 therefore won't hire us due to these stereotypical
22 prejudices. A person living on SSI gets only \$551 a
23 month. In other words, we can't afford to use these
24 tax credits. A portion of CDBG funds needs to be
25 used to help create a bridge or gap to this

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2 affordability dilemma. Such a cushion would then
3 make it possible for people with disabilities to
4 utilize tax credits.

5 Second, as again Mr. Shrode said, the
6 City's modification funds needs to be seriously
7 increased. Currently it has about \$2 million, but
8 that is not enough to meet the demand. This fund
9 was designed to help low-income persons who become
10 disabled to modify their current housing into an
11 accessible unit. Typical modifications can include
12 ramps, installing outside and/or inside lifts,
13 redesigning bathrooms and kitchens, et cetera. The
14 extent of which is to prevent low-income persons
15 from becoming prisoners in their own homes.

16 Again, these are two practical ways
17 which would help to alleviate our housing crisis, a
18 crisis that affects six times the number of people
19 living with AIDS or HIV, the next highest population
20 of people in need. Instead of pitting one against
21 the other, though, we need to dramatically increase
22 the funding, not just by the \$1 million, the amount
23 which it was cut, but by raising it far higher than
24 \$3 million. There are additional ways also. Myself
25 and any of my colleagues would be more than willing

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2 and happy to meet with anyone here to discuss any or
3 all of them in more detail.

4 Lastly, the Consolidated Plan needs to
5 address the federal law noncompliance issue more
6 strenuously. No CBG money should be given at all to
7 any entity who does not follow these laws. OHCD and
8 HUD's local offices must become sticklers on
9 enforce. If any CDBG recipient is found to be
10 noncompliant, penalties should be levied against
11 that recipient and no further CDBG funding should be
12 allotted. It is precisely such lackadaisical
13 attitudes that have led in part of the housing
14 crisis facing my community.

15 We look to City Council, our City's
16 governing body to be a positive example as we strive
17 for more housing. We look to you to be our
18 champions. People with disabilities are tearing
19 down the institutional walls. Even HUD has learned
20 not to count nursing home beds as housing units. As
21 a population, our numbers are on the rise.
22 Baby-boomers are getting older. Many chronic
23 medical conditions are becoming disabilities. The
24 number of accidents, either vehicular or due to
25 crimes, are increasing and people are living longer

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2 in general. As a result, people with disabilities
3 need accessible housing that we can afford and we
4 need it now. We can't wait. Thank you.

5 (Applause.)

6 COUNCILWOMAN BLACKWELL: Thank you very
7 much. We have Mr. Kromer here. We've been doing
8 some side-bars about some legislation regarding
9 amendment to this application. But we are certainly
10 going to ask that they be in touch with you and take
11 you up on that offer of meeting to certainly see
12 what we can do to improve housing conditions for
13 disabled people. We certainly thank you both.

14 (Applause.)

15 COUNCILWOMAN BLACKWELL: Lugina
16 Robertson, ACORN; Francis Vargas, APM. After them
17 we'll Angel Rodriguez, Executive Director of
18 YouthBuild.

19 Good afternoon. Thank you for your
20 patience. Please identify for the record and begin
21 your testimony.

22 MS. ROBINSON: Good morning. My name is
23 Lugina Robinson, and I'm a senior housing counselor
24 for ACORN housing and I'm here to speak on behalf of
25 ACORN housing and other housing counseling agencies

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2 sponsored by the Office of Housing and Community
3 Development.

4 We would like to praise the leadership
5 role of Mr. John Kromer and OHCD for their immediate
6 efforts in combatting predatory lending. OHCD has
7 provided housing counseling agencies with technical
8 and educational training along with financial
9 funding for predatory lending counseling. This is a
10 very important step in introducing homeowners to
11 another level of homeownership.

12 As you know, Philadelphia is have a
13 crisis with predatory loans which has observed
14 homeowners' equity and forced them into foreclosure.
15 Due to the assistance of OHCD in 1999, the housing
16 counseling agencies were responsible for counseling
17 10,000 families in pre-purchased homeownership
18 counseling. Now it is our responsibility to expand
19 their knowledge and protecting and securing their
20 financial assets by counseling them in making
21 important decisions when refinancing their
22 properties. This and many other educational tools
23 sponsored by OHCD are very important in assisting
24 counseling agencies in preparing the citizens of
25 Philadelphia through homeownership education.

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2 We would like your support in joining
3 Mayor Street's campaign in transforming our
4 neighborhoods into vibrant communities. Thank you.

5 (Applause.)

6 COUNCILWOMAN BLACKWELL: Thank you very
7 much. Mr. Vargas, please identify yourself and
8 begin your testimony.

9 MR. VARGAS: Good afternoon. My name is
10 Francis Vargas. I'm here today representing
11 Asociacion de Puertorriquenos en Marcha,
12 Incorporated, otherwise known as APM. I'm providing
13 testimony today on the proposed Year 27 Consolidated
14 Plan and its support of community development
15 activities, in particular community based affordable
16 housing development, neighborhood and housing
17 economic development, and housing counseling.

18 APM is a social service agency, which
19 was founded 30 years ago to serve the needs of
20 Philadelphia's Latino community. Today APM has
21 grown into an organization which employs over 200
22 local residents and serves both Latinos and
23 non-Latinos citywide. In the past ten years, APM
24 had developed 212 rental units for low-income
25 families, 8 homeownership units for low-income

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2 first-time homebuyers, and a shopping center,
3 including a 40,000 square foot supermarket. Through
4 our housing counseling program, APM serviced over
5 500 first-time homebuyers in the last calendar year.
6 Through both our community building initiatives and
7 our partnership with Philadelphia Green, we have
8 been involved in several greening projects
9 throughout our service area and are in the process of
10 developing a long-term open space management plan.
11 Our development area is bounded by American Street
12 to the east, 9th to the west, York to the north, and
13 Berks to the south, and extends south to Cecil B.
14 Moore in between 7th and 9th. I've attached a map
15 to my testimony showing our projects.

16 I'm here today to testify that APM's
17 work is not done. We need to continue to develop
18 our neighborhood. And in order to accomplish this,
19 we need the City of Philadelphia's support. We are
20 currently working on a 50-unit homeownership
21 development, a 30-unit seniors development, a new
22 headquarters site, a phase two of our commercial
23 development and various smaller community
24 development initiatives including additional open
25 space and gardening projects, community building and

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2 housing counseling.

3 Over the last ten years, APM has had
4 success in our housing production efforts and has
5 mad progress in our revitalization efforts. To
6 continue this, it is imperative that we increase
7 funding for both neighborhood-based rental and
8 homeownership development. In our community,
9 affordable rental housing was the first step towards
10 revitalization. The use of public subsidy through
11 the City of Philadelphia, allowed us to leverage in
12 private investment using the Low Income Housing Tax
13 Credit Program. The investment of private dollars
14 in our neighborhood began to rejuvenate the real
15 estate market and slowly increase the market value
16 for our neighborhood. APM accomplished this while
17 also being able to provide and manage decent,
18 affordable, safe, and sanitary housing for 212
19 families in our community. Our next step in housing
20 development involves the creation of homeownership
21 opportunities for our community residents.
22 Increased funding for homeownership development will
23 provide the opportunity to capitalize on our
24 revitalization efforts, create stable neighborhoods,
25 and build community assets for our residents. Asset

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2 building is one of the few ways that we, as
3 community-based organizations can attempt to break
4 the cycle of poverty.

5 Another key component of our community's
6 revitalization involves economic development.
7 Community development corporations have long led the
8 way in neighborhood economic revitalization. CDCs
9 are the key link between public policy, private
10 entrepreneurs and our communities. To continue our
11 work, increased funding to support our neighborhood
12 economic development initiative is necessary.

13 However, I want to make clear that I support an
14 increase in both housing and economic development,
15 but not as the cost of each other. We need to first
16 build and continue building strong, solid
17 neighborhoods, ones with a strong and healthy retail
18 base and labor force. Then with increased public
19 support, we can successfully embark in economic
20 development activities.

21 In addition to support for development
22 activities, it is absolutely crucial that we provide
23 acquisition support ot CDCs to be able to acquire
24 land for our developments. In our development area,
25 most of the land that we develop is vacant and

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2 blighted. The acquisition support that we need is
3 specifically funding and/or reduction of existing
4 fees for urban renewal condemnation.

5 For the first time in APM's ten year
6 development history, we were recently unable to move
7 forward with a project. The obstacle was
8 acquisition. The proposed project is a 30-unit
9 seniors development, for which we were planning to
10 apply to HUD for Section 202 funding. The site is a
11 vacant lot at the northwest corner of 5th and Norris
12 that has been vacant for several years now and is
13 more than \$50,000 tax delinquent. The lot has
14 several owners, and even as a consolidated parcel in
15 eastern north Philadelphia, would not be worth more
16 than \$15,000 on the private market. APM was seeking
17 the City's support in several ways. First was the
18 \$15,000 per unit for a total of \$450,000, for the
19 development if we were awarded the section 202
20 funds. This was granted. Secondly, and at this
21 point in the project most importantly was support
22 for the acquisition of the site. Unfortunately,
23 this project came at a time when the City is at a
24 crisis, with a severe shortage of funds, even when a
25 small investment could leverage in over \$3 million

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2 of outside funding. The City was unable to commit
3 to funding the urban renewal taking, so we decided
4 to attempt to pay for it ourselves with funding we
5 could raise from LISC and the Targeted Neighborhood
6 Initiative. The project could absorb no more than
7 \$50,000 in acquisition, otherwise it would not be a
8 stable project. At first, this seemed like it would
9 work, as initial estimates of condemnation were at
10 about 35 to \$40,000 K. Our application deadline to
11 HUD was at the end of May 2001, by which we needed
12 site control for the lot. Approximately a month
13 before this, our acquisition budget had risen to
14 \$180,000 because of added fees and an unusually high
15 appraisal. Even with the full cooperation of the
16 City and every effort we could make, nothing could
17 be done; the project was no longer feasible. APM,
18 our community, and the City of Philadelphia lost a
19 chance at leveraging \$3 million of development for
20 our community and adding revenue to the City's tax
21 base.

22 To prevent this from happening again,
23 funding for acquisition and a process by which it is
24 awarded needs to be identified. CDCs as well as
25 private developers need to be able to acquire land

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2 quickly, easily, and cost effectively, if we hope to
3 make a change in Philadelphia's neighborhoods.

4 In addition to CDCs like APM coming
5 together to identify the need for increased funding
6 for neighborhood development activities, the City of
7 Philadelphia under Mayor Street's administration has
8 placed a tremendous amount of effort and emphasis on
9 the proposed Neighborhood Transformation Initiative.
10 The City and community groups are working towards
11 the same goals, eliminating blight and improving the
12 overall quality of life for our residents. With
13 increased funding for our neighborhood-based
14 development activities, we are complimenting the
15 efforts of the City's new initiative. The key to
16 making the initiative work and our efforts being
17 capitalized in the continued use of CDCs as the
18 delivery vehicle. APM is mission driven and
19 community led, and our track record shows that APM
20 has the capacity to carry our successful development
21 activities, but only with the City of Philadelphia's
22 support.

23 My testimony here today basically
24 outlines the need for additional funding, support
25 and emphasis for neighborhood-based development

9 I am making these arguments on behalf of
10 APM, but I also feel strongly that this is the
11 position of many community-based organizations. Our
12 communities across the City have very different
13 needs, but in each case we have demonstrated that
14 community development corporations have the
15 capacity, the technical expertise, and the
16 dedication to carry out our missions. I want to
17 thank you for all of your time, and I hope that we
18 can continue to strive towards improving the quality
19 of life in our neighborhoods. Our work is clearly
20 not done. Thank you once again for your time.

22 COUNCILWOMAN BLACKWELL: Thank you both
23 very much. Thank you for your testimony. We've
24 known about APM for a very long time.

25 Angel Rodriguez, Executive Director of

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2 YouthBuild. Martin Knock, Shane Mayo, Lea Frisks,
3 Communities in Schools. Welcome and we're very glad
4 to have you.

5 After they testify, Mildred Kee, Women
6 of Excellence, are you here?

7 Okay, they are not here.

8 Deborah McMillan, PHMC, you'll be next.
9 Thanks for your patience.

10 Good afternoon. Please identify
11 yourself for the record and begin your testimony.

12 MR. RODRIQUEZ: Good afternoon. My name
13 is Angel Rodriguez. I am here today as executive
14 Director of YouthBuild Philadelphia Charter School.
15 I'd like to introduce one of our students, Bouathong
16 Phothong, and we are here to provide a brief update
17 on the status of YouthBuild and the support we
18 receive from you through the Office of Housing and
19 Community Development.

20 We are finishing our ninth year as a
21 YouthBuild program and our fourth as a charter
22 school. Our school combines individualized academic
23 education with on-the-job training in construction
24 with students spending 50 percent of their time at
25 the construction sites and the other half in the

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2 classrooms. All of our students are former high
3 school dropouts who have decided that they wanted to
4 get their lives together.

5 Later this month, over 90 students are
6 expected to earn their high school diplomas and
7 graduate from our program. During the year, they
8 have been working on the full gut rehabilitation of
9 seven houses in South Philadelphia. The student who
10 will speak to you today represents all of the
11 students who will be graduating this month with high
12 school diplomas. YouthBuild has over 500 graduates
13 and has built 50 houses for low-income houses in
14 Philadelphia. Over 80 percent of the last three
15 graduating classes have gone on to full-time jobs or
16 continued their education. OHCD has supported us by
17 providing us with an important operating grant and
18 by subsidizing the housing construction our students
19 do.

20 I thank OHCD and City Council for your
21 support, on behalf of the many young men and women
22 in Philadelphia who are in need of a second chance.
23 YouthBuild Philadelphia has been a grantee of the
24 City's Office of Housing and Community Development
25 for seven years now. During this time, we have

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2 combined housing revitalization with economic and
3 job development initiatives to help low-income
4 people attain and retain jobs.

5 For the 2001-2002 school year,
6 YouthBuild will enroll another 150 out-of-school
7 youth from a number of districts in the City. OHCD
8 has proposed to continue to support YouthBuild for
9 the 2001-2002 year with operating support and
10 development subsidies provided on a
11 project-by-project basis through CDBG funds. These
12 CDBG funds have been vital to us as we work to
13 leverage other resources for our program. Each year
14 for the past seven years, we have used CDBG funds to
15 leverage federal, state, and private monies,
16 including an increasingly competitive YouthBuild
17 grant from the US Department of Housing and Urban
18 Development.

19 The development subsidies provided
20 through CDBG funds will be used to allow students
21 in the 2001-2002 school year to rebuild six
22 abandoned houses in the City. We are grateful for
23 the support we have received from the City. It has
24 allowed us to address two of the City's most
25 critical issues: First, undereducated youth; and

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2 second, abandoned housing. Our program design
3 provides a way for mobilizing at-risk youth to
4 become a positive work force reversing urban blight.
5 The benefits of our program are tangible and
6 encompass the entire community.

7 We have still to reach the capacity to
8 enrol larger number of young adults. Each year we
9 are able to enroll less than a third of the youth
10 that apply to our program. Continued support from
11 the City is crucial to us as we serve increasing
12 numbers of at-risk youth in Philadelphia and
13 continue to rebuild communities one block at a time.

14 At this time, I'd like to introduce
15 Bouathong.

16 MS. PHOTHONG: Good morning, Honored
17 Members of City Council and guests. My name is
18 Bouathong Phothong and I'm now 20 years old and I
19 dropped out of school when I was 18 years old. My
20 teenage years growing up were not easy. Being a
21 minority, I felt the pressure to fit in with
22 everyone. That's one of the reasons I felt the
23 influence of the crowd at school. But by September
24 last year I realized that things needed to change
25 and I had a last chance to complete my high school

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2 education. I heard about YouthBuild from my friend
3 who graduated from last year and applied to the
4 program.

5 I had goals before I came to YouthBuild,
6 but I did not know how to go about fulfilling my
7 goals. YouthBuild walked me through that.
8 YouthBuild is not just a school, it's family and
9 they give me all the support and help I need. The
10 teachers at YouthBuild actually care about the
11 students. They treat each student as if they were
12 their own child. Ever since the first day of
13 YouthBuild, I feel as though I matured not only
14 physically but mentally from the experiences that I
15 have had.

16 At the construction site, my classmates
17 and I have been working on seven houses. We've done
18 everything from demolition to framing and
19 insulation. Even though when you hear the word
20 "construction" you think of it as a man's field.
21 There are a lot of us young women at YouthBuild
22 proving that wrong. Even though many of us may not
23 directly want to pursue careers in the construction
24 field, we learn a lot from the trade and will always
25 know how to look other than homes.

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2 I will graduate on June 26. I am really
3 looking forward to walking down that aisle. After
4 graduate I will be going to the University of
5 Wisconsin for a six-month program to learn my native
6 language Laotian. In the long-term, I want to
7 become a teacher and educate the young children in
8 my native country. I am really grateful to
9 YouthBuild for this opportunity and hope you will
10 continue to fund the program so that other young
11 people come to the school and turn their lives
12 around thank you.

13 MR. KNOCK: Good afternoon. My name is
14 Martin Knock, President of Communities in Schools of
15 Philadelphia. I appreciate this opportunity to
16 speak with you this morning in support of the Office
17 of Housing and Community Development and the other
18 activities that concern the community and education.
19 As you know, there's a direct correlation between
20 housing, education, and the basic business health of
21 the community.

22 First, for those of you who are
23 unfamiliar with our organization I represent, allow
24 me to provide you with some background on the
25 Communities in Schools, the national organization

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2 based in Virginia and the local charter Communities
3 in Schools in Philadelphia. Communities in Schools
4 was established in 1986 and is one of 170
5 independent incorporated local affiliates of the
6 national Communities in Schools network. We call
7 ourselves the Stay in School Network. We call
8 ourselves for short CIS.

9 CIS is the nation's leading
10 community-based organization helping children to
11 succeed in school and prepare for life. When it
12 comes to children, CIS has established a track
13 record with a focus on results. We're the largest
14 stay-in-school network in America. We provide
15 access to services for more than a million young
16 people on an annual basis. CIS celebrates student
17 success by increased graduates, stay-in-school
18 rates, increased attendance and better academic
19 performance.

20 CIS also forms effective partnerships
21 and creates unique programs with organizations like
22 OHCD. We have more than 25 years of experience with
23 programs and activities in 34 states. We are a
24 community builder delivering services for children.
25 We partner with families schools and community

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2 leaders to create a support system for at-risk youth
3 and we utilize a committed staff to customize and
4 develop and facilitate effective local programs. We
5 garner support from businesses, organizations,
6 governments, social service providers and volunteer
7 groups. And we work in partnership with the public
8 schools, principals, superintendents, teachers, and
9 administrators.

10 As a network of local organization, we
11 are an advocate for children in need. We support
12 bridging the digital divide. Education is a
13 necessary part of preparing for life, providing
14 marketable youth and other children. And we believe
15 children are the solutions, not the problems.

16 The goal of Communities in Schools in
17 Philadelphia to provide Philadelphia public students
18 with the support they will need not only to stay in
19 school, but also prepare for success after
20 graduation in either post secondary education or
21 meaningful employment. We could not do this without
22 OHCD's support. The primary constituents of CIS are
23 those students who needs are not easily met by the
24 traditional education system and those who have been
25 deem unlikely to succeed without intervention and

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2 support. Building community partnership through our
3 specialty programs to provide students with extra
4 support and services they need to graduate and
5 succeed. OHCD helps us with this.

6 Our Youth Enterprise Project our Youth
7 Work Summer Student Employment Program, our Travel
8 and Tourism Program, teacher professional
9 development. Because of OHCD's support, we work
10 with approximately 2500 additional students per
11 year. We have been in partnership with the Office
12 of Housing Community Development since 1995.

13 In conclusion, CIS supports the valuable
14 work of the Office of Housing and Community
15 Development. The partnership between OHCD and CIS
16 is a minimal representation of the many valuable
17 services that OHCD offers to citizens of
18 Philadelphia.

19 To speak more specifically about the
20 support CIS receives, I have two staff people who
21 will speak to you briefly, Ms. Lea Frisk, Program
22 Manager of our Academy on Travel and Tourism; and
23 Mr. Shane Mayo, Program Manager for our Academies of
24 Finance and Entrepreneurial Programs. You will see
25 that the role of OHCD is beyond just the housing

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2 issue but supports the community at large. This is
3 my staff Lea.

4 MS. FRISK: Hello. My name is Lea
5 Frisk, and I'm the program manager for Communities
6 in Schools for Philadelphia, Academy of Travel and
7 Tourism, and Career through Culinary Arts Program
8 and CIS Works. I'm here today to speak to you about
9 how these three important support programs have a
10 positive impact on students' lives and the
11 Philadelphia Community at large. OHCD plays an
12 integral part in the support of each of these
13 programs.

14 The Academy of Travel and Tourism or
15 Careers Through Culinary Arts Program or C-CAP and
16 the CIS Works program are made possible for a
17 partnership of Communities in Schools and the Office
18 of Housing and Community Development and the School
19 District of Philadelphia. These programs introduce
20 hospitality as a viable career path to pursue
21 directly after high school or as a course of study
22 for college.

23 Hospitality is the fastest growing
24 industry in the Philadelphia metropolitan area.
25 Currently, there is a shortage of local qualified

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2 candidates for employment. By encouraging students
3 to explore hospitality, we are helping to fill the
4 pipeline of potential qualified candidates for the
5 many employers in the Philadelphia hospitality labor
6 market. The hospitality industry offers a wide
7 variety of career choices, hotels, restaurants, and
8 attractions need almost every position that the
9 average corporation needs. From front desk staff to
10 accounting, these positions can be attained at an
11 entry level or directly out of high school, or
12 better yet, with specialized degree out of college.
13 This industry is one which promotes from within.
14 Any employee who shows commitment and motivation has
15 the opportunity to advance in positions of success
16 such as director or general manager. These
17 possibilities are extremely beneficial to those who
18 may not have the means for a post secondary
19 education.

20 The Academy of Travel and Tourism
21 provides students the opportunity to learn about the
22 hospitality industry on a wide scale. Students are
23 exposed to all areas of the industry, such as hotels
24 airlines, cruises, resorts, and travel agency just
25 to name a few. The program is centered around the

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2 National Academy Foundation four pillars: An
3 industry theme curriculum, paid student internships,
4 industry staff development, and an advisory board.

5 Each of these programs is possible
6 through the funding of the OHCD. The C-CAP Program
7 or the Careers through Culinary Arts Program
8 introduces students to the fast paced world of
9 culinary arts. While in this program, students are
10 able to take specialty classes on Saturdays from
11 local guest chefs. You should see the hundred
12 students that volunteer their time on Saturday
13 mornings to come and take culinary classes to
14 advance their skills.

15 Students also have an opportunity to
16 work in the field, volunteer at local
17 industry-related events and compete for
18 scholarships. Just several weeks ago, many of our
19 students received scholarships totaling over
20 \$147,000 thousand dollars. Again, these programs
21 are all possible through the support of OHCD.

22 CIS Works Program provides an outlet for
23 students to attain valuable industry-related work
24 experience. Students attend a one-week orientation,
25 then work from 10 to 25 hours per week, then attend

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2 biweekly training sessions.

3 In conclusion, these programs provide
4 valuable experiences in one of the fastest growing
5 industries throughout the country. Many of these
6 students may have never been expose to the
7 hospitality industry without this program. In many
8 cases, the exposure provides a focus to student
9 studies. Students who have lost interest in school
10 work become interested because they now see how
11 their studies will play an impact on their future.
12 The programs provide hope for a successful career to
13 those students who know they may not be able to go
14 to college. And in some cases, it provides the
15 means for students to attend college who previously
16 mad none.

17 Today's schools face many obstacles,
18 especially in funding. Today, more and more
19 specialized programs ad curriculum are being
20 eliminated from school rosters due to the lack of
21 funding and support. OHCD provides the necessary
22 funding to keep our hospitality programs in schools,
23 helping us to produce the hospitality work force of
24 tomorrow.

25 MS. MAYO: Good afternoon. My name is

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2 Shane Mayo, Program Manager for Communities in

3 Schools. Through the funding from the Office

4 of Housing and Community Development, the Youth

5 Enterprise Education Project is able to provide

6 students with the opportunity to learn more about

7 the world entrepreneurship and business management.

8 Because we have realized that being an entrepreneur

9 is not necessarily trained but embedded, not

10 everyone is a going to be and entrepreneur. This

11 realization has guided this project to teach the

12 students the business skills pertinent to run a

13 business, but also to manage the department,

14 organization, or small business. We deliver this

15 ideal through a manner of different scenarios such

16 as the class corporations, student-run marketplaces

17 and business plan competitions that challenge

18 students to raise to the occasion of

19 decision-making, ownership and empowerment.

20 We first introduced students to the idea

21 of ownership through the class corporation. Here

22 the student give their company a name, elect

23 corporate officers, sell shares and decide which

24 products they're going to sell. The first sale is

25 usually something that give the students a immediate

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2 gratification, a return. That first return is the
3 hook for the students and also reintroduces the
4 premise of YEEP: The more you learn, the smarter
5 you work, the more you earn. This ideal is
6 reinforced throughout the project. Then the
7 students continue their first year holding sales and
8 learning how to work smarter while earning money.

9 The marketplace is introduced in the
10 second phase of the project where students
11 participate in the marketplace, actually rent space
12 to upstart class corporations. Is this is one class
13 corporation that owns and administers the market
14 charging to the class corporation holding sales in
15 the market and the fee is based on a percentage rate
16 of the return from each sale held.

17 The final phase the project, the
18 students are able to design a business plan for a
19 small business or enterprise. They're guided
20 through this process through brainstorming
21 development process workshops through their
22 participation in the institute's Young
23 Entrepreneur's Program at the University of
24 Pennsylvania's Wharton School of Business. This
25 partnership has allowed us to feed students into

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2 their program and give them more even training that
3 will allow them to start up their own business once
4 they complete the program. Once the students have
5 submitted their business plans for the competition,
6 they are expecting to start up their small
7 businesses upon completion.

8 Also since 1995 Communities in Schools
9 of Philadelphia with assistance from the Office of
10 Housing and Community Development has provided
11 students the opportunities to receive summer work
12 experience and a chance to give back to their
13 community.

14 Our work experience programs have given
15 students insight into the world of law, medicine,
16 travel and tourism, community-based organizations
17 and even entrepreneurship. These students are
18 mentored throughout the summer by work site
19 supervisors who plan their summer experience. This
20 plan is developed to ensure the participating
21 students have a worthwhile learning experience
22 during their participation.

23 Students work in judges chambers and
24 district attorneys office in the morning and receive
25 training to run team courts in the afternoon in our

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2 teen court summer project. They attend workshops
3 instructed by second-year medical students from
4 MCP-Hahnemann Medical School and work in
5 administrate offices in the hospital in the
6 afternoon.

7 They identify vacant lots and abandoned
8 house for community-based organizations and work in
9 the travel tourism and hospitality industry as part
10 of our travel and tourism program.

11 Also for the past four years, we have
12 also been able to provide support for the School
13 District of Philadelphia special needs students
14 through our summer programs. With assistance from
15 transition coordinators from the district, we have
16 been able to help these students make a transition
17 into the working world.

18 On the community aspect of our programs,
19 we have provided students the opportunity to
20 participate in our summer youth service course.
21 These students are able to identify specific
22 community needs and work to address them. Our
23 Awbury Arboretum Project is an example of it that
24 has been around since 1995 and placed students in
25 the arboretum acting as nature guides and receiving

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2 instruction on how to maintain the arboretum and the
3 nature trails.

4 Our team parents also work in our Family
5 First Project identifying needed resources for their
6 fellow team parent and identify these locations and
7 valuable resources throughout the different sections
8 of the city.

9 Through the new Work Force Investment
10 Act, youth development programs are also moving from
11 summer only to year round programming. This shift
12 in youth development now allows organizations like
13 us to provide support, training and other work
14 experience opportunities to our students throughout
15 the year. Now the students are given year-round
16 support in developing their skills and receiving
17 learning experiences directly related to their
18 school year activities. This allows us to help the
19 students to make the connections between school and
20 year. Thank you for your time.

21 COUNCILWOMAN BLACKWELL: Thank you very
22 much. Have either of you heard that the budget cuts
23 will impact your program in any way or do you think
24 you're okay?

25 MR. KNOCK: At this moment, we don't

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2 know. As you know, the School Board just passed the
3 budget, I think, the 31st, and we think one of major
4 initiatives will be cut. That's what we call the
5 Tops Program which is the program for overage and
6 undercredential youth returning back to school.
7 That's not a program that's with OHCD, so it's not
8 connected here. But we believe that that is in
9 serious danger at the moment. That's a major
10 initiative for us. We have maybe five or 600 kids
11 in 18 classrooms across the City in I think 11
12 schools, off the top of my head. It's mainly for
13 students who have been out of school awhile that
14 decided to come back to the district and decided to
15 continue to get their diploma, usually a 18-year-old
16 9th grader or 19-year-old 9th grader or something
17 like that.

18 COUNCILWOMAN BLACKWELL: It's very
19 important and it's a program we definitely need.

20 Mr. Rodriguez?

21 MR. RODRIQUEZ: At this time, I'd have
22 to concur with Martin that it's too early to tell
23 how we would be Affected. I think not in this
24 FISCAL year but the following year as a fall out
25 from his Tops Program, we may lack the capacity to

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2 really entertain the amount of students that would
3 be in a need of a program like YouthBuild or the
4 reinstatement of program like Tops.

5 COUNCILWOMAN BLACKWELL: We wish we
6 could duplicate these programs in every area of the
7 City. It would improve the lives for people and
8 improve our communities as well. Well, keep us
9 posted. Keep in touch with me. Keep us posted
10 because we certainly support you. Thank you.

11 COUNCILWOMAN BLACKWELL: Deborah
12 McMillan, Philadelphia Health Management Corp. Is
13 Elisabeth Pamidor here from Travelers AID? Again,
14 Women of Excellence, Mildred Kee. Next will be
15 Kathy Kunkel, Drueing Center/Project Rainbow, are
16 you here? Robin Jackson-Shabazz, Salvation Army;
17 Diana Myer, YSI, are you?

18 Than you for your patience.

19 MS. MC MILLIAN: Good afternoon. Thank
20 you for this opportunity to address you today. I'm
21 Deborah McMillan with Philadelphia Health Management
22 Corporation where I manage the social services that
23 we provide to homeless people. PHMC is a nonprofit
24 public health organization committed to improving
25 the health of the community through outreach,

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2 education, research, planning, technical assistance
3 and direct services in our community. PHMC is
4 nearly 25 years experience in developing and
5 managing complex and effective programs which serve
6 the homeless.

7 Many of PHMC's most recent projects are
8 directly related to providing services to families
9 in transitional housing. Those we serve have
10 experienced a variety of problems, including
11 violence, mental health issues, and substance abuse.
12 We provide health and social services to homeless
13 single adults and families along a continuum of care
14 beginning with street outreach, working with clients
15 in shelters, soup kitchens, and feeding programs and
16 the provision of intensive case management services
17 to those living in transitional and permanent
18 housing. We serve families living in transitional
19 housing, often aftercare services, through the
20 provision of home-based services which include
21 biweekly home visits, counseling support, and
22 referrals. The goal of our services is to promote
23 self-sufficiency and independence.

24 We, too, at PHMC are deep concerned
25 about the proposed \$1 million cut in development

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2 financing for homeless and special needs houses in
3 this year's City's housing budget. This is
4 particularly perplexing to us since there has been
5 \$15 million increase in economic development
6 funding. We're requesting \$3 million out of the
7 total \$143 million Year 27 Plan.

8 Each year there are local housing
9 developers who submit proposals to increase the
10 City's housing stock for the homeless.
11 Unfortunately, these proposals are not funded
12 because of the lack of resources. Over the past 15
13 years we have learned that housing, jobs, and
14 services are needed to break the cycle of
15 homelessness and instability. Although interrelated
16 complex issues cause homelessness, our staff
17 encounter many families whose homelessness was
18 caused by living in substandard housing that was
19 deemed unfit for human habitation. There have been
20 several instances where large families have searched
21 for over six months to locate subsidized housing.
22 Although many of those we serve are getting jobs as
23 a result of the welfare reform efforts and their own
24 efforts, they remain unable to afford private market
25 housing. The increase creation of rental housing is

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2 critical for this population.

3 We, again, encourage you to restore the
4 \$1 million to the housing budget on behalf of the
5 City's homeless citizens. Thank you very much for
6 your interest and fir this opportunity to speak
7 today.

8 (Applause.)

9 (Pause.)

10 COUNCILWOMAN BLACKWELL: I'm so sorry.
11 We're so busy working out these details. Thank you
12 so much. Thank you to PHMC for what you do for
13 many, many agencies around the City who deal with
14 this population. And again, we'll ask Mr. Kromer
15 today before we end this hearing if he will comment
16 on the homeless budget and the cut that has been
17 mentioned by HAP, by PHMC, by several other
18 individuals who testified and agencies who
19 testified.

20 Is Kathy Kunkel here? Project rainbow.
21 Robin Jackson-Shabazz, Diana Myer, Jack Ferber
22 Jennine Miller on behalf of Sister Mary Scullion.

23 Thank you. Please identify yourself for
24 the record. We thank you for your patience. Begin
25 your testimony.

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2 MS. KUNKEL: My name is Katherine
3 Kunkel. I am speaking here on behalf of Sister
4 Ellen, Drueing Center Project Rainbow. Mostly I'm
5 speaking here on behalf of the homeless mothers and
6 children that our agency serves currently. We have
7 40 units open for mothers and children. We provide
8 intensive services, counseling services, day care
9 services, seven years of care planning after they
10 graduate from the program.

11 We were discouraged to see that the
12 million dollar cut could possibly affect our
13 program. Mostly we're discouraged when we see how
14 difficult these women struggle to find affordable
15 and safe housing after they leave Project Rainbow.
16 We spend between a year to two years to get these
17 women to a stable point where they can take care of
18 themselves and their families and then they leave
19 our transitional selter and it's difficult for them
20 to maintain self-sufficiency and independence when
21 50 percent or more of their income is going to
22 housing that they simply can't afford.

23 Project Rainbow would like to strongly
24 encourage the million dollars to be put back in,
25 increase it to 3 million and, hey, if got more

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2 money, add that in too. Thank you.

3 COUNCILWOMAN BLACKWELL: Thank you very
4 much.

5 Any questions?

6 MS. MYER: My name is Diana Meyer, a
7 case manager for Youth Services, Incorporated. What
8 I basically do is help assist our families in
9 reaching self-sufficiency. One of our major
10 problems is homelessness and a lot of our families
11 since being Welfare to Work Program, they are really
12 unable to afford housing. I am one of the people
13 that benefited from the shelter system. I also
14 placed in PHA for five years and then I moved out
15 and bought a home which I had got assistant through
16 OHCD, but I seem to have some problems. I've only
17 been there for a year, but my issues are basically
18 for the people. I'm really here for the people. A
19 lot of our women, a lot of our families, the
20 veterans, we have a lot of mental health people that
21 come into our program that really can't afford
22 housing at all. And then we have our elderly who
23 have owned their property but are unable to fix
24 their property up because of waiting lists for SHARP
25 is long, the waiting list for weatherization is

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2 long, and then some of them don't even meet the
3 financial criteria.

4 So I'm just asking that if you have, not
5 just a million, not just 2 but maybe 3 more to add
6 onto what you already have, it would be greatly
7 appreciated.

8 COUNCILWOMAN BLACKWELL: Thank you very
9 much.

10 Good afternoon. Thank you for your
11 patience.

12 MS. MILLER: Good morning Councilwoman
13 Jannie Blackwell. I'm Jennine Miller. I'm here to
14 testify on behalf of Sister Mary Scullion. I also
15 live in the West Philadelphia neighborhood so I
16 appreciate your efforts.

17 COUNCILWOMAN BLACKWELL: Thank you very
18 much. We know of Sister Mary's reputation quite
19 well also.

20 MS. MILLER: The mission, as you know,
21 of Project Home is to empower persons to break the
22 cycle of homelessness and poverty and to address the
23 structural causes of poverty. We address
24 homelessness through our continuum of care as well
25 as prevent homelessness through revitalization of

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2 our North Philadelphia neighborhood.

3 We're here today to testify to the
4 critical need of City dollars to facilitate the
5 building of permanent supportive housing for
6 formerly homeless persons with special needs.
7 Permanent supportive housing is the single most
8 resource to enable persons to break the cycle of
9 homelessness.

10 Recently, a study funded by the Center
11 for Mental Health Services and the Center for
12 Substance Abuse Treatment and submitted by our good
13 friends at PHMC asserted that Project Home residents
14 have a significant degree of success in overcoming
15 homelessness, maintaining stable housing, achieving
16 goals, and building a network of support. These
17 substantial findings underscore once again the
18 importance of permanent supportive housing.

19 The City's budget must reflect this
20 reality in the Year 27 Consolidated Plan. Funding
21 for homeless and special needs housing cannot be
22 cut. We are concerned that the this development
23 line item has been reduced from 3 million to
24 2 million, as other people have stated today. Three
25 million to 2 million is a 33 percent decrease from

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2 last year. It is imperative that the Finance
3 Committee through your leadership take the steps
4 necessary to make sure that this money is restored
5 so that permanent housing for those with special
6 needs can be a reality in our City. The money
7 available through the Consolidate Plan plays a
8 critical role in enabling housing providers like
9 Project Home to leverage federal, state, and private
10 dollars. This leverage is really important to
11 making sure that the actual bricks and motor of
12 programs can be developed.

13 Take a look at 1515 Fairmount, our
14 nationally recognized permanent supportive housing
15 residential program. By receiving a half million
16 dollars in City money, we were able to leverage 2.9
17 million in public funding and a quarter million in
18 private investment for equity. This money also
19 enabled us to leverage \$2.1 million in federal
20 subsidies in Section 8 over 10 years. This is only
21 possible through the City's commitment to developing
22 permanent supportive housing. This commitment
23 allowed the men and women in our community to move
24 from the streets into a permanent stable home.

25 Much progress has been made toward

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2 solving homelessness. We can do this together, but
3 only with the adequate funding to support permanent
4 housing.

5 The formerly homeless men and women in
6 our community have overcome enormous obstacles and
7 have made amazing progress in getting off the
8 streets and getting back into productive and stable
9 lives. They have demonstrated tremendous courage in
10 their efforts and they deserve the chance to live
11 with dignity in decent, affordable, permanent
12 housing. Please reinstate the homeless and special
13 needs housing budget line item to \$3 million. Thank
14 you.

15 COUNCILWOMAN BLACKWELL: Thank you very
16 much.

17 Any questions?

18 Marie Delaney, Overington House. Sister
19 Mary Hamilton, Providence Center. Roseanne English,
20 SIDS Center. Al Barrett, Co-Chair of the HIV Housing
21 Advisory Committee. John Meacham, St. Ignatius.
22 Michal Groman, Philadelphia Green.

23 Good afternoon. Thank you for your
24 patience.

25 MR. BARRETT: Good afternoon. Thank you

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2 for having me here to testify. My name is Albert
3 Barrett. I am Co-Chair of the HIV Housing Advisory
4 Committee to OHCD for HIV and AIDS.

5 As the impact of housing and in our
6 community AIDS is an uprising situation. A lot of
7 our women and children are coming down with AIDS now
8 and it's really needed more housing for people that
9 have HIV and AIDS. Right now we service over 600
10 people with vouchers, but that's not enough because
11 before people were dying; now with medications,
12 these same people are living longer and the impact
13 in our community is getting -- is rising even
14 higher. So I'm just saying let's not cut the funds.
15 We need more housing for people with HIV and AIDS.
16 Thank you.

17 COUNCILWOMAN BLACKWELL: Thank you. We
18 agree.

19 Any questions?

20 Thank you very much.

21 (Applause.)

22 COUNCILWOMAN BLACKWELL: Michael Groman,
23 Philadelphia Green, part of Pennsylvania
24 Horticultural Society.

25 Is Darrel Wilson, Friends Rehabilitation

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2 Program here?

3 Good afternoon. Thank you all for your
4 patience. Please identify yourself for the record
5 and begin your testimony. We do thank you again for
6 your patience.

7 MR. GROMAN: Good afternoon,
8 Councilwoman Blackwell. My name is Michael Groman,
9 and I'm the director of the Philadelphia Green
10 Program at the Pennsylvania Horticultural Society.
11 Thank you for the opportunity to present testimony
12 and encourage continued support for the Philadelphia
13 Green Program for the City Year 27 application to
14 HUD.

15 Through Community Development Block
16 Grant dollars, Philadelphia Green has been able to
17 carry forward its mission of improving the quality
18 of life and building community through
19 horticulture. Our work touches nearly every corner
20 of the City. We support grass roots efforts of
21 hundreds of neighborhood volunteers and creat
22 maximum impact by establishing strong partnerships
23 with various City agencies, neighborhood
24 institutions, corporations, other non-profit
25 organizations, and the business community. We're

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2 also able to use the CDBG dollars to leverage
3 significant support through private foundations.

4 Let me just take a minute to talk about
5 some of our accomplishments over the past year.
6 Philadelphia Green means community revitalization.
7 Philadelphia Green continues to work in
8 collaboration with two CDCs, in particular
9 Association for Puerto Ricans on the March and
10 Frankford Group Ministries as part of a multi-year
11 and multi-service effort to support the
12 revitalization of these neighborhoods through Green.

13 Philadelphia Green means neighborhood
14 parks as the center of community life. Philadelphia
15 Green is now supporting our revitalization efforts
16 at 30 parks throughout the City by providing
17 technical assistance, training and resources.

18 Philadelphia Green means inviting
19 gateways in downtown open spaces. Since 1987,
20 Philadelphia Green has worked to rehabilitation and
21 maintain the highly visible public green spaces
22 throughout the City's downtown areas and its
23 gateways to highlight the City's historic reputation
24 as a green country town. These sites include the
25 Philadelphia Museum of Art, Penns Landing, and the

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2 Avenue Arts, just to name a few.

3 Philadelphia Green also means vacant
4 land management. Over the past years, Philadelphia
5 Green has focused greater attention on the problems
6 of vacant land and abandoned land in the City.
7 Along these lines, Philadelphia Green continues its
8 work in the New Kensington Neighborhood in
9 partnership with the New Kensington CDC to
10 permanently clean and green this neighborhood's over
11 1100 vacant parcels. The New Kensington experience
12 serves as an inspiration for our vacant land
13 stabilization program and the American Street
14 Empowerment Zone where over four acres of land were
15 recently cleaned and stabilized with grass and
16 trees.

17 In conclusion, whether in the
18 neighborhoods or in the downtown areas, we at PHS
19 believe that quality landscapes and urban open
20 spaces are an integral part of a vital City.
21 Properly developed and managed basis of course
22 improve the physical appearance of areas, but more
23 importantly such efforts are also attractive. They
24 attract new residents, the attract new business, and
25 they attract new investment in the City. We have

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2 found greening to be a most effective tool to
3 reestablish community, revitalize neighborhoods and
4 re-invigorate cities. So from all of us at
5 Pennsylvania Horticultural Society and Philadelphia
6 Green, we thank you for your support.

7 I'd just like to take a minute to
8 introduce Francis Vargas who is project developer at
9 APM and a member of Philadelphia Green's Advisory
10 board for a few words.

11 COUNCILWOMAN BLACKWELL: Thank you.

12 MR. VARGAS: Good afternoon, once again.
13 I promise this is going to be a little shorter.

14 My name is Francis Vargas. I'm from the
15 Asociacion de Puertorriquenos en Marcha, otherwise
16 known as APM. I'm here testifying on behalf of the
17 Philadelphia Green Program as an advisory board
18 member.

19 I work and live near one of the
20 neighborhoods which Philadelphia Green has been
21 working in partnership with APM and our community
22 members. This neighborhood is Eastern North
23 Philadelphia around the area of 5th and Berks. Mr.
24 Groman just finished giving you a brief overview of
25 Philly Green's accomplishments and areas of focus.

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2 I hope to briefly describe the impact this approach
3 has had on our neighborhood, in particular two
4 areas, physical improvement and community building.

5 Philly Green and APM have been working
6 closely together now for several years, in an
7 approach that has specifically targeted our
8 neighborhood. This is made possible in part by
9 funding from the Targeted Neighborhood Initiative,
10 the William Penn Foundation, and of course the City
11 of Philadelphia. Philly Green, as technical
12 advisors, have given APM access to an area of
13 expertise which is unfortunately usually not a point
14 of focus in community development. APM has been a
15 successful community developer for ten years now,
16 and we have developed 212 rental units for
17 low-income households, 8 homeownership units for
18 first-time homebuyers, and a 44,000 square foot
19 shopping center, including our neighborhood's first
20 new supermarket in 30 years. Our mission has driven
21 our success, which is to improve the quality of life
22 of the residents in our development area. Our area
23 as one of the most blighted areas of the City and is
24 clearly a different place now. Our partnership with
25 Philly Green over the last several years has taught

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2 us how to capitalize on our success. They have
3 helped provided assistance out of the normal scope
4 of the development design process, to develop a
5 specific landscape plan. This plan addressed all of
6 our needs, including our first priority, the
7 residents' needs, and then the overall physical
8 appearance. Both of these are addressed while
9 taking into consideration maintenance capacity and
10 very tight budget constraints. This has allowed our
11 developments to stand out and give our residents a
12 proud place to live and shop.

13 Philly Green's work in our neighborhood
14 has also served to expand APM's community building
15 capacity. Philly Green in conjunction with APM has
16 also expanded to provide services outside of our
17 developments to the residents in our development
18 areas. These services include assistance in vacant
19 lot stabilization, whether a small sideyard or a
20 large neighborhood lot, many times previously an
21 eyesore to the community. Philly Green has helped
22 design individual and neighborhood gardens, and they
23 have helped organize residents to plant street trees
24 and install plant barrels. They have also brought
25 in with APM's help other interested parties and

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2 sources of funding, including the City's Mural Arts
3 Program and the American Street Empowerment Zone.
4 This effort, along with APM's dedication and most
5 importantly the cooperation of the community, has
6 changed the face of our neighborhood. And by
7 changing the face, slowly we are changing the
8 expectations of many of the residents in our
9 neighborhood.

10 I want to thank you for the opportunity
11 to present testimony and encourage your continued
12 support of the Philadelphia Green program in the
13 City's Year 27 application to HUD.

14 COUNCILWOMAN BLACKWELL: Thank you very
15 much, Mr. Vargas. Thank you both.

16 Thank you for your patience. Mr.
17 Willson, identify yourself for the record.

18 MR. WILSON: Good afternoon. My name is
19 Darrell Wilson, I'm the Director of Real Estate
20 Development for Friends Rehab Program, better known
21 as FRP. We develop housing for the elderly,
22 disabled, and low-income individuals and families
23 throughout the City of Philadelphia. We manage over
24 a thousand units in the City of Philadelphia.

25 On behalf of Board of Directors of FRP

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2 and our Executive Director Mr. Jim Wilcox, I want to
3 thank you for giving us the opportunity to inform
4 you about our exciting project called Alphonso Deal
5 Development. This is homeownership and rental
6 project for mixed incomes, low, moderate, middle
7 income individuals and families. The project will
8 produce 102 units out of 85 structures.

9 I'm basically going to talk about three
10 points. One is funding, on is project description
11 and why this is a great project for the City of
12 Philadelphia.

13 Number 1, funding. As earlier mentioned
14 by the Presbyterian Foundation of Philadelphia, they
15 committed \$3 million to the project, but they want
16 it to be matched by the City of Philadelphia and the
17 State. We're requesting from the City of
18 Philadelphia a million dollars towards the
19 development plus condemnation cost. From the State
20 of Pennsylvania, we're requesting also a million
21 dollars. PHA has verbally conditionally committed
22 \$2 million to our project. They want to include it
23 in their Hope 6 application, the Cambridge Ludlow
24 application. We're seeking also through tax credits
25 \$2 million and then first-time homebuyers equity of

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2 \$6 million. This is a \$15 million project.

3 Our project description is as follows:

4 The Alphonso Deal Development will consist of new
5 construction on large vacant parcels, rehabilitation
6 of long-term vacant structures, landscaping of small
7 vacant lots and development of two parking areas.
8 The three phases will be developed in are generally
9 bounded by Fairmount Avenue on the north, Percy
10 Street on the east, Green Street on the south, 12th
11 Street on the west. And a preliminary site plan I
12 have attached to this packet. FRP will develop a
13 total of 64 new three and four-bedroom homes, 5
14 rehabilitated townhouses, 6 duplex, 27 rehabilitated
15 rental units in numerous residential green space for
16 the area. There are also two parking areas that was
17 designed by the community and the church for
18 additional parking in that are.

19 The phases, there are three phases.

20 Phase 1 and 2 are homeownership developments, and
21 Phase 3 is our rental development. Phase one
22 consist of publically-owned land which we believe we
23 can start construction early next spring. Phase 2
24 is privately-owned land which we have to go through
25 condemnation to do the development. Phase 3 is

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2 separate because it's a rental development which we
3 are seeking tax credits through the State of
4 Pennsylvania.

5 Phase 1 which we plan to start next
6 spring includes 15 new three-bedroom houses built
7 and it will include accessible units for the
8 disabled. The proposed sales price is \$65,00 per
9 house. The customer will pay for added amenities if
10 they would like to have additional amenities in
11 their project.

12 Phase 2 is 49 new three-bedroom houses,
13 5 rehabilitated townhouses, and 6 duplexes. The
14 proposed price for twins will range from 75,000 to
15 95,000. Also during Phase 2 the 6 duplexes will run
16 about 103,000. That's based on you have a unit
17 which the homebuyer can use for additional income to
18 qualify for the unit.

19 Phase 3, like I said early, is 27 rental
20 units, and this is a tax credit development project.

21 Why this is great for the City is it's a
22 partnership between Friends Rehab Program, the
23 Presbyterian Foundation for Philadelphia, the West
24 Poplar NAC, PHA and other foundations. It completes
25 the neighborhood. Once we complete the Alphonso

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2 Deal, if the Hope 6 Cambridge is accepted and what
3 APM is doing around Fifth and Diamond, that whole
4 area from the Reading Terminal to fifth and Diamond
5 will be completed. It supports the Tucker House
6 and their employees. There's a problem with health
7 care institutions finding good quality houses for
8 their employees, and this will help the Tucker House
9 and also stabilize the area. There's affordable
10 mixed housing. Old school was to put all low income
11 in one area; the new school is mixed income.
12 That's the only way you can change a neighborhood.
13 It improves the quality of life, and we are
14 leveraging non-City funds.

15 We are requesting from the City of
16 Philadelphia a million dollars plus condemnation
17 costs and we are leveraging \$14 million outside the
18 City of Philadelphia.

19 Are there any questions?

20 COUNCILWOMAN BLACKWELL: No, there are
21 no questions. We thank you for your testimony and
22 for the work you do. You've done some work in West
23 Philly as well. Thank you very much.

24 Roger Kern, Director of West Poplar NAC,
25 Neighborhood Advisory Committee. Judith Robinson.

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2 Robin Davis, African-American Reconstruction League,
3 Neighbors against McPennfication.

4 Good afternoon. Thank you for your
5 patience. Please identify and begin your testimony.

6 MS. ROBINSON: Good afternoon. My name
7 is Judith Robinson. I hope that you have received
8 the package that I gave to the Sergeant-at-Arms.

9 COUNCILWOMAN BLACKWELL: You have to
10 tell me a little more. I've gotten a lot of
11 information today. What's your agency?

12 MS. ROBINSON: I'm not with an agency.
13 I am an individual citizen. I just want to make
14 sure that you see the photos.

15 COUNCILWOMAN BLACKWELL: Oh, yes, we do
16 have it.

17 MS. ROBINSON: I did leave a copy for
18 every Councilperson.

19 COUNCILWOMAN BLACKWELL: And every
20 Councilperson has it.

21 MS. ROBINSON: Thank you for your
22 attention. I am a little concerned that the other
23 members of the Finance Committee are not in
24 attendance today. I was here on Thursday when the
25 Administration gave their report and they were here

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2 then. I just wish that they would take the public's
3 testimony just as serious as the Administration.

4 COUNCILWOMAN BLACKWELL: Because you do
5 not see them doesn't mean they don't hear you.

6 MS. ROBINSON: I understand that, but I
7 wish they would be here also.

8 COUNCILWOMAN BLACKWELL: They could be
9 offices also listening to everything that we say and
10 they are on call. This is a continuation of the
11 committee hearing so they will be in tune.

12 MS. ROBINSON: I understand that. And
13 thank for your attention.

14 It's great to be in a place where the
15 citizens have an opportunity to have input in the
16 governing of our City. I am testifying on Bill
17 010373 speaking as a citizen that just happens to
18 have the training and experience as a licensed real
19 estate broker of nearly 20 years. It is my civic
20 duty to participate in the governing of our City.
21 I take that duty very serious and I wish the
22 Councilpeople were too, the ones that are not here
23 present.

24 Because we have very limited community
25 block development grant funds, we as a citizen must

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2 use best practices in spending tax dollars.

3 Whenever I come to a hearing I say that and I just
4 wish that we would move toward that.

5 I want to refer to some legislation.

6 The Neighborhood Transformation Initiative is not a
7 new initiative. I want you to please refer to
8 Resolution which was 9705311 which appointed a
9 select committee on land management and reuse. This
10 legislation is from June 1997. All Councilmembers
11 sponsored this resolution except Clarke and Goode
12 because they were not in Council at that time. So I
13 want to know why are we acting like the Mayor has
14 invented something new. I really am very much
15 interested in the plan.

16 As stated, in the director's John
17 Kromer's report for Year 27, it is expected to be a
18 transitional year as the Neighborhood Transformation
19 Initiative is implemented. I contend this is a
20 perfect time to stop the business as usual. If you
21 all are truly serious, you would not allow projects
22 to be financed with the limited funding that have
23 not shown impact on improving quality of life. A
24 cost benefit analysis should be performed on all of
25 the projects in the pipeline per the Director's

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2 report. And I'm going to refer now to amendment to
3 Bill No. 00334, and that's amendments that
4 Councilman Nutter made to last year's Community
5 Block Development Grant. And in that he requested
6 that OHCD -- and I'm looking at Part 2 of Section 8
7 Part 2, I'm going to refer to letter C, OHCD should
8 provide an explanation of how low and moderate
9 income residents and families in each area
10 throughout the particular councilmatic district
11 affected or served will benefit from each project.
12 And all D is an explanation of how minority
13 residents and families in each area throughout the
14 particular councilmatic district affected or served
15 will benefit from each project.

16 Then just to further expound on what
17 Councilman was looking for, it said, it shall be the
18 policy of the City that beginning in Year 26 and
19 each year afterwards the City will consolidate
20 administrative functions associated in each agency
21 participating in the Community Block Development
22 Grant Program in order to avoid duplication of
23 service and reduce administrative costs.

24 I left a copy in the package for each
25 person to refer back to because I would like to

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2 specifically draw your attention to the pipeline
3 that was presented from the Director's budget. On
4 that, there is one project in particular that I am
5 definitely concerned about. And I'm here today to
6 really just open up this project. I brought
7 pictures and those are the pictures that I have
8 presented you. It's the PCCO 3S project. That
9 project I am really requesting that this Finance
10 Committee and all Council people analyze those
11 pictures and tell me how that is a value to our
12 community. It's very shoddy work. \$1.9 million was
13 spent on that project so far. They want to move
14 forward with additional one million per the pipeline
15 report here, and I just know as a citizen that that
16 is not what the Mayor or any Councilperson should be
17 allowing to happen with such limited resources. I
18 went to that block. I talked to a person. She
19 didn't know. She allowed me in her home. I took
20 those pictures. This women had written all the way
21 to the President of the United States because the
22 work was so shoddy, she couldn't get any feedback or
23 anybody to listen to her here in the City of
24 Philadelphia. She had to write down to Washington,
25 and only then did somebody from here in Philadelphia

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2 handled her problem. But she still has a problem,
3 as you can see photos. I am very concerned about
4 it. I researched this project. I talked to the
5 executive director or whoever this gentleman who has
6 run this project and I am very concerned about it.
7 I want this to be analyzed by you all for cost
8 benefit analysis and I want it done as soon possible
9 because they're talking about moving forward. So in
10 that package I have the agreement. I also have the
11 overview. And this project definitely should be
12 better examined because it's no way that the limited
13 resources we have should be squandered like this.
14 And whatever I have to do to make sure that we don't
15 continue down this road, I am definitely going to do
16 it. That's why I'm here today as a first step. And
17 I did speak to my Councilman Clarke about this and
18 presented him with these same photos. It's in my
19 district, the 5th District. I am very concerned
20 that we are being allotted with this money and it's
21 not being used as it should be. And I'm very
22 concerned and I want something done about it as soon
23 as possible.

24 I talked a little bit -- and I'm just
25 going to leave that alone because I'm sure that we

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2 is another project in my community which I am not
3 aware of and I would like to get more information
4 about. That's the Susquehanna project for a nursing
5 home or some type of seniors home. I would like to
6 find out who is the entity requesting that this
7 project move forward and I would like to get any
8 additional information my Councilman or anybody else
9 can give me. I want information about research on
10 need for that, et cetera.

11 Also I saw on Page 98, 1500 block of
12 Diamond Street also in my district, resources were
13 use to help PHA rehab properties. I'm little
14 concerned about that because I understand PHA gets
15 more money from HUD than OHCD does or a substantial
16 amount and have been for 30 years or more. Why
17 would limited resources from OHCD have to be used to
18 help PHA rehab anything that they have especially
19 when they were supposed to be managing these
20 properties for the past 30 years.

21 You know, I'm not trying to act like I'm
22 so smart, you all, but I'm just a basic citizen with
23 a little bit of knowledge of real state. These
24 things are not adding up to me. I'm one citizen,
25 but when I talk to people who don't have time to

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2 take off from work and come down here in front of
3 you all, they say the same thing to me. They just
4 can't understand what -- there's some disconnect
5 here. All this money being spent. I can tell you
6 maybe we need to privatize the situation if you
7 cannot get any better bang for your buck than what's
8 going on here. I talk to real estate brokers; they
9 tell me "Judith, you are absolutely right." But
10 they don't have time to come down here and take away
11 from their business to back it up. But I'm going
12 work on getting some of that support.

13 Also, basic system repair, we're talking
14 about doing all these things to transform our
15 community and all of the programs that are
16 preservation-type programs have a backlog, every
17 last one of them. And that's the reason why some of
18 my houses that are being lived in are in such
19 disrepair because these people don't have resources
20 and they are waiting so long for those resources to
21 come from the City of Philadelphia. So I really am
22 concerned that more money is not put in the basic
23 systems repair programs and other types of programs
24 when you have more money going towards housing
25 counseling and other areas which I as a licensed

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2 real estate broker am charged with counseling by
3 law. So I'm trying to figure out why unlicensed
4 people are getting training for like predatory
5 lending, for instance, when I am a mortgage broker
6 that have skills and knowledge of that and I
7 probably could not be qualified as a counselor
8 because OHCD has already designated X-number of
9 counselors. I thought they knew about predatory
10 lending, but now we're finding out that they're now
11 going to learn, they're going to be trained. I
12 found that very interesting as a professional that
13 is well versed in all of those subjects.

14 Thank you very much today for hearing me
15 out. I will definitely be following up on these
16 issues and I would like to get some answers from the
17 Director, my Councilperson, and the members of the
18 Finance Committee before you move forward to vote 16
19 to 0 or 7 to 0 body that we move with this program.
20 These things definitely need to be looked at. And I
21 thank you very much for your time.

22 COUNCILWOMAN BLACKWELL: Thank you very
23 much, Ms. Robinson.

24 COUNCILMAN CLARKE: Thank you, Ms.
25 Robinson. With respect to two of the questions that

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2 you posed, I agree with you on the basic systems
3 repair program that there should be additional
4 funding. And I also think that we also have more
5 flexibility in that particular funding. I would
6 like to see the potential of a facade treatment
7 program. Sometimes properties in some of these
8 communities that happen to be a block where we're
9 new housing, we spend a substantial amount of money
10 for the new housing but those individuals in that
11 block probably should be in a position to get
12 something very minimal such as some facade treatment
13 or new paint on the front. So I'd like to see us
14 seriously think about coming up with a strategy that
15 can treat, at a minimum, aesthetically the
16 properties that exist in the area where we're doing
17 development. And I actually had some discussion
18 with Mr. McIntosh and Mr. Mackell (ph) about that
19 and we'll be looking into that.

20 Fifteenth and Susquehanna, the senior
21 citizens facility that is mentioned in the Year 27
22 Plan came about as a result of a series of meetings
23 that were had at Colorado Community Center that was
24 sponsored by the Susquehanna NAC. In every
25 particular meeting there was a request for the City

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2 and the Councilperson and currently the state rep,
3 but at that time the director NAC to come up with a
4 strategy to supply senior citizen housing in the
5 community because they felt there needs were solely
6 under-represented. So as a result that, we had
7 forwarded that request to the Office of Housing and
8 they're in the process of acquiring a site. And I
9 hope in the very near future we will be putting out
10 a request for proposals for the development of that
11 site either as a 202 or as a tax credit senior
12 citizen facility.

13 MS. ROBINSON: What about the 3S
14 Project?

15 COUNCILMAN CLARKE: I didn't hear that
16 question. I was out of the room.

17 MS. ROBINSON: Did you get your package?

18 COUNCILMAN CLARKE: Yes.

19 MS. ROBINSON: Is that acceptable work
20 to you?

21 COUNCILMAN CLARKE: Pardon me?

22 MS. ROBINSON: Is that acceptable to
23 you, the photos in the project.

24 COUNCILMAN CLARKE: I was going to send
25 you a written response.

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2 MS. ROBINSON: Okay, that will be fine.

3 COUNCILWOMAN BLACKWELL: Thank you
4 again, Ms. Robinson.

5 Kelly Shepherd, the Pennsylvania SIDS
6 Center, Sudden Infant Death Syndrome representing
7 Roseanne English. Ms. Shepherd, please identify
8 yourself for the record and begin your testimony.
9 Thank you for your patience.

10 MS. SHEPHERD: Good afternoon. My name
11 is Kelly Smith-Shepherd and I'm the Support
12 Coordinator from the Pennsylvania SIDS Center. I'm
13 here representing Roseanne English, our Executive
14 Director.

15 Infant mortality is a serious problem
16 and a public health concern. Of the 22,000 babies
17 born in Philadelphia each year, over 300 die before
18 their first birthday, a rate of 12 percent per 1,000
19 live births. Among major cities, only Washington,
20 D.C.; Detroit and Baltimore have higher rates. The
21 City of Philadelphia is one of 15 communities
22 participating in the federal Healthy Start Program,
23 a federally program managed by the Philadelphia
24 Health Department that was created to help reduce
25 infant mortality in 15 American communities by 1996.

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2 The local Healthy Start area is West and Southwest
3 Philadelphia, community groups, health care
4 providers, local government and other concerned
5 groups and individuals work in partnership to remove
6 barriers to adequate levels of maternal and infant
7 care among low-income families. The Pennsylvania
8 SIDS Center was established to respond most single
9 common cause of infant death, Sudden Infant Death
10 Syndrome, SIDS.

11 Sudden Infant Death Syndrome, SIDS, also
12 known as crib death is the number 1 cause of infant
13 mortality between the first week and first year of
14 life. SIDS, defined as sudden unexpected death in
15 what seems to be healthy baby which remains
16 unexplained after the performance a complete
17 post-mortem investigation, including an autopsy and
18 examination of the death scene and a review of case
19 history. Each year approximately 175 infants in
20 Pennsylvania die from this mysterious killer.

21 The Pennsylvania SIDS Center provides
22 bereavement counseling and support services to
23 families in Philadelphia following sudden unexpected
24 death of an infant or child under two years of age.
25 The majority of our families served have suffered

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2 from SIDS, Sudden Infant Death. Other families have
3 suffered from infant death due to other sudden
4 unexpected causes such as acute infection and fire
5 and accidents. Last year the SIDS Center provided
6 184 families who live in Philadelphia. The SIDS
7 Center is a lifeline to help these devastated
8 families. Our service include 24-hour hotline, the
9 SIDS Center will respond to 3,295 telephone calls
10 last year, crisis intervention, in-home counselor
11 visits, parent support group meetings, peer
12 counseling programs, information resource center,
13 education and training of professionals, community
14 education and public relations, referrals for
15 specialized services.

16 Nowhere in the State of Pennsylvania are
17 the services of the SIDS Center more strongly
18 required than in Philadelphia. Our contract
19 requires that at least 51 percent of our
20 beneficiaries who we service shall be below very low
21 or low or moderate income. 90 percent of our
22 families in Philadelphia were from very low, low or
23 moderate income households. The severe and
24 prolonged bereavement reactions observed in poor
25 minority groups suggested that this is an extreme

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2 high risk population. The Office of Housing and
3 Community Development has long recognized the need
4 for us to service these poor families.

5 We are sincerely grateful to the Office
6 of Housing and Community Development for your
7 support over the last 12 years. Each year we
8 continue to surpass our production goals for
9 counseling. Although we are planning to continue to
10 provide these essential serves to Philadelphia
11 families, we are faced with major financial
12 cutbacks. We thank you for you recommended
13 allegation Preliminary Year 27 Consolidated Plan.
14 However, we ask that you consider our request of you
15 in sum of \$150,000 so we can continue to provide our
16 unique essential services to every Philadelphia
17 family who experiences an infant death. So we're
18 asking the Office of Housing and Community
19 Development to up the sum from 108,000 to \$150,000.

20 COUNCILWOMAN BLACKWELL: Thank you any
21 questions. Anyone else here to testify before this
22 committee on the Community Block Grant application?

23 Thank you. Then we'll ask Mr. Kromer to
24 come forward and if you would comment about the
25 3 million that's cut from the homeless budget

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2 allocation? Could you respond to that?

3 MR. KROMER: Yes, I can. I'm John
4 Kromer, Director of the City of Philadelphia Office
5 of Housing and Community Development. The approach
6 that OHCD has used for several years now to provide
7 development financing for special needs housing
8 ventures has been to issue a request for proposals
9 usually in the calendar year and then make
10 commitments of funding so that homeless housing
11 developers and other special needs developers can
12 use the City's commitment to leverage other funding.
13 During the period in which that approach has been in
14 effect, and it's been some time, there is no
15 qualified development proposal that has not been
16 funded. Every single development proposal that has
17 met the threshold that has qualified has been
18 funded.

19 During the last request for proposals
20 issued early this calendar year, a total of \$2.8
21 million was requested by those groups that had
22 submitted proposals that qualified, that met all the
23 threshold requirements. The \$2 million that is
24 proposed in Year 27, plus \$800,000 which remains
25 unspent in Year 26 line item of 3 million will be

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2 sufficient to fund all of these qualified proposals
3 so the net amount available proposed to be available
4 during this coming physical year will be \$2.8
5 million.

6 Now, as in the past years, all qualified
7 development proposals will be funded. Now, I know
8 that a number of groups have called for more funding
9 to be made available to special needs housing and
10 some might insist that taking \$8 million on unspent
11 funding from last year isn't sufficient -- I'm
12 sorry, from this fiscal year is not sufficient,
13 there should be more funding. Well, what we've
14 heard today for the most part is requests and
15 demands for more funding for a variety of
16 activities: Acquisition, homeownership, repair,
17 special needs housing, rental housing, the tenants
18 action group, and so on. Only one group that I have
19 heard so far has talked about collaborations to
20 broaden our resource base. And that's the approach
21 that we've got to take, and it's consistent with
22 Mayor Street's Neighborhood Transformation
23 Initiative. The time has passed when we can no
24 longer rely on the Community Development Block Grant
25 as the basic source of funding for all of these

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2 activities. There simply is not enough block grant
3 funding available to fund an ambitious special needs
4 housing development program and everything else. So
5 what is proposed for the coming fiscal year is \$2.8
6 million. I would love to have triple that amount,
7 but that amount will be sufficient to again fund all
8 of the qualified development ventures that we've
9 received.

10 COUNCILWOMAN BLACKWELL: You mentioned
11 \$800,000 thousand was not spent. Why is that?

12 MR. KROMER: I haven't reviewed all the
13 numbers, but I believe that even after funding all
14 the qualified proposals received in the last
15 calendar year, there was still a balance of unspent
16 funds remaining.

17 COUNCILWOMAN BLACKWELL: Given the need,
18 for example, the Disabled in Action -- in fact,
19 would you make sure you contact them? I told them
20 we'd ask somebody to be in touch with them.

21 MR. KROMER: Absolutely. I heard the
22 request for a meeting and we will definitely have
23 that meeting and follow-up with the group.

24 COUNCILWOMAN BLACKWELL: Thank you.
25 Given the need for just day-to-day emergency

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2 shelter, could not that money have been spent even
3 there, that 800,000 that we didn't spend?

4 MR. KROMER: Clearly, that money could
5 have been spent, but we've got a variety of demands
6 on the budget and this is one way to spend it
7 usefully. Strictly speaking, block grant money
8 can't be used to support emergency shelter, but
9 there's no question that we could use a lot more
10 funding to support eligible special needs housing
11 and service.

12 COUNCILWOMAN BLACKWELL: And the other
13 issue that I've been hearing about for, I don't
14 know, maybe about the last two years, is that there
15 is a need -- I know the focus on Section 8 is on
16 projects or specific projects, but there is still a
17 need. And I haven't talked to Mr. Hess about this
18 because I've just been hearing it, that there is a
19 need for them to have access to Section 8
20 applications to certainly help these folks in
21 shelters. Could you check into that as well?

22 MR. KROMER: Yes. Our office is working
23 with Carl Green and Estelle Richman and Mr. Hess on
24 a plan that would make more Section 8 project base
25 certificates available for this business.

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2 COUNCILWOMAN BLACKWELL: Thank you very
3 much, Mr. Kromer.

4 Any questions for Mr. Kromer?

5 Thank you.

6 I understand Mr. McDonald is here. John
7 MacDonald, Philadelphia Impact Services. Welcome.

8 Is there anyone else who's come in to
9 testify?

10 Thank you, Mr. MacDonald. Please
11 identify for yourself for the record. Welcome.

12 MR. MAC DONALD: Good afternoon,
13 Councilwoman Blackwell and other members of the
14 Finance Committee. Thank you for the opportunity to
15 testify on the City's Year 27 Proposed Consolidated
16 Plan. I'm John MacDonald, I'm President of Impact
17 Services and also President of the Philadelphia
18 Association Community Development Corporation.

19 I'd like to add my voice to others in
20 applauding increased support for the Commerce
21 Department's neighborhood development grant program,
22 neighborhood support services, planning and
23 marketing grants, and predevelopment funding will go
24 a long way towards strengthening neighborhood
25 well-being especially if used to revitalize

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2 commercial corridors like Kensington and Allegheny.

3 The allocation of additional funds for
4 demolition will also be helpful to major housing
5 initiatives in our Philadelphia plan area. However,
6 the lack of funding to support property acquisition
7 for real estate development projects and
8 insufficient resources to support real estate
9 development projects currently in the pipeline are
10 very problematic since they disrupt implementation
11 of projects already underway and in the development
12 cycle. If these issues are not addressed now, there
13 will be significant delay in advancing needed
14 projects, if not a stoppage of the overall real
15 estate development system. This is having a
16 negative effect on our Youth Build Construction
17 Training Program for dropout youth.

18 CDBG funds are critical to making
19 housing projects happen in Philadelphia and play a
20 critical role in leveraging additional resources for
21 other neighborhoods from other public and private
22 sources. We have to work to assure that the funding
23 flows are reasonably stable and predictable.

24 The 10 percent cut in the overall level
25 for a housing in Year 26 level creates problems of

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2 program and project continuity for Impact and other
3 members of PACDC. We need to find ways to maintain
4 production levels and momentum. We think Mr.
5 Kromer's list of nine ways to create more resources
6 for neighborhood reinvestment submitted during his
7 testimony last Thursday should be seriously
8 considered in identifying ways to leverage more
9 resources for the City. We also recommend that the
10 City move up the start date for the CDBG program
11 Year 28 six months from July 1 to January 1, 2002,
12 as noted in the City's five-year financial plan to
13 make almost \$40 million in additional CDBG funds
14 available during fiscal year 2002. We also
15 encourage the City to allocate additional economic
16 stimulus funds to neighborhood development projects
17 and utilize City operating budget funds to cover a
18 portion of the 34 million in additional operating
19 costs currently funded by CDBG, freeing up
20 additional CDBG funds for projects on the streets.

21 On behalf of Impact Services and the
22 members of PACDC. I support a balanced approach to
23 resource allocation to support neighborhood
24 revitalization. Property acquisition, the City
25 currently has no funds to acquire properties to

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2 support new real estate development projects. This
3 is problematic since it creates discontinuities in
4 the real estate cycle. Additional funds for
5 acquisition are needed immediately and the City
6 needs to resume exercising its power to acquire
7 properties for real estate development projects.

8 In housing production, the City needs 44
9 million in addition funding just to support the
10 housing development projects that the City has
11 already committed to. The funding should be
12 allocated in order to keep these projects moving
13 through the pipeline. I think economic development
14 recommendations are basically acceptable as they
15 stand but would like to see more flexible economic
16 stimulus funds to support neighborhood commercial
17 corridor revitalization activities by CDCs. Going
18 forward, we continue to see the need for City
19 community development agencies to which you request
20 for proposals. With clear funding criteria to
21 ensure a more open and competitive allocation
22 process for community development funds for
23 acquisition, housing production, and neighborhood
24 economic development activities. In addition, funds
25 should be allocated in a manner that is consistent

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2 with strategic neighborhood plans. We know needs
3 are great and resources are limited. We hope the
4 Council will consider approving a plan that builds
5 additional strengths for the City without disrupting
6 the production and projects which are already
7 underway. Thank you.

8 COUNCIL PRESIDENT VERNA: Thank you very
9 much.

10 Are there any questions?

11 Thank you. We thank everyone for
12 coming. This hearing will be recessed until
13 tomorrow at 11:00 at which time we intend to discuss
14 the possible amendments to this application and then
15 move on from there. Thank you very much.

16 Certainly, we've already spoken to Mr. Kromer and
17 he's agreed to be here and we certainly welcome
18 everyone else to the hearing tomorrow at 11:00.
19 Thank you.

20 (Council adjourned at 2:10 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of June 4, 2001, were reported fully
and accurately by me, and that this is a correct
transcript of the same.

RE: COMMITTEE ON FINANCE

Lisa C. Bradley, RPR
and Notary Public