

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING AND PUBLIC MEETING
4 BEFORE THE COUNCIL COMMITTEE ON FINANCE

5 Room 400, City Hall
6 Philadelphia, Pennsylvania
7 Wednesday, June 6, 2001
8 12:15 p.m.

9 ORDINANCE NO. 010373 - Community Development Block
10 Grant

11
12
13
14 PRESENT: COUNCILWOMAN JANNIE BLACKWELL
15 COUNCILWOMAN BLONDELL REYNOLDS BROWN
16 COUNCILMAN DAVID COHEN
17 COUNCILMAN JAMES F. KENNEY
18 COUNCILMAN MICHAEL A. NUTTER
19 COUNCILWOMAN MARIAN B. TASCO
20 COUNCILMAN RICHARD MARIANO
21 COUNCILWOMAN DONNA REED MILLER
22 COUNCILWOMAN JOAN KRAJEWSKI

23 VINCENT VARALLO ASSOCIATES, INC.
24 Registered Professional Reporters
25 Eleven Penn Center, Suite 600
Philadelphia, PA 19103
(215) 561-2220

1

2

6/6/01 - ORDINANCE NO. 010373

3

4

I N D E X

5

Page

6

Carey Scott..... 3

7

Mass Moore..... 4

8

John Kromer, OHCD..... 12

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 6/6/01 - Finance - Bill No. 010373

2 MS. WILLIAMS: I have been asked by
3 Councilwoman Donna-Reed Miller, Chair of the Education
4 Committee, to announce that the public hearing
5 on Resolution No. 010324 before the Education Committee for
6 10:00 this morning has been cancelled and will be
7 rescheduled at the call of the Chair.

8 Thank you. My name is Naomi Williams.
9 (Finance hearing at 12:15 p.m.)

10 COUNCILWOMAN BLACKWELL: Good afternoon.
11 We will reconvene our finance hearing. We're
12 sorry for the delay. This hearing is to
13 consider the Community Development Block Grant
14 Application, Bill No. 010373.

15 Having said that, we have two people who
16 didn't get to testify at our last two sessions
17 on this application. We will call on them now.
18 We have Carey Scott and Lance Moore.

19 Good afternoon. Identify yourself for the
20 record and begin your testimony.

21 MR. SCOTT: I'm Carey Scott. I represent
22 Mantua Community Center.

23 COUNCILWOMAN BLACKWELL: You can begin
24 your testimony.

25 MR. SCOTT: I'm replacing Richard Pirdy.

1 6/6/01 - Finance - Bill No. 010373

2 I'm representing the Mantua Community Center in
3 place of Mr. Pirdy, who couldn't be present
4 today.

5 Basically I'm going to run down our
6 program. We have a summer day camp now in
7 session which contains over 100 youth. We have
8 a children's community meeting that's held
9 every second Wednesday at 6:30. We have the
10 continuing Share program, which we give out
11 food for the seniors every first Wednesday.

12 We have meetings with Jamie Edwards to
13 start the computer program. Mellon Bank and
14 PECO Energy have donated some computers. They
15 have upgraded the Windows 98 and Microsoft
16 office.

17 The center was the site for the census.
18 For this participation, the center received
19 T-shirts, sweat shirts, basketballs, footballs,
20 volleyballs, nets, jump ropes and electric air
21 pumps.

22 Community children were taken to trips to
23 the Black Wax Museum in Baltimore, Maryland,
24 also Crystal Cave and the Aquarium, and like 50
25 youth attended.

1 6/6/01 - Finance - Bill No. 010373

2 The Philadelphia Housing Authority
3 installed heating systems and the gas has been
4 restored, thanks to Ed Rendell. The center has
5 been awarded \$5000 from the Philadelphia School
6 Board to run the after-school program. There
7 had been some renovations made, such as
8 painting, light fixtures, exercise, door
9 handles, locks. A door has been installed in
10 the gym to secure the chairs and tables.
11 Plumbing work has been done and things have
12 been repaired on a volunteer basis.

13 There also has been a meeting with Vicky
14 Edwards of L&I to discuss the possibility of
15 the center becoming the license facility for
16 after-school programs. We also run a
17 12-and-under youth basketball team for the
18 children in our community, which has just won a
19 championship. We gave them a banquet which
20 Jannie and Mr. Brown attended.

21 Also, in the upcoming events, on August 25
22 we're having a community day fair, which will
23 be located on 39th Street between Haverford and
24 Wells.

25 COUNCILWOMAN BLACKWELL: Thank you very

1 6/6/01 - Finance - Bill No. 010373

2 much. Certainly we absolutely support all your
3 work at Mantua/Haverford Community Center, and
4 certainly Mr. Pirdy as well. You do an
5 excellent job under the most difficult of
6 circumstances.

7 Mantua is a special area. We've really
8 tried to focus on it and ask the Mayor to do so
9 in his blight program. And, certainly, we are
10 committed to helping with the center and doing
11 all we can to support your program. We thank
12 you for coming out today.

13 MR. SCOTT: Thank you.

14 COUNCILWOMAN BLACKWELL: Good afternoon.
15 Identify yourself and begin your testimony.

16 MR. MOORE: My name is Mass Moore. I
17 represent Help Homeless Enrichment Liaison
18 Program. I'm here today to talk about
19 constructing a community center.

20 We want to construct a multi-purpose
21 community center on the corner of the 1400
22 block of 17th Street, which happens to be 17th
23 and Master. I don't know if anybody is
24 familiar with it or has been down there lately,
25 but it's basically a war zone.

1 6/6/01 - Finance - Bill No. 010373

2 We have a lot of drugs there. We have
3 crack on one corner, we have serp (ph) on
4 another, and in between we've got everything
5 else. What we propose to do -- we would like
6 two lots and four buildings. One of them --
7 well, three of them had been burnt out for over
8 ten years.

9 What we propose to do is turn these lots
10 and buildings into a community center with
11 multi-purpose services; meeting rooms for
12 community groups, community-based center for
13 abandoned cars, abandoned buildings, lots,
14 trash all the things in the initiative of Goal
15 1.

16 We also would like to offer it as a
17 substation from the CDC and the City of
18 Philadelphia so information come can go both
19 ways. As is said in the second chapter, the
20 last sentence, it say, "The community residents
21 do not feel they have a voice," which is very
22 true, especially in the Mantua Street area.

23 We basically don't have too much of
24 anything as far as census concern coming down.
25 We hope to change that by providing information

1 6/6/01 - Finance - Bill No. 010373
2 for the City to act as certain things. We're
3 helping with community-based information and
4 also helping the police department to do their
5 role by giving information or pointing out
6 problems that we have.

7 We also would like to ask the City of
8 Philadelphia why it's been so hard for us to
9 obtain these properties. Why for the last six
10 months we have been hitting several stop gaps.
11 It seems like 70 percent of the neighborhood is
12 abandoned. We get more and more abandoned
13 buildings every day. If we were to get these
14 buildings, it would already, just by the
15 transfer of the building and construction of
16 these buildings -- start of construction of
17 these buildings for the community center -- it
18 would change the neighborhood because the exact
19 location is right across the street from where
20 several drug dealers do their work. By the
21 construction of this, I'm quite sure that they
22 would have to move.

23 So already before the building was put
24 into effect or any classrooms or any students
25 or people playing or any youth come into the

1 6/6/01 - Finance - Bill No. 010373

2 school or any seniors have seen movies or
3 whatever active occupations, we will have
4 changed the neighborhood.

5 The point is these buildings are
6 abandoned; some of them are burnt out. If we
7 can catch them now, they're still
8 constructable. If we go through another
9 winter, we're going to lose at least one, maybe
10 two, because the roofs are starting to leak.
11 Now we have dry weather, we can put the roofs
12 on before the winter. If we go through another
13 winter, the City of Philadelphia will gain two
14 more lots and the community won't gain
15 anything.

16 We really believe in this multi-purpose
17 community center to the point we have started
18 to circulate a petition. We have also started
19 a new organization called Master Street
20 Homeowner's Association. We're really starting
21 to get people -- we're not asking for a lot of
22 money. We're going to use the resources of the
23 community. Construction -- it's a very good
24 possibility that construction can be done by a
25 lot of church members.

1 6/6/01 - Finance - Bill No. 010373

2 COUNCILWOMAN BLACKWELL: Did you say 17th
3 and Master?

4 THE WITNESS: Exact address is 1401
5 through 1411, which is Councilman Clarke's
6 district.

7 COUNCILWOMAN BLACKWELL: Have you met with
8 Councilman Clarke?

9 THE WITNESS: I've talked to Mr. Williams.

10 COUNCILWOMAN BLACKWELL: I just suggest
11 you make contact with him. Certainly he
12 supports all neighborhood development. It's a
13 great project. We have one in West
14 Philadelphia. I'm sure he would be very, very
15 happy to meet with you and hear about your
16 plans for the area.

17 MR. MOORE: Actually, I have submitted
18 several proposals to the Councilman. Today was
19 the first time I've ever seen him. I'm not
20 saying he's not supporting the program, but
21 what I'm saying is we're having a hard time
22 getting --

23 COUNCILWOMAN BLACKWELL: He's a very, very
24 committed person and very involved in housing
25 and economic --

1 6/6/01 - Finance - Bill No. 010373

2 MR. MOORE: Well, you know, my mom always
3 said the proof is in the pudding and a picture
4 is worth a thousand words. I'm not saying the
5 City is not trying to change the neighborhood.

6 I'm saying the fact is this: Reverend
7 Wells owns a whole block on Master Street,
8 which nothing has been done. Communities --
9 there's no organization that's doing anything
10 for the community. We have come along and
11 we're trying to put it together. We're not an
12 experienced non-profit -- non-profit has been
13 in existence for nine years. We have not done
14 any major projects. We're not a CDC. We have,
15 with the limited resources we have, done some
16 things.

17 We're not getting any support from the
18 City. I'm continuing to hope that the City of
19 Philadelphia may be -- even to the point that I
20 never got a notice for this hearing. I was
21 supposed to be on a mailing list and they say I
22 was on the mailing list. I never got a notice.
23 The funny thing about it is if the OHCD didn't
24 lose my application for the vacant lot program,
25 I would not have been down here today.

1 6/6/01 - Finance - Bill No. 010373

2 This is the way it's been, officially,
3 with us. I don't know if it's just we've been
4 the victim of misfortune. I'm not saying the
5 system does not work. All I'm saying is I'm
6 trying to bring attention to a neighborhood
7 that is in between two large CDCs, but
8 virtually has gotten no support from the City
9 of Philadelphia.

10 COUNCILWOMAN BLACKWELL: Thank you very
11 much.

12 MR. MOORE: You're welcome.

13 COUNCILWOMAN BLACKWELL: Thank you for
14 your testimony. Would you make sure you leave
15 your name and address with Mr. Scott Wilds.

16 Scott, would you take his name and address
17 and make sure he's on your mailing list for
18 notices?

19 If you see him, he'll make sure you're on
20 the list.

21 Let me say again, for the record, that's
22 why our hearing is taking so long. Everyone
23 battles about dollars for their community.
24 This organization, and certainly all the
25 Members of Council, know Reverend Wells very,

1 6/6/01 - Finance - Bill No. 010373

2 very well. We've worked with him over the
3 years and certainly support One Day At A Time
4 and all the programs they have.

5 It is a battle of dollars. There's never
6 enough. We're fighting to improve our
7 neighborhoods. I speak for Councilman Clarke
8 when I reiterate that he's certainly committed
9 to trying to do that as well.

10 Mr. Kromer, will you now come forward. We
11 will begin our questions. Maybe I'll start
12 with a few that I have.

13 While he's coming forward, we would like
14 to say that we passed out copies of amendments
15 to this application to all Committee Members,
16 and we also passed out a letter from the Mayor.
17 We will deal with that after we deal with our
18 questions. I have about three questions.

19 (Mr. Kromer steps forward.)

20 COUNCILWOMAN BLACKWELL: Over the past two
21 days of testimony, you responded to many
22 citizens or many concerns regarding perceived
23 cut in development for homeless programs by
24 saying that while \$2 million has been allocated
25 in Year 27, there's an actual carry-over from

1 6/6/01 - Finance - Bill No. 010373

2 800,000 from Year 26.

3 Can you tell us where that is, or how can
4 you assure us this is in the plan?

5 MR. KROMER: For the record, John Kromer,
6 Office of Housing and Community Development.

7 The carry-over was made at the time when
8 special needs proposals were evaluated earlier
9 this year. And the proposals that met the
10 threshold requirements of the request for
11 proposals process totalled \$2.8 million in
12 requests.

13 So that \$800,000 was added to the \$2
14 million line item, proposed line item, at that
15 time. It is in place. As I indicated
16 previously and will indicate to you in writing,
17 that will stay in place so that every qualified
18 special needs proposal received in response to
19 the RFP will be funded.

20 COUNCILWOMAN BLACKWELL: Thank you. In
21 Year 18, Southwest CDC was funded to provide
22 services to the economically depressed
23 neighborhood South of Baltimore Avenue;
24 however, as mentioned during Thursday's
25 hearings, the area bordered by 52nd Street to

1 6/6/01 - Finance - Bill No. 010373

2 Cobbs Creek, Baltimore to Kingsessing remain
3 severely underserved.

4 We would, thus, like to ask again that it
5 be placed on the SOCA, Support Our Community
6 Association, CDC, which is an existing group
7 that has been around for the past 14 years.
8 Since no broad vision is in place for this
9 area, we would like to request that a technical
10 assistance planning grant be issued to help
11 this organization develop strategic planning to
12 partnership with smaller organizations such as
13 New Breed Community Council, Sherwood CDC, and
14 Cobbs Creek Town Watch, who are involved in
15 this area.

16 This organization has been very patient
17 over the years. We've tried to work very, very
18 closely with them. They have certainly
19 spearheaded such areas and issues as Bernice
20 Arms, a senior citizen housing development. We
21 just repaved through the Fairmount Park a
22 basketball court at 61st and Baltimore. We're
23 trying to get funded with Kenny Gamble a work
24 force development grant and a grant that deals
25 with hospitality from the City, all of which

1 6/6/01 - Finance - Bill No. 010373

2 they will spearhead and lead in terms of
3 community input and job training.

4 So we're asking again, would you certainly
5 look into the possibility of them receiving a
6 technical assistance grant so they can feel
7 they are an equal part with other
8 organizations. They're a little frustrated
9 feeling that we've left them out and they have
10 no avenue for inclusion.

11 MR. KROMER: Yes. The approach we would
12 take would be to confer with Maxine Griffith
13 and the Planning Commission staff and make sure
14 that we're on the same page with respect to the
15 planning of Jack Dibbs in scope for the area.
16 And then make the commitment within that
17 framework. We will do that.

18 COUNCILWOMAN BLACKWELL: I know we've said
19 it over the years. It's just an area -- and
20 even though Southwest CDC technically is
21 supposed to go down to Baltimore Avenue, in a
22 real sense it just doesn't happen. It's a
23 totally separate neighborhood from Elmwood.
24 And the services never really get down to
25 Southwest.

1 6/6/01 - Finance - Bill No. 010373

2 My last question is about the Empowerment
3 Zone. Since we're talking about cutting
4 funding, how does the 33 million for fiscal
5 Year 2002 and the extension to 2009, how does
6 that fit into our CDBG funding?

7 Is that the best way we should use these
8 dollars for Empowerment's own activities, given
9 the fact that I assume they are funded
10 elsewhere or from the federal government? Can
11 you expound on that?

12 MR. KROMER: Yes. I don't think there
13 would be any change in our policy with respect
14 to the Empowerment Zone. In order to secure
15 the Empowerment Zone grant award, Philadelphia,
16 like other cities, had to show a certain amount
17 of leveraging of other funds.

18 So a very specific commitment of community
19 development block grant funds was made at the
20 time of the application. I believe it's
21 binding on the City to keep that commitment.

22 I'm not really concerned about that,
23 however, because the commitment was for the
24 kinds of activities that we really want to
25 support anyway. Housing rehab and Parkside,

1 6/6/01 - Finance - Bill No. 010373

2 for example, combines CDBG funds with
3 Empowerment Zone funds. And we want to do
4 those rehabs. I don't see any change.

5 I don't expect any increased commitment,
6 but I certainly expect it will keep our
7 commitments. I'm confident we're doing the
8 right thing by the community in doing so.

9 COUNCILWOMAN BLACKWELL: Thank you. Can
10 you give us a list of the small non-profits?
11 We met after our last CDBG hearing and they
12 said they were willing to even meet with small
13 groups and try to help hem out. Can you give
14 us a list of some of these small non-profits
15 who have responded to RFPs to try to make sure
16 we follow up as well with them?

17 In addition to that, can you tell us even
18 how the City can help these groups coach and
19 groom to better prepare them for years in the
20 future?

21 MR. KROMER: Yes. To extend our
22 discussion the other day, we'll identify the
23 organizations. In those instances where we're
24 already providing some technical assistance or
25 capacity building support, we'll identify what

1 6/6/01 - Finance - Bill No. 010373
2 we're doing and with whom. And then we'll
3 identify those groups for which we're not
4 providing any service so that we can figure out
5 how to address that.

6 COUNCILWOMAN BLACKWELL: Thank you.
7 Councilman Cohen.

8 COUNCILMAN COHEN: Thank you. Mr. Kromer,
9 can you tell me what is the application before
10 us? What year's funding does it represent?

11 MR. KROMER: It's really for fiscal Year
12 2002. The federal name for it is Community
13 Block Grant Development Year 27.

14 COUNCILMAN COHEN: Not 2001?

15 MR. KROMER: No.

16 COUNCILMAN COHEN: I'm under the
17 impression that the City does not use CDBG
18 money, that we cannot use that until there's
19 specific approval of an application.

20 MR. KROMER: That's correct.

21 COUNCILMAN COHEN: Has the application for
22 year -- because federal government uses a
23 different monthly basis for its fiscal year
24 than we do, I'm very careful of the years.

25 My impression is that for during the

1 6/6/01 - Finance - Bill No. 010373
2 current fiscal year right now of the City's,
3 that we are just beginning to use money that
4 was available under the Year 26 budget as of
5 last October had application been made in
6 timely fashion for approval. Is that correct
7 or am I wrong on that? If so, correct me.

8 MR. KROMER: The funding that's being used
9 to support the program in this current fiscal
10 year, Fiscal 01, is money that was approved in
11 the federal budget in the latter part of the
12 Year 1999.

13 So, like many other cities, and I think
14 this is an issue we should look at, the federal
15 fiscal budget, federal budget is approved for
16 October 1 federal fiscal year and then nothing
17 happens. The City doesn't do anything until
18 the following spring when we go through our
19 community development block grant process and
20 then we apply for those funds, which are then
21 available for nearly a year.

22 COUNCILMAN COHEN: Say that last sentence
23 again.

24 MR. KROMER: We wait nearly nine months
25 after the start of the federal funding year

1 6/6/01 - Finance - Bill No. 010373
2 before we request and draw down the federal
3 funds that are authorized for us.

4 COUNCILMAN COHEN: Why do we do that?

5 MR. KROMER: Well, that's the way the
6 process has been since 1980. I think that's
7 one approach that needs to be re-evaluated.
8 Because in my view, the sooner we get our
9 money, the better off we'll be. That's an
10 issue that's being reassessed now.

11 COUNCILMAN COHEN: Let's get back to the
12 first question. I'm asking whether the
13 application before us involves funds that are
14 already available by the federal government to
15 us, except for the fact that we have not
16 applied for their use and gotten approval.

17 MR. KROMER: Yes. The funds that we're
18 about to apply for were available last year at
19 the time of the approval of the federal budget.

20 COUNCILMAN COHEN: Does that indicate that
21 there's so much money available that we don't
22 really need the money for nine months, we can
23 afford to wait?

24 MR. KROMER: No. I think that's good to
25 reassess this process that's been ongoing for

1 6/6/01 - Finance - Bill No. 010373

2 21 years and consider going after the funding
3 sooner. We are reassessing that.

4 COUNCILMAN COHEN: Do you know of any
5 reason why it would not make sense for us to
6 consider the CDBG budget at the same time we
7 consider our own City budgets?

8 MR. KROMER: To date, and there has been
9 some consideration of this, but to date I don't
10 know of any reason why we should not do that.
11 The assessment of that alternative has not been
12 completed yet. It's all mechanics. We might
13 have the option to authorize this budget early
14 in the year, as we do the operating budget.

15 COUNCILMAN COHEN: That ought to give us,
16 if we did reconsider and move up the time, it
17 would give us, at least for one year, an
18 additional funding amount?

19 MR. KROMER: Right.

20 COUNCILMAN COHEN: Let me go back to my
21 very first question. Are we, in this
22 application, considering getting authorization
23 from the federal government for money that's
24 already been available, or for money that won't
25 become available even if authorized by the

1 6/6/01 - Finance - Bill No. 010373
2 federal government until next October?

3 MR. KROMER: The answer is the first of
4 those two. We are about to apply with
5 Council's approval for federal money that is
6 already available.

7 COUNCILMAN COHEN: Thank you.

8 COUNCILWOMAN BLACKWELL: Councilman
9 Nutter.

10 COUNCILMAN NUTTER: Thank you. The same
11 area, and then I'll get back to some of the
12 items raised the other day.

13 Do you have any of the history or any
14 understanding as to why the City chose this
15 type of funding cycle process as opposed to any
16 other -- I think I've operated under a premise
17 that the process that we're going through now
18 leading toward a July submission was for an
19 application going to the government upon their
20 review, and that the dollars coming down were
21 out of their fiscal year in October 1 -- at
22 that point I guess that's October 1, 01 but
23 fiscal 02 for the federal government.

24 So getting it from an approval last year
25 had never been laid out in the way that it has

1 6/6/01 - Finance - Bill No. 010373
2 just kind of come out, whether directly or by
3 happenstance, in this year's cycle. And
4 obviously since you've been at Housing, that's
5 the way it's been and was explained.

6 Do you recall, ever, a discussion about
7 how this all came about?

8 MR. KROMER: I really don't. I can only
9 speculate. One factor may have been that in
10 past years there was a lot of extra money,
11 unspent money. So the idea that this City
12 should go after the money and get it in order
13 to get more resources earlier may not have been
14 viewed as a priority then.

15 I'm just guessing, but that may have been
16 the case. Back then, there was plenty of
17 unspent money.

18 COUNCILMAN NUTTER: That must have been a
19 nice time.

20 Based on these discussions, and you may
21 have touched on some of this with Councilman
22 Cohen, do you have a suggestion or
23 recommendation going forward as to how we would
24 do this such that our regular budget process
25 and the application and the dollars -- for

1 6/6/01 - Finance - Bill No. 010373

2 whatever reason, I do have a little bit of
3 discomfort about the notion that somehow
4 dollars are sitting waiting for us to capture
5 them.

6 Obviously the projects ultimately get
7 done. There seems to be something unusual
8 about literally almost waiting nine months when
9 we obviously have great need now. What would
10 be a different cycle?

11 MR. KROMER: There are two options I can
12 think of. I've had some informal discussion
13 with the budget director and some of his staff,
14 only very preliminary, but it seems worth
15 considering these two options, and maybe
16 others.

17 One is that the Community Development
18 Block Grant could simply be heard during the
19 period January through March of every year, at
20 the same time as the operating budget and the
21 capital program are heard. Council would then
22 ordinarily act on the block grant application
23 in late March. The application will be sent to
24 HUD and we'd have our funding well before the
25 start of the fiscal year.

1 6/6/01 - Finance - Bill No. 010373

2 COUNCILMAN NUTTER: Before the start of
3 our fiscal year?

4 MR. KROMER: Yes.

5 COUNCILMAN NUTTER: You're still getting
6 money approved in the previous October?

7 MR. KROMER: Right. So the more
8 aggressive approach would be to consider a
9 planning process in which we estimated the
10 amount of block grant funding that would be
11 forthcoming and presented to Council a proposed
12 plan based on that.

13 I'm not that concerned about the
14 estimating; we do that all the time in
15 connection with other grants. There hasn't
16 been a wide variation in the level of federal
17 funding available from year to year. But if
18 you were to do that more aggressive approach,
19 perhaps we could have Council review an action
20 during September, so that immediately after the
21 authorization of the federal budget, our
22 application would be in Washington and we could
23 have an expectation of the funding in January.

24 That's a very ambitious approach. We
25 would look at the feasibility of that and

1 6/6/01 - Finance - Bill No. 010373
2 explore that with Council. I believe that's
3 another option.

4 COUNCILMAN NUTTER: Let's talk about
5 particulars of Year 27. When you were here the
6 other day, I had to leave early on Thursday, we
7 had some other discussions about what's in the
8 Year 27 plan and what's not in it. There have
9 been two charts which have slight differences
10 about projects that are this kind of term of
11 art, projects in the pipeline.

12 From what previous years, or is there any
13 particular previous year or years most of these
14 projects come from, or are these unfinished
15 primarily from Year 26, or all over the place?

16 MR. KROMER: It's correct to say most or
17 all are from Year 26.

18 COUNCILMAN NUTTER: And the one list I
19 have, which was given out the other day, has a
20 list of projects. I have not had a chance to
21 compare them. The number seems to be seven
22 hundred-something projects, 792 projects,
23 \$44,435,000. Today there was a new list with
24 632 -- sorry -- units those are, for
25 34,795,000. Which is the correct list?

1 6/6/01 - Finance - Bill No. 010373

2 MR. KROMER: Today's list is correct. The
3 lower number was derived by a very careful
4 review of the original list and a deletion of
5 any activity that had not previously been
6 published in the Year 26 plan.

7 COUNCILMAN NUTTER: Which items were taken
8 off the list?

9 MR. KROMER: I believe the biggest example
10 is the universal community homes west of Broad
11 Street development, which was originally
12 anticipated as an extension of a King Plaza
13 Hope 6 development.

14 There had been expressions of support for
15 that phase of development ever since the Hope 6
16 award was received. The funding and the
17 proposal had never been included in the
18 community development block grant plan. So it
19 was not made part of today's list.

20 COUNCILMAN NUTTER: If you could provide
21 us information on pretty much a line-by-line
22 analysis of what the difference is between the
23 list from the other day and today's list, that
24 would be helpful.

25 Now, can you tell us exactly what does

1 6/6/01 - Finance - Bill No. 010373
2 this list mean or what does it represent in
3 terms of the reality of -- how much money do we
4 have available for what anyone would call
5 bricks and mortar projects for use to complete
6 in the pipeline projects? How much money do we
7 have?

8 MR. KROMER: The funding available for
9 that purpose is the funding identified in the
10 housing production section of the budget in the
11 Year 27 plan. That includes the items on
12 Page 141 of the Year 27 plan.

13 The primary sources of funding are
14 neighborhood-based home ownership production,
15 roughly 1.3 million. And then
16 neighborhood-based rental production, the
17 \$5 million line item, same page about
18 two-thirds of the way down.

19 In addition, this is the page where the
20 special needs housing development financing
21 line item of 2 million appears. So those are
22 the basic sources of funds to support those
23 development ventures.

24 COUNCILMAN NUTTER: Well, somehow in one
25 of the many meetings this morning I'm now

1 6/6/01 - Finance - Bill No. 010373

2 without my Year 27 book, but that's not a
3 problem.

4 How do these projects on the new list, 632
5 units, \$34,795,000, how do they actually get
6 which ones -- what is the schedule? How is
7 this all going to happen?

8 MR. KROMER: The approach we would propose
9 to use is the same as the approach we've used
10 in the past; that is, to fund first those
11 ventures that are ready to go.

12 We believe that all of them are feasible,
13 however, some of them are waiting for other
14 funding, for example, tax credit investment
15 equity and so on; others are not ready to go
16 for other reasons.

17 The first dollars would be spent on those
18 ventures that are ready to go.

19 COUNCILMAN NUTTER: On this list, which
20 are in that category?

21 MR. KROMER: That's right.

22 COUNCILMAN NUTTER: No, that's not the
23 answer. On this list, which are in the
24 category of ready to go?

25 MR. KROMER: I don't think any of them are

1 6/6/01 - Finance - Bill No. 010373
2 ready to go at this point, or they wouldn't be
3 on the list.

4 COUNCILMAN NUTTER: You said you don't
5 think any of them are ready to go.

6 MR. KROMER: Just yet. But during the
7 course of the fiscal year, starting July 1, I
8 expect starting in the first quarter of the
9 fiscal year, we'll have several development
10 ventures ready to go to settlement and
11 requiring that funding.

12 COUNCILMAN NUTTER: Which ones would those
13 be?

14 MR. KROMER: I can't tell you now, but we
15 could come up with a reasonable projection of
16 which ones they would be, based on what the
17 Redevelopment Authority staff knows of the
18 development that's coming up. So we can
19 provide that for the first quarter of the
20 fiscal year.

21 COUNCILMAN NUTTER: You can provide what?

22 MR. KROMER: A list of the development
23 ventures that we believe will be ready to
24 receive Year 27 funding.

25 COUNCILMAN NUTTER: When do you think

1 6/6/01 - Finance - Bill No. 010373

2 you'll have that?

3 MR. KROMER: By Friday, along with the
4 other information that's been requested.

5 COUNCILMAN NUTTER: You're saying by
6 Friday you can provide a list of the projects
7 that you think will be in a ready-to-go status
8 by the end of the first quarter of the next
9 fiscal year?

10 MR. KROMER: Right. During that first
11 quarter of the coming fiscal year.

12 COUNCILMAN NUTTER: The issue from last
13 year -- we went over a number of items with
14 regard to some reporting requirements and
15 production of documents. There was a lot of
16 discussion about administrative costs. There
17 was a discussion about funding for which -- as
18 I'm now recalling, some of the discussion was
19 similar to this year.

20 There was concern expressed about getting
21 a list to the Council or even providing by way
22 of a resolution these various plans. And,
23 obviously, you weren't going to be able to do
24 the plans in 90 days, but that you'd tell us
25 how you were going to engage in that process.

1 6/6/01 - Finance - Bill No. 010373

2 It's my understanding, as of at least this
3 morning, that a document apparently was sent
4 over some time last September responding to
5 those provisions in the last year's bill, Year
6 26, 000344. I had planned to ask you a series
7 of questions about that, because I have not
8 seen any response to that during the course of
9 the year.

10 Again, it's now my understanding that a
11 document at least was sent and we'll have an
12 opportunity to go through it. I won't ask you
13 about that.

14 The concern, though, was with regard to a
15 process that would entail coming back to
16 Council with a resolution laying out which
17 projects are actually going to get funded and
18 that no dollars be spent until such a
19 resolution came over to us generated some level
20 of concern.

21 Can you tell me what the problem is with
22 that?

23 MR. KROMER: I really wasn't in on the
24 discussions with Council members, so I don't
25 think --

1 6/6/01 - Finance - Bill No. 010373

2 COUNCILMAN NUTTER: It was literally the
3 same discussion we had last year when I
4 proposed -- at that time I had proposed that
5 the dollars not be spent on the projects until
6 we knew what they were and what was going to
7 get funded. That did not stay in the amendment
8 to the CDBG bill at that time. That discussion
9 has resurfaced.

10 So I wanted to get a fresh understanding
11 of what the problem is with that particular
12 approach.

13 MR. KROMER: Well, the approach that we
14 support that I think has worked effectively in
15 past years and that I support again in
16 proposing the approach for this year is simply
17 that we fund the consolidated plan and Council
18 reviews the plan, and once they act on the
19 plan, we basically fund the contents of the
20 plan.

21 If there are changes --

22 COUNCILMAN NUTTER: What do you mean by --

23 MR. KROMER: I'm trying to respond.

24 COUNCILMAN NUTTER: I understand. What do
25 you mean by the plan, since at least in the

1 6/6/01 - Finance - Bill No. 010373

2 Year 27 plan it is not project-specific?

3 MR. KROMER: Well, it really is
4 project-specific. That, to me, is the point of
5 the list. The list simply extracted from the
6 plan every single -- the identification of
7 every single project identified. Those are the
8 only development ventures that we would fund in
9 Year 27.

10 COUNCILMAN NUTTER: Hold on. On Thursday,
11 I took down your responding to someone else.
12 You made a statement that you will make
13 commitments, but not set aside dollars.

14 What does that mean?

15 MR. KROMER: Within the framework of the
16 Mayor's program, we will commit to working with
17 Council members to address their development
18 priorities through the process that's outlined
19 here and presented as part of the Mayor's
20 presentation of the neighborhood transformation
21 initiative.

22 We'll get the Planning Commission
23 involved, look at the market characteristics of
24 the area, get the community involved. We
25 discussed this last year. We'll look at not

1 6/6/01 - Finance - Bill No. 010373
2 simply the issue of are you going to give me
3 money for a development venture, but the
4 broader context and the issue of where does it
5 make sense to invest public money and what kind
6 of result are we going to get.

7 That's a process that is planned to take
8 place City wide and the Council priorities
9 would be included in that process and be a
10 special focus of our intention.

11 COUNCILMAN NUTTER: Is that the process
12 that would be utilized to determine which of
13 these in the pipeline projects will go forward?

14 MR. KROMER: No. I believe my response
15 was in reference to questions to what about new
16 stuff that hasn't been mentioned yet. The
17 projects that are in the pipeline now represent
18 a commitment that the administration has made
19 to Council and to the public to support the
20 development of these ventures.

21 COUNCILMAN NUTTER: Are these being
22 supported by the Year 27 balance?

23 MR. KROMER: No. The amount of funding in
24 Year 27 is not going to be adequate to support
25 the funding of all those ventures.

1 6/6/01 - Finance - Bill No. 010373

2 COUNCILMAN NUTTER: What is the funding
3 gap? What is the gap between the funding
4 available from Year 27 and -- I guess the
5 number here is, I'm assuming, 34,795; is that
6 --

7 MR. KROMER: Yes. And the sources, just
8 looking from the block grant -- as I said, the
9 sources are on Page 141 and is on the order of
10 \$12 million. That's why the issue of our
11 resource based and the need to look beyond the
12 block grant is so critical. We've begun doing
13 that. I think there's some opportunities to
14 expand the resource base. We need to find
15 more.

16 One small case in point is the East
17 Popular Sales Housing, which is on the list.
18 The developer owns a non-profit Friends rehab.
19 And Friends rehab, as their representative
20 testified last week, has reached an agreement
21 with the Philadelphia Housing Authority such
22 that the Housing Authority will be putting up
23 \$3 million in PHA capital funds to help support
24 a portion of this venture.

25 COUNCILMAN NUTTER: Is this the El Fanzo

1 6/6/01 - Finance - Bill No. 010373

2 Deal One?

3 MR. KROMER: Correct. We need a lot more
4 than that.

5 COUNCILMAN NUTTER: When the list here
6 says for that particular project, I don't know
7 where it is or anything about it. I'm not
8 picking on it, you made reference to it. The
9 list says City subsidy \$1 million.

10 MR. KROMER: Yes.

11 COUNCILMAN NUTTER: What does that mean?

12 MR. KROMER: Well, at the time when we
13 received the proposal in Year 26, they needed a
14 million dollars. Since that time, they've
15 reached agreement with the Housing Authority.
16 The Housing Authority was making a commitment
17 that was not available previously.

18 We can look at our \$1 million and see if
19 we can't reduce that in light of the
20 relationship that's been established with PHA.

21 COUNCILMAN NUTTER: Does that mean the
22 million is no longer needed?

23 MR. KROMER: Perhaps. We'll have to look
24 at that in light of the new resource that's
25 emerged.

1 6/6/01 - Finance - Bill No. 010373

2 COUNCILMAN NUTTER: Is there any scenario
3 under which a project that is on this list
4 would not get done?

5 MR. KROMER: All of the development
6 ventures on that list have received funding for
7 acquisition or pre-development of some kind.
8 And in order to receive that funding, each of
9 those ventures has been reviewed by Housing
10 Agency staff.

11 That review usually picks up problems with
12 feasibility. In a vast majority of cases,
13 development ventures that get to that point get
14 done. My expectation would be that every one
15 of those development ventures would be funded
16 and implemented.

17 COUNCILMAN NUTTER: Every one of the
18 projects on the list, your testimony is you
19 expect to get funded and completed.

20 MR. KROMER: That's right.

21 COUNCILMAN NUTTER: When would they get
22 their CDBG dollars?

23 MR. KROMER: That would depend on
24 readiness to go to settlement, and also on the
25 availability of CDBG dollars. Once we run out

1 6/6/01 - Finance - Bill No. 010373
2 of Year 27 dollars, we wouldn't have anymore
3 CDBG dollars to spend on these ventures and
4 would have to either find other dollars from
5 other sources or wait until Year 28. We prefer
6 not to wait and to find the resources instead
7 to complement what we do have.

8 COUNCILMAN NUTTER: Let me go back to the
9 question. The application goes in, do you
10 expect over the next few months, July, August,
11 September, that these particular projects on
12 the list will immediately start getting CDBG
13 funding, or did you say that, okay, that source
14 is now available and there are other sources
15 that you're looking at, and in the combination
16 of all of those variety of sources, you will
17 then figure out which projects get which
18 funding.

19 MR. KROMER: We'd like to do both at the
20 same time. I think the overriding principal
21 would be readiness to go to settlement. We
22 will scrutinize every single one of those
23 ventures and look for opportunities to blend
24 our resources with others.

25 I don't think it's fair to anyone to hold

1 6/6/01 - Finance - Bill No. 010373

2 up the process and put off a venture that's
3 ready to settle. I think we can do both with
4 reasonable effectiveness.

5 COUNCILMAN NUTTER: Do you think you'll be
6 able to have a list that tells us which will be
7 ready to go by the end of the first quarter of
8 the new fiscal year?

9 MR. KROMER: Yes.

10 COUNCILMAN NUTTER: What is it that you
11 don't know today that you're going to know on
12 Friday?

13 MR. KROMER: I would need to get some
14 information from the Redevelopment Authority
15 staff that processed these proposals and review
16 the underwriting. I'd expect they could
17 provide a very reliable estimate of what's
18 expected to be ready to settle during that
19 quarter.

20 I don't have that now, but I think we
21 could get it quickly.

22 COUNCILMAN NUTTER: The other concern was
23 about waiting for a resolution to lay out what
24 projects are going forward. There's concern
25 about programs possibly coming to a halt and a

1 6/6/01 - Finance - Bill No. 010373

2 whole series of events.

3 Do these programs all run out of money on
4 June 30?

5 MR. KROMER: The Community Development
6 Block Grant year, like the City's fiscal year,
7 begins on July 1. So we would need to have
8 funding available as of July 1 for a variety of
9 activities.

10 COUNCILMAN NUTTER: Have you spent all of
11 Year 26 money?

12 MR. KROMER: No. But we certainly
13 committed it all. We have no new money for the
14 ongoing activities.

15 In the past years, the process has been
16 that the City's Finance Department has advanced
17 funding to OHCD in anticipation of the
18 Community Development Block Grant. When the
19 block grant funding becomes available in
20 September, Finance is paid back. So that's a
21 process we propose again this year.

22 COUNCILMAN NUTTER: What did you mean when
23 you said when the Community Development Block
24 Grant money becomes available in September?

25 MR. KROMER: Well, following City Council

1 6/6/01 - Finance - Bill No. 010373
2 action on the block grant proposal, the
3 proposal is submitted to HUD. There's a period
4 of processing at HUD, and finally a commitment
5 of the federal funds. That commitment is not
6 received until September or late August at the
7 earliest. So the funding is advanced to fill
8 that gap.

9 COUNCILMAN NUTTER: From Finance?

10 MR. KROMER: Yes.

11 COUNCILMAN NUTTER: From the earlier
12 conversation, I was under the impression that
13 when the application went in, whenever it goes
14 in, the money is instantly available.

15 Are you saying that is not actually the
16 case and that it's not available until
17 September?

18 MR. KROMER: That is not the case. The
19 federal money is not available until September.
20 Our past experience is that the advance from
21 finance is instantly available because Finance
22 had the assurance that the application has been
23 filed and that the money will be forthcoming to
24 repay.

25 COUNCILMAN NUTTER: What then was wrong

1 6/6/01 - Finance - Bill No. 010373
2 with the idea that you would send back a list
3 for approval by resolutions of the spending of
4 the dollars when you had actually figured out
5 what you were going to spend them on if it's
6 not the case that the federal funding is
7 actually being held up, because during those
8 two or three months you're actually not using
9 the federal funds, but apparently the practice
10 has been that you've been working with an
11 advance and then repayment? What is the
12 problem?

13 MR. KROMER: I really can't get into
14 details, having not participated in the
15 discussion. One point I can make is that
16 there's some real value in having this document
17 and saying it's not approved or saying it got
18 approved or got approved with this amendment,
19 rather than saying, Well, this portion is okay,
20 but we're going to have to come back for
21 this -- you know, things get complicated.

22 COUNCILMAN NUTTER: I wasn't suggesting
23 that the bill itself wouldn't be approved. I
24 think there was some internal issues about
25 spending and spending priorities and the like.

1 6/6/01 - Finance - Bill No. 010373

2 But I would be hard pressed to think the
3 feds really care too much about our own
4 internal discussions, as opposed to a fully
5 approved signed bill with the application going
6 to the federal government, right?

7 MR. KROMER: I understand that. I'm
8 thinking of my office's communication with the
9 community and the need to be clear about what's
10 happening.

11 COUNCILMAN NUTTER: Tell me, lastly, how
12 many tax credit deals did we do in the past
13 Year 26?

14 MR. KROMER: I don't have that information
15 right here, but I can give it to you. The
16 Redevelopment Authority has a good record of
17 that. Your question relates to how many tax
18 credit awards were received during Year 26?

19 COUNCILMAN NUTTER: Yes.

20 MR. KROMER: Yes.

21 COUNCILMAN NUTTER: And what were they,
22 and what was the project, and how many units
23 and how much?

24 Tell me one more time what you expect to
25 have by Friday?

1 6/6/01 - Finance - Bill No. 010373

2 MR. KROMER: With regard --

3 COUNCILMAN NUTTER: With regard to
4 projects on this list.

5 MR. KROMER: We will provide -- we will
6 identify the projects on the list that will be
7 ready to go to financial settlement during the
8 first quarter of the coming fiscal year, July,
9 August, September.

10 COUNCILMAN NUTTER: At that time, would
11 you be able to give any information about the
12 remaining, whatever doesn't make that
13 particular list?

14 MR. KROMER: Yes. I think we could
15 provide a reasonably accurate estimate of the
16 amount of funding that will be committed to
17 those ventures and what is remaining after
18 those commitments are settled.

19 COUNCILMAN NUTTER: Let's say you put that
20 list together, July 1 comes, you start making
21 your evaluations of these various projects,
22 let's say it's August and you have something
23 that's ready to go, what are you funding it
24 with at that point?

25 How are you funding that project that's

1 6/6/01 - Finance - Bill No. 010373

2 ready to go in August?

3 MR. KROMER: That funding would come from
4 the City advance that would be repaid from the
5 block grant when the federal funds kicked in?

6 COUNCILMAN NUTTER: How do you put City
7 dollars into these projects? I guess the City
8 dollars have less restrictions than the CDBG?

9 MR. KROMER: None of the development
10 ventures are funded with the City advance, none
11 at all.

12 COUNCILMAN NUTTER: None of the what?

13 MR. KROMER: None of the development
14 ventures are funded with the City advance.

15 For that initial period of the fiscal
16 year, any development venture that was ready to
17 go to settlement would be funded from any
18 available prior year funding that we might
19 have, and the prior year funding would be
20 repaid when the Year 27 money came in.

21 If no prior year's funding were available
22 at all, then we would have to postpone
23 settlement for those early development ventures
24 that came in early.

25 COUNCILMAN NUTTER: One last time, what is

1 6/6/01 - Finance - Bill No. 010373
2 wrong with an approval process by a list of
3 projects by resolution in 90 days after the
4 start of the fiscal year? What is the problem
5 with that?

6 MR. KROMER: Again, there was a discussion
7 that I didn't really participate fully in.
8 From my perspective, it's very helpful in
9 communicating with the community to be able to
10 say, here's the document that was acted on by
11 Council and everything in this document has
12 been authorized and we will stand to support
13 this program immediately, rather than to say
14 certain activities have been okay'd but we've
15 got to go back to Council for certain other
16 activities.

17 It makes it harder to communicate and
18 convey the sense of a unified program. This is
19 only my perspective on this. I'm sure I missed
20 some other aspects of the discussion.

21 COUNCILMAN NUTTER: You're just saying
22 it's easier when this is done that it's
23 completely done and you can go to the groups
24 and say you made it in the book, although -- I
25 take from your earlier testimony -- isn't there

1 6/6/01 - Finance - Bill No. 010373
2 a possibility that someone could get -- if we
3 just did the normal process, isn't it possible
4 someone could get through this part of the
5 process and still not have a completed project
6 or a funded project?

7 MR. KROMER: Yes. But the underwriting
8 skills of the Redevelopment Authority are such
9 that if you make it in, you're probably going
10 to get funded because they've reviewed the
11 feasibility and they've -- their review is
12 pretty accurate.

13 COUNCILMAN NUTTER: With regard to last
14 year's bill, we had some discussion the other
15 day about the increase in your general
16 administration of program delivery costs.

17 Again, as you know, whatever your response
18 was to this particular section was only
19 generally made available to us today. So I
20 don't know what you may have said in that
21 response in this particular section.

22 Can you tell me how you responded to the
23 provision that says, "It shall be the policy of
24 the City that beginning in CD Year 26 and each
25 CD year thereafter, the City will consolidate

1 6/6/01 - Finance - Bill No. 010373
2 administrative functions associated with each
3 agency participating in the CDBG program in
4 order to avoid duplication of services and
5 reduce administrative costs," especially in
6 light of the fact that that line in the plan
7 goes from 29 million to 31 million this year?

8 How did you comply with that particular
9 provision?

10 MR. KROMER: The major activity that has
11 occurred at OHCD and the other housing agencies
12 has been a little bit of belt tightening so
13 that we've been able to hold, for the most
14 part, our operating costs level, despite the
15 fact that we have contract-mandated salary
16 increases that are coming into play during this
17 period.

18 Rather than increase proportionate with
19 the contract-mandated salary increases, we've
20 held the funding level. More importantly in
21 terms of addressing the broader issue, the
22 housing agency organizational structure is
23 being evaluated now by the Mayor's office with
24 some outside help. We participated in
25 providing the material that has been requested

1 6/6/01 - Finance - Bill No. 010373

2 in connection with that evaluation.

3 My understanding is that there will be a
4 full presentation of a consolidated housing
5 agency plan later this year.

6 COUNCILMAN NUTTER: Lastly, on that
7 particular point, you don't necessarily reduce
8 your cost to the CDBG program by having a new
9 line item for L&I for \$1.9 million. It seems
10 we're going in the wrong direction.

11 Why would you do that?

12 MR. KROMER: The new line item is a
13 correction of the budget presentation that has
14 been used in prior years. The funding for the
15 L&I activity, which is inspections and
16 abatements of code violations, has been in the
17 plan now for well over a decade, but has been
18 part of a separate line item in the program
19 section.

20 After looking over that situation and
21 after some discussion with L&I last year in
22 which we were able to identify the proportion
23 of funding that was actually used for staff, we
24 felt that it would be more accurate to place
25 that expense in the property overhead category,

1 6/6/01 - Finance - Bill No. 010373

2 rather than present it as a program expense.

3 The issue of whether L&I inspectors shall
4 be funded from the block grant is one worth
5 considering. But I don't think there's any
6 disagreement that we need those inspectors. We
7 need some funding source for those inspectors.

8 I know that the question of is the block
9 grant the right source is being reviewed and
10 we'll deal with that. I know that that staff
11 is absolutely essential.

12 COUNCILMAN NUTTER: Thank you.

13 - - -

14

15

16

17

18

19

20

21

22

23

24

25

1 6/6/01 - FINANCE - BILL NO. 010373

2 (Proceedings now being stenographically
3 recorded by Josephine Cardillo, Registered
4 Professional Reporter.)

5 - - -

6 COUNCILWOMAN BLACKWELL: Thank you very
7 much, are their questions from members of the
8 committee?

9 (No questions.)

10 COUNCILWOMAN BLACKWELL: Seeing
11 none. . .

12 Seeing no questions, this will conclude our public
13 hearing.

14 MR. KROMER: Excuse me. I don't believe
15 I mentioned this in my previous testimony. I would
16 like to request a waiver of the rules of Council to
17 permit first reading at this week's meeting.

18 COUNCILWOMAN BLACKWELL: Thank you.

19 MR. KROMER: Thank you.

20 COUNCILWOMAN BLACKWELL: We will hold up
21 so that the stenographers can change.

22 - - -

23

24

25

1 6/6/01 - FINANCE - PUBLIC MEETING

2 COUNCILWOMAN BLACKWELL: Thank you very
3 much. Again, this concludes our hearing on Bill No.
4 010373. We will enter into our stated meeting.

5 It has been distributed, the proposed
6 amendments to this bill as well as documentation
7 from the Mayor, or a letter from the Mayor, as well
8 as specific amendments. We will not read them now.
9 We believe that everyone has them. It has been
10 distributed widely and also to the stenographer and
11 it will be made a part of the record.

12 I would, therefore, like to ask for a
13 motion from Councilman -- one moment.

14 (Councilwoman Blackwell confers with
15 colleagues off the record.)

16 COUNCILWOMAN BLACKWELL: All right, it
17 has been requested that an explanation be given for
18 the Mayor's letter. Rather than do that, I will ask
19 the clerk to read the Mayor's letter into the
20 record, and we will not read the amendments. After
21 the letter is read, we will entertain a motion to
22 approve the amendment.

23 Thank you.

24 THE CLERK: "Dear Councilwoman
25 Blackwell: Councilmembers have raised several

1 6/6/01 - FINANCE - PUBLIC MEETING

2 concerns about Bill No. 010373. First, the
3 Administration has been asked to clarify its plans
4 for spending the block grant and other federal
5 resources that are made available this year.
6 Attached to this letter is an aggregated list of
7 activities the Administration proposes to fund via
8 the Year 27 Consolidated Plan. Where possible,
9 specific addresses or development names are
10 provided. In other instances, as with homeowner
11 rehabilitation or counseling programs, the programs
12 are available citywide on a first come/first served
13 basis.

14 "The activities the Administration
15 proposes to fund are developments that in many cases
16 have been in the pipeline for years. In most
17 instances, members of City Council have worked to
18 shape the projects and actively support them from
19 their inception. Many of these deals first receive
20 City financial assistance for planning activities,
21 then acquisition funding, and now, at last, our
22 position to receive actual support for
23 construction. A more thorough discussion of these
24 projects and activities is provided in the Year 27
25 Consolidated Plan. Reference is specifically made

1 6/6/01 - FINANCE - PUBLIC MEETING

2 to Page 147.

3 "Second, as has been pointed out on a
4 number of occasions, the list of activities proposed
5 for funding in Year 27 does not include many new
6 projects. In the Year 27 application, the
7 Administration proposes to fund previously made
8 commitments as it works to develop a new strategic
9 framework for investing into neighborhoods and for
10 identifying additional resources to support our
11 neighborhoods. Over the course of the summer, the
12 Administration looks forward to working with
13 Councilmembers as a group and members individually
14 to assure that Council concerns are reflected
15 adequately in the City's plans moving forward.

16 "Third, last year Council amended the
17 legislation supporting the Year 26 application,
18 directing the Administration to respond to the
19 specific questions within 90 days of the enactment.
20 During discussions over the last few days, it was
21 represented that the Administration has ignored the
22 requirements attached to the adoption of the Year 26
23 application. A copy of the Administration's timely
24 response is attached. If the response falls short
25 of Council's expectation, the Administration

1 6/6/01 - FINANCE - PUBLIC MEETING

2 certainly will work through the coming year to
3 respond more directly to the issues raised.

4 "Few issues we confront present the City
5 with challenges as great as those arising in our
6 neighborhoods. I look forward to working through
7 the myriad of issues with the members of Council so
8 that we can start the fall with a shared vision of
9 what we can accomplish in our neighborhoods.

10 "With warmest regards, I remain, .

11 "The Mayor."

12 COUNCILWOMAN BLACKWELL: All right. So,
13 "Sincerely, John F. Street." And that is his
14 letter, and we submit that for the record along with
15 all of the documentation he submitted and an
16 amendment.

17 At this point, the Chair recognizes
18 Councilman DiCicco for the purposes of a motion to
19 approve the amendment to Bill No. 010373 as has been
20 distributed to everyone.

21 COUNCILMAN DICICCO: I make a motion
22 that the amendments to Bill No. -- excuse me.

23 COUNCILMAN NUTTER: Excuse me. Hold on
24 for one second.

25 (Committee members confer among

1 6/6/01 - FINANCE - PUBLIC MEETING

2 themselves off the record.)

3 COUNCILWOMAN BLACKWELL: Excuse me. We
4 will have to pause a moment. I'm being told that
5 there are some concerns by the President that are
6 different than those that I understand to be. So we
7 will be in recess for five minutes.

8 (Brief recess.)

9 (Proceedings resume.)

10 - - -

11 COUNCILWOMAN BLACKWELL: Thank you for
12 your patience.

13 Again, the Chair calls on Councilman
14 DiCicco for the purposes of supporting an amendment
15 to Bill No. 010373.

16 COUNCILMAN DICICCO: Thank you, Madam
17 Chair. I move for the adoption of the amendment to
18 Bill No. 010373 as reported into the record.

19 (Duly seconded.)

20 COUNCILMAN NUTTER: Question.

21 COUNCILWOMAN BLACKWELL: Question?

22 COUNCILMAN NUTTER: A question on the
23 motion.

24 Madam Chair, it's crystal-clear that the
25 wording about what I'm going to ask about is not a

1 6/6/01 - FINANCE - PUBLIC MEETING

2 part of the resolution, but I do recall in the
3 public hearing that the Executive Director of OHCD,
4 Mr. Kromer, did make mention that he would be able
5 to provide certain information to the body by, I
6 believe, this upcoming Friday with regard to
7 projects that are on the list that's been the topic
8 of discussion and what their status is. His
9 terminology was in a "ready-to-go status" for the
10 first quarter of the new fiscal year.

11 I would ask the question, Madam Chair,
12 whether it is possible to have that statement, if
13 not commitment, made by Mr. Kromer a part of this
14 particular resolution -- I'm sorry, as a part of
15 this particular amendment to make sure that we're
16 clear on what we expect to receive. Is that
17 possible?

18 COUNCILWOMAN BLACKWELL: How do you
19 propose to do that, Councilman?

20 COUNCILMAN NUTTER: Um --

21 COUNCILMAN DICICCO: On bended knee,
22 actually, he's asking for this, Mr. Kromer.

23 COUNCILMAN NUTTER: Take advantage where
24 you can.

25 The first section of the proposed

1 6/6/01 - FINANCE - PUBLIC MEETING

2 amendment talks about no later than 90 days after
3 the beginning of the fiscal year, certain reports
4 and plans and assessments and the like are to be
5 submitted to City Council. I guess the question is
6 whether or not as a part of that section, we would
7 also get this list that Mr. Kromer talked about
8 having availability as early as this Friday, that
9 that would be a part of that particular section.

10 COUNCILWOMAN BLACKWELL: Mr. Kromer?

11 MR. KROMER: At the hearing, a number of
12 requests were made, and I agreed to provide certain
13 information in response to those requests, and I
14 certainly will do so. I'm not sure that it is
15 necessary to amend the amendment in order to enlist
16 any of those requests. I will certainly be
17 responsive, as I always have been, but the choice is
18 really the committee's.

19 I just wanted to underscore that as with
20 this commitment, I will provide the information
21 requested and agreed to.

22 COUNCILMAN NUTTER: Okay.

23 Thank you, Madam Chair.

24 COUNCILWOMAN BLACKWELL: Thank you very
25 much. Thank you, Mr. Kromer.

1 6/6/01 - FINANCE - PUBLIC MEETING

2 It has been moved and seconded that the
3 amendment to Bill No. 010373 be approved. I will
4 now entertain a motion to approve Bill No. 010337,
5 as amended, with the suspension of the rules.

6 COUNCILMAN DICICCO: Madam Chair, we
7 need to vote on the amendment.

8 COUNCILWOMAN TASCO: Vote on the
9 amendment.

10 COUNCILWOMAN BLACKWELL: I'm sorry.

11 All in favor for the amendment as
12 distributed that it be approved. All in favor,
13 aye?

14 Opposed?

15 The ayes have it and so the amendment to
16 Bill No. 010373 is approved.

17 I will now entertain, Councilwoman
18 Tasco, a motion to approve, as amended, Bill No.
19 010373 with a suspension of the rules.

20 COUNCILWOMAN TASCO: Madam Chair, I move
21 that Bill No. 010373, as amended, be reported out of
22 committee with a favorable recommendation and a
23 request for the suspension of the rules so it can be
24 read at the next Council session.

25 (Duly seconded.)

1 6/6/01 - FINANCE - PUBLIC MEETING

2 COUNCILWOMAN BLACKWELL: All in favor?

3 Opposed?

4 The ayes have it.

5 So this consolidated plan CDBG

6 application is reported out.

7 Thank you, everyone. Thank you from

8 both sides.

9 COUNCILMAN KENNEY: Public Property is

10 next.

11 COUNCILWOMAN BLACKWELL: Public property

12 is next. And we will hear that -- that should be

13 short and sweet, the Chair tells us.

14 Thank you, thank you, members of the

15 committee, and thank you, Mr. Kromer and everyone

16 from the Administration.

17 (Adjourned 1:48 p.m.)

18

19

20

21

22

23

24

25

1

2

C E R T I F I C A T E

3

4

5

6

7

8

9

10

11

RE: COUNCIL COMMITTEE ON FINANCE

12

BILL NO. 010373

13

14

15

16

17

18

19

MAUREEN BRODERICK,

20

Registered Professional Reporter

21

22

23

24

JOSEPHINE CARDILLO,
Registered Professional Reporter

25