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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON FINANCE

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Room 696, City Hall
Philadelphia, Pennsylvania
Thursday, June 13, 2002
9:35 a.m.

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RESOLUTION 020285 - Approving the annual program
statement and budget for the expenditure of the NTI
bond proceeds for Fiscal Year 2003.

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PRESENT:

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COUNCILWOMAN JANNIE BLACKWELL, Chair
COUNCILWOMAN MARIAN B. TASCIO, Vice Chair
COUNCILMAN DAVID COHEN
COUNCILMAN FRANK DICICCO
COUNCILMAN JAMES F. KENNEY
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN BRIAN O'NEILL

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2 COUNCILWOMAN BLACKWELL: Good morning.

3 Thank you for your patience. This is a continuation
4 of the Finance hearing regarding the NTI resolution,
5 Resolution 020285.

6 Let me say as an opening statement that
7 we have been working tirelessly to try to come up
8 with something. And I say this particularly to the
9 Members of the Committee as well as to the
10 Administration, to try to come up with some way to
11 satisfy all sides concerned to pass the NTI
12 resolution. It is our goal and our concern to pass
13 this resolution, not only because it is tied to
14 CDBG, but certainly in the spirit of trying to get
15 this program started, we really, really are
16 interested to pass this resolution.

17 Having said that, we have heard the
18 concerns of my colleagues and certainly are prepared
19 to pass out two suggested amendments. I'm sorry I
20 couldn't get them to you sooner, but we really just
21 got them together.

22 I'm going to ask the Clerk to pass out
23 two resolutions, one deals with Basic Systems Repair
24 Program and the other deals with retaining walls,
25 alleys, driveways, curbs and sidewalks and calls,

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2 certainly, for a study of all of these various areas
3 that concern so many of my colleagues.

4 I talked to Councilwoman Krajewski who's
5 not on this committee, who is committed to
6 driveways, and many of the other of us are committed
7 to curbs and sidewalks and get complaints at every
8 community meeting. What we want to do is get a cost
9 analyst on what it would cost to do these and,
10 certainly, to have a detailed study City-wide of
11 what this entails.

12 And so these are the two resolutions
13 that I'm asking my colleagues on the Committee if
14 they would read, if they would consider in order for
15 us to try to pass this program statement, part of
16 the NTI resolution. And I would also like to say,
17 having said that, and I'm going to ask the
18 Administration as well to consider -- and we're
19 passing out copies now -- to consider these. These
20 are issues that are very, very important to each
21 Councilperson in his or her district.

22 Certainly, I'm willing to make myself
23 available all summer long for discussion on this. I
24 say to my colleagues, I'm willing to be a conduit
25 for our concerns between the Administration and City

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2 Council.

3 I'm now open for any questions or
4 discussion.

5 Oh, let me say before that, that we do
6 have a quorum. To my right is the Vice Chair
7 Councilwoman Tasco; to her right, Councilman Nutter;
8 to his right, Councilman Cohen; and to my left,
9 Councilman DiCicco. Thank you all for coming.

10 Councilwoman Tasco.

11 COUNCILWOMAN TASCO: Thank you very
12 much, Madam Chair.

13 I say this as a point of information and
14 also a point of concern. In late '98 when the Mayor
15 was still President of City Council, because we have
16 constantly raised this issue, raised it when he was
17 President of City Council, we put in resolution, had
18 hearings around the issue of retaining walls, curbs,
19 sidewalks, driveways. The same issue has been
20 ongoing for years. He pulled together in late '98
21 maybe early 1999 -- well, I guess it was '98 because
22 he left in '99, so it must have been '98. A
23 committee of all of the City departments, to the Law
24 Department, Streets Department, every department
25 that would have some jurisdiction over trying to

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2 address this issue and promised that they would come
3 up with a resolution of this issue as we are getting
4 here today in this memo. And it seems to me that we
5 are no further along because that was an issue then
6 and has been as long as I've been on Council, 15
7 years. And then when we attempted to pull together
8 all these parties, there's been no follow through on
9 this, and I'm just concerned about what we're going
10 to get because that's what I thought was in the
11 works to begin with. That was in 1998.

12 COUNCILWOMAN BLACKWELL: Let me say,
13 from my point of view -- I know, I've been around
14 here since January 1976; obviously, not elected
15 until 1992. But I've been around here a very long
16 time and have file drawers full of requests from
17 members of the community who are interested in curbs
18 and sidewalks and who have legitimate concerns. The
19 trees break the sidewalk, they're old. It's really
20 terrible and it really begs attention, the whole
21 issue.

22 However, I would like to say that
23 certainly this Committee with our membership has not
24 considered it nor have I personally been in the
25 forefront as Chair of the Committee to make sure

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2 that something is done. And I'm asking the
3 Committee the opportunity. The worse we could lose
4 is a couple months. I would say if we can't get it
5 done, then let's come back in September and amend it
6 so that we can do whatever it is that we need to do.

7 I'm asking this Committee if they would
8 consider giving us an opportunity or giving me an
9 opportunity to try to prevail upon the
10 Administration -- and we're asking the
11 Administration, we're going to ask you to respond to
12 try to come up with --

13 Certainly, I remember when former Mayor
14 Goode was the leader of our City and he promised to
15 come up with a program dealing with curbs and
16 sidewalks. And in spite of all else he did, he did
17 not do that after a public promise to do that. I
18 remember because I waited and waited and waited for
19 it and said at community meetings that a plan would
20 be forthcoming. But having said that, it just
21 didn't happen.

22 But I'm asking the Committee to give us
23 an opportunity as a Committee to work through
24 another plan. Certainly, I had no formal input, was
25 not leading Finance Committee at that time. And,

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2 again, I say if it does not work to my colleagues,
3 then we have the opportunity to come back in
4 September and amend the resolution and do whatever
5 it is we think we need to do.

6 Comments?

7 Councilman Cohen.

8 COUNCILMAN COHEN: Madam Chair, I've
9 been on the question of retaining walls and
10 driveways because in the 17th Ward our need for
11 curbs and sidewalks is not nearly as great as the
12 need for repavement of driveways and preventing
13 retaining walls from collapsing. For many years I
14 was stunned after being told by the Administration
15 that studies were under way to find that -- with
16 David L. Cohen at the time. He was Mayor Rendell's
17 Chief of Staff. I raised the issue with him. I
18 said, "David, what's happening all these years?"

19 You know what? He had never heard of
20 the problem. He didn't know what I was talking
21 about. It's the only issue in which I found David
22 L. Cohen knew absolutely nothing about because
23 nobody in the Administration, despite continuous
24 reports to us that they were working on the problem,
25 that there were difficulties in getting contractors

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2 to do the paving because the old system of getting
3 homeowners to sign contracts. Apparently a lot of
4 homeowners found the cost so onerous that they
5 didn't meet the contractual obligation. The
6 contractors felt they weren't getting paid. You
7 know, this thing has been studied to death. But I
8 would be willing to put everything together. I
9 think your arguments, if they're valid for retaining
10 walls, driveways, curbs, and sidewalks, they're
11 certainly valid for the subjects we're talking about
12 in NIT (sic). I don't recollect that before NIT
13 came that there was this kind of detailed study that
14 you're talking about. But if there is, I would like
15 to see it. Because I haven't yet seen any kind of
16 detailed study that came before we talk about \$300
17 million. And I think your proposal might be a
18 meaningful one if everything were thrown in the
19 hopper together. Let's study it all together. The
20 weakness is in having a NIT program with no
21 planning.

22 I still haven't had an answer to
23 anything I've asked about continuously in the 17th
24 Ward where I'm the democratic ward leader and meet
25 on a daily basis with homeowners that are worried

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2 about their property values going down, worried
3 about the deteriorating quality of life because the
4 retaining walls and driveways are so bad.

5 Why don't we just leave everything go
6 over the summertime. And I would be delighted then
7 to participate in a study of everything, come out in
8 the fall vigorously with a program for NIT that we
9 could use to answer questions and at the same time
10 solve this issue, too.

11 Incidentally, I don't know that it would
12 harm NIT at all. My understanding is that there's
13 about \$20 million available for demolition. I don't
14 know how anybody would spend that money over July,
15 August, and part of September anyway. So if there
16 is any immediate program needed for demolition,
17 seems to me everything is there for it. So I would
18 say why don't we do this: Why don't we take the
19 agenda before us this morning and hold it and come
20 back refreshed, make all the studies we want to
21 make.

22 As a Member of the Committee, I pledge
23 to work with you, Madam Chair, on the Committee to
24 move ahead on this. I'm willing to dedicate the
25 summertime to this and to any necessary action on

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2 that wage tax exemption for the working people of
3 Philadelphia. I'm willing to devote the whole
4 summer to those kind of problems so we can move
5 Philadelphia forward.

6 Thanks, Madam Chair.

7 COUNCILWOMAN BLACKWELL: Thank you,
8 Councilman. What we are requesting is that we pass
9 this resolution with the ability to amend it in the
10 fall if we're not satisfied with the study.
11 Therein, we will have what we can spend and the
12 circumstances surrounding that, including issues
13 that are listed here today. And we're asking that
14 we pass the NTI resolution with these amendments in
15 place that call for the study so we can get a
16 legitimate study done, have the study funded through
17 NTI so we can come back in the fall with a formal
18 detailed extensive study City-wide on what is
19 required. That's what we're asking today. We're
20 asking you to pass out the NTI resolution with these
21 amendments that call for this formal detailed study
22 City-wide in all these areas.

23 COUNCILMAN COHEN: Seems to me, it's an
24 unbalanced request. Maybe I'm missing something.
25 Seems to me, you're saying, "Let's pass the NTI

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2 completely and then in return we'll agree to study a
3 problem with no indication of any support for
4 whatever comes from the study."

5 Seems to me we ought to have a balanced
6 approach. Let's use the same approach on both.
7 Because actually, Madam Chair, the issue of
8 sidewalks, curbs, retaining walls and driveways is
9 much older as a Council subject than the issue of
10 total demolition and prayers for developers to come
11 along in areas of the City that they never come
12 along on. And I'd like some proof of that fact. We
13 can use the summer so that the Administration can
14 show us who's going to develop the areas in the 17th
15 Ward that need development and in any other area
16 except the Center City area.

17 Who's going to go to Mantua, for
18 example, and develop the open space there? I'd like
19 to hear of a developer and what his plans are for
20 that. Who's going to go to the other areas in the
21 northern part of the City, north of Market Street.
22 Because I don't find any developers eager anywhere.
23 I'd like to learn if they exist. We'd like to
24 support that development.

25 COUNCILWOMAN BLACKWELL: Certainly, when

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2 it comes to the 3rd District, I could talk for the
3 next two hours our plans and private developers who
4 want to come in, et cetera. We have ours planned
5 out. We've been working on that a very long time.
6 However, because in 1999, remember, I announced a
7 10-year plan for my own district. So that's another
8 discussion. I could talk to you in detail about
9 that. But our goal is for NTI to fund this study in
10 these specific areas. That is why I'm asking the
11 Committee to pass this out, to do a detailed study
12 for curbs and sidewalks, driveways, as well as
13 retaining walls.

14 Certainly, the City may have more
15 information about retaining walls than the other
16 areas. It's going to take time and money and we
17 want the NTI and we're asking Ms. Smith to absorb
18 the expense of whatever it costs to have a detailed
19 City-wide study in all three areas so that we can
20 come back ready to deal with these issues and also
21 funding, what it would require to do the work. And
22 this is why we're asking Council to consider passing
23 the resolution. Certainly, it is always our right,
24 it's our resolution, we can amend it, we can do
25 whatever it is we choose to do. But that is why I'm

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2 asking this morning because I wanted us to have a
3 charge of the summer. I wanted us to be ready to
4 move forward with something. And it seemed to me
5 after hearing -- we tried to come up with a
6 resolution that would incorporate everyone's
7 concerns. And it seems to me that with retaining
8 walls, as Councilman Nutter has been leading that
9 battle; driveways, Councilwoman Krajewski; and curbs
10 and sidewalks, everybody else; it seems to me that
11 we tried to incorporate -- we're dealing with trees,
12 thanks to some of you as well. And if we deal with
13 these issues and have a detailed study, we finally
14 have at least a handle, a formal handle on these big
15 issues that plague our communities.

16 I've also pledged, certainly, myself to
17 be involved. I will put my reputation on the line
18 in terms of commitment to making sure that we have
19 something real that we can bring to you. I will
20 make sure that I pester the Administration, if it
21 takes that, all summer long so that we can come back
22 to this Committee with a detailed, specific plan and
23 cost analysis so that we can move forward.

24 So that is my -- my goal is not only to
25 try to appeal to not only this Committee, but to all

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2 Members of Council in a way that can have us move
3 forward and so that we have our directions as this
4 Council ends today.

5 COUNCILMAN COHEN: Could I ask one
6 question?

7 COUNCILWOMAN BLACKWELL: Of course.

8 COUNCILMAN COHEN: Is it a fact the City
9 has available to it now without action on this
10 resolution the sum of approximately \$20 million
11 available for demolitions?

12 COUNCILWOMAN BLACKWELL: I don't know.
13 The Administration will have to respond to that.

14 COUNCILMAN COHEN: Well, I'd like to
15 hear that because I'm looking for a way to move both
16 programs ahead. It seems to me the curb and
17 sidewalk, retaining walls, is not going to be
18 anywhere near as expensive as the blight program.
19 Why can't we do something and provide money for both
20 at the same time so both programs can begin while
21 they get further study? I'd be interested in that
22 kind of proposal. It doesn't seem to me to be
23 balanced to ask for approval of a total program in
24 one area and only a study in the other. Why don't
25 we provide some funds to get both programs under

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2 way? And I understand that's already been done for
3 NIT. Let's balance it with a similar funds for the
4 other side and then make the studies.

5 Incidentally, we don't have to solve the
6 problem of the whole City on retaining walls. I
7 mean, it's easy to study anything to death and say
8 it's such a big program that, of course, we can't
9 afford it. I can figure all of things it will cost
10 billions of dollars and I'd defeat the proposal
11 merely by studying how expensive it is. But there's
12 some emergency problems where areas are being
13 destabilized today adding to the blight of the City
14 because the City's lack of attention to it. Why
15 can't we put up some money at the same time we're
16 putting up money for NIT? And then have a balanced
17 approach to both and make whatever studies are
18 needed in both areas.

19 Because I'm not satisfied with the
20 studies on NIT. I still haven't got, despite month
21 after month of asking, any kind of program that
22 enabled me -- for example, at the ward meeting
23 Monday night, a question came up as to what does the
24 blight program mean for the 17th Ward. I was in no
25 position to be able to say that apartment building

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2 at 16th and Grange is going to be taken care of,
3 Wister Street's going to be taken care of, Belfield
4 Avenue, because nobody's come up with any plan. So
5 that certainly needs a lot of study, too.

6 So Madam Chair, how about a balanced
7 plan on both, equal action on both? And it would be
8 good for the neighborhoods because both programs are
9 very important for the neighborhood.

10 Thank you, Madam Chair.

11 COUNCILWOMAN BLACKWELL: You're welcome.
12 We will ask the Administration to respond to the
13 issue of demolition and monies.

14 MS. SMITH: Thank you. My name is
15 Patricia Smith, Director of Neighborhood
16 Transformation.

17 In the legislation authorizing issuance
18 of the financing for NTI, Council did authorize an
19 initial expenditure for start-up costs up to
20 \$20 million, and it did lay out a process and
21 procedure where action can be taken with respect to
22 dangerous and eminently dangerous buildings under
23 that in order to protect the health and safety of
24 the City.

25 In response to your question with

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2 respect to the Administration, we're very much
3 willing to work closely with Council, with you, on
4 looking at very seriously -- and I can't speak for
5 past Administrations, but looking very seriously at
6 this issue of private infrastructure. I think we
7 can't lose sight of the scale that we're looking at.
8 And we do believe that a cost analysis is critical,
9 but not only the cost, how do we finance that?

10 The Administration agrees wholeheartedly
11 with the statement in the resolution or in the
12 amendment that the cost of repair and demand for
13 financial assistance, since there are some
14 homeowners that are not in a position to do these
15 type of things, substantially outstrips our current
16 resources, including the NTI bond proceeds.

17 We're committed to working with you
18 closely over the summer. We've already begun to
19 pull people together to look at these issues.

20 COUNCILWOMAN BLACKWELL: Thank you very
21 much. Certainly, we realize there are legitimate
22 problems in all areas. And certainly, and I would
23 say this to my colleague Councilman Nutter, that
24 someone called our office who lives in Roxborough
25 area. Does Magdalena Street ring -- I have no idea.

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2 It's just a name to me. But one of my staff members
3 came to me today about someone with whom we are
4 associated who lives there and those severe problems
5 dealing with retaining walls. We accept the fact
6 that we have emergency issues and that dealing with
7 retaining walls and these other areas, curbs and
8 sidewalks and driveways, and we want to get about
9 the business of having a legitimate way, an
10 expeditious way that we approach resolving these
11 issues. And that is why that I am asking the
12 Committee to consider passing this resolution so
13 that we can move forward. We can move forward in a
14 positive direction.

15 And, again, as I say, I'm making my
16 commitment to be personally involved in this area
17 and certainly to report back to you every step of
18 the way with a legitimate study that deals with your
19 areas and about which way we should go.

20 Councilman Nutter.

21 COUNCILMAN NUTTER: Thank you, Madam
22 Chair.

23 COUNCILWOMAN BLACKWELL: You're welcome.

24 COUNCILMAN NUTTER: Madam Chair, first,
25 let me ask, who prepared this proposed amendment?

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2 COUNCILWOMAN BLACKWELL: Well, I've had
3 my staff working on it last night. When I left here
4 at 10:00, my staff member Darwin Bouvier was still
5 dealing with it.

6 COUNCILMAN NUTTER: I appreciate the
7 effort. Obviously, this is something that I've been
8 talking about and many other members have been
9 working on and I absolutely appreciate the concern
10 of the Chair. I would say, though, it is helpful in
11 these kinds of matters if the person who is directly
12 involved could have some opportunity to review these
13 items.

14 Now, let me just make sure I'm
15 understanding the proposed amendment. The amendment
16 has quite articulately laid out what the objective
17 is, but the amendment also does not have, similar to
18 the other amendment for Targeted Basic System Repair
19 Program which we did see the other day, that
20 amendment has a FY '03 Budget amount which we're
21 being asked to approve in addition to an additional
22 \$2 million; is that correct?

23 COUNCILWOMAN BLACKWELL: Yes, it is,
24 Councilman.

25 COUNCILMAN NUTTER: But there is no

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2 money allocated for the other proposed amendment
3 relating to the retaining wall, alley, driveway,
4 curb and sidewalk repair and reconstruction
5 analysis; is that also true?

6 COUNCILWOMAN BLACKWELL: That is true.
7 We don't know how much in each area it would cost.
8 However, we are prepared -- and I have not had this
9 discussion and I don't know. Not knowing how much
10 it would cost, it's very difficult to talk about
11 monies because we just have know idea the length and
12 breadth and width of the problem. But I'm prepared
13 to ask the Administration, Councilman, if we could
14 do a pilot here for at least \$500,000, which is
15 nothing, but to put in to further amend this to at
16 least include \$500,000, not for the study but to go
17 to something, to the direct funding of a plan and
18 however it comes out.

19 MS. SMITH: I believe at a earlier
20 public hearing the Administration did state that we
21 could envision a demonstration pilot type of project
22 and allocate approximately \$500,000.

23 COUNCILWOMAN BLACKWELL: I thought you
24 all said 250 and we were trying to push it a little
25 further.

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2 MS. SMITH: I don't quite remember. I'm
3 sorry. Anyway, but with respect to the study
4 itself, if there needs to be outside resources to
5 conduct the study part, we would use bond proceeds
6 for that, but we would make the appropriate
7 resources available to support any type of expert to
8 help us with the study and the analysis.

9 COUNCILMAN NUTTER: What was the basis
10 of the \$500,000 figure?

11 MS. SMITH: Again, we always felt very
12 strongly that we really wanted to just look -- be
13 able to have some resources to test out a couple of
14 strategies with respect to retaining walls,
15 particularly if there was the possibility of using
16 new technologies that can significantly reduce the
17 cost. But there's also other issues like how do we
18 structure a program where there's shared
19 responsibility between the private homeowner? Or if
20 there's a situation where a homeowner does not have
21 the resources, can we use some of our existing
22 programs like PHIL Loan to help support some of this
23 type of repair work? So basically we saw it as a
24 seed grant, a way to get things started.

25 COUNCILMAN NUTTER: And you and I have

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2 had discussions about a different dollar amount.

3 MS. SMITH: Yes. I believe you were
4 interested in around 2 to \$3 million.

5 COUNCILMAN NUTTER: Well, we
6 specifically talked about \$2 million. If we're just
7 doing a seed program or a pilot program, you're
8 going to control how much is actually spent, and I
9 assume, knowing you, that you're going to be
10 diligent about the dollars. I mean, the reality is
11 that \$500,000 for this kind of problem is not a
12 great amount of money. \$2 million is a more
13 legitimate amount that gets to actually what was
14 recommended by the Streets Department sometime ago
15 to legitimately start a program and have a funding
16 amount that would actually allow you to do
17 something. But at the end of day, even if you had
18 \$2 million in there, it doesn't mean that you're
19 going to spend all \$2 million. And if you don't
20 spend it all in a pilot program, you're going to
21 roll it over into the FY '04 Budget. So why would
22 you decline to just do the \$2 million in the budget
23 to demonstrate that this is a legitimate commitment
24 to this, which \$500,000, as you and I both know,
25 does not represent?

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2 MS. SMITH: As we stated in previous
3 conversations, the Administration does have concern
4 about whether or not this is the appropriate use for
5 NTI bonds. If we get a sense of cost --

6 COUNCILMAN NUTTER: You said it was an
7 appropriate use.

8 MS. SMITH: Not from a legal perspective
9 but more from a policy perspective.

10 COUNCILMAN NUTTER: You said in your
11 document that it was appropriate use for the
12 dollars, in your own document.

13 MS. SMITH: I just wanted to correct
14 myself. Legally --

15 COUNCILMAN NUTTER: I'm not talking
16 about legally. You said in your document use of
17 proceeds, that this was an eligible item; not from
18 my document, not from anything that I wrote. It was
19 your document.

20 MS. SMITH: It's an eligible activity
21 from a technical standpoint of using tax exempt
22 financing. But even when something is eligible, we
23 can still make policy decisions.

24 COUNCILMAN NUTTER: I understand that.

25 MS. SMITH: So I was trying to correct

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2 myself, Councilman. I was speaking more from not
3 from the legal or the eligibility uses, but as a
4 matter of policy. We did talk about that issue with
5 respect to --

6 COUNCILMAN NUTTER: But I have to
7 believe that as matter of policy, if you put in your
8 document that this is an eligible activity that you
9 must have made -- somebody made a decision to list
10 that item as an eligible activity and the kind of
11 thing you could use these dollars for.

12 MS. SMITH: That appeared under the part
13 of this program statement which talked about tax
14 exempt financing.

15 COUNCILMAN NUTTER: It talked about the
16 NTI bonds and what they can be used for.

17 MS. SMITH: The rest of the program is
18 broken out into the four categories, and we didn't
19 talk about it.

20 COUNCILMAN NUTTER: I understand that.
21 I'm not talking about what category anything was in.
22 There is a page that talks about the NTI bonds. It
23 goes from one page to the next page. And it lists
24 probably 15 items that you can use the dollars for.

25 MS. SMITH: That's the intention, to

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2 show eligible uses. But even when you have eligible
3 uses, I'm just saying and I'm just clarifying -- I
4 didn't realize it was a misunderstanding -- that
5 just because it's an eligible use, as a matter of
6 policy, one can still feel that this is not the way
7 we want to spend the dollars because it's still a
8 pot of money.

9 COUNCILMAN NUTTER: So just because it's
10 in the document doesn't mean that it's actually
11 going to happen; is that what you're saying?

12 MS. SMITH: The part that we are saying
13 is the program part which speaks to blight
14 elimination, which speaks to things like housing
15 investment and neighborhood program. That's where
16 we specify the specific program activities. The
17 front part of the document was intentioned to set up
18 the framework type of financing. Again, I apologize
19 for the lack of clarity.

20 COUNCILMAN NUTTER: What was your
21 involvement in the development of the amendment.

22 MS. SMITH: In this amendment, I was not
23 involved in the development of this amendment.

24 COUNCILMAN NUTTER: You are the Director
25 of the NTI Program.

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2 MS. SMITH: Yes.

3 COUNCILWOMAN BLACKWELL: Excuse me, one
4 moment, Councilman.

5 Let the Chair note that Councilman
6 Kenney is also in attendance. Thank you.

7 Councilman, resume your questions.
8 Thank you.

9 COUNCILMAN NUTTER: With regard to the
10 items that are mentioned in the document and whether
11 you had involvement in it or not, you appear to be
12 in agreement with it, the information that is going
13 to be studied or that you feel that there is a
14 compelling need to have a study for, it is my --
15 it's already been studied. The information is
16 there, it was done by the government. No better
17 source of information. It's been laid out on the
18 public record. There were public hearings about
19 this particular issue. The Streets Department did a
20 City-wide study on this. They know where all the
21 walls are. They came up with a cost estimate not
22 based on new technology, but on stone and mortar,
23 which no one is going to do and no one is ever going
24 to do because that kind of worker doesn't exist
25 anymore. We already know what the new technology

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2 is. The people with the technology came and
3 testified in a public hearing a year and a half ago.
4 There is no need for any study or more work. There
5 were hearings back in June of 2000, October and
6 November on 2000 on a resolution, Resolution No. 41.
7 There was a bill passed to set up a funding
8 structure, Bill 000660, had hearings in November of
9 200 and signed was in January of '01. The work that
10 you're talking about has already been completed.
11 There is no need for any study. There is a need for
12 work and action to be taken. That's the only issue
13 here.

14 Let's go back over what Councilman Cohen
15 asked. You have \$20 million that you can spend?

16 MS. SMITH: As I stated, the legislation
17 authorizes expenditure up to \$20 million.

18 COUNCILMAN NUTTER: How much do you have
19 left?

20 MS. SMITH: Approximately 17 to 16.

21 COUNCILMAN NUTTER: And what do you
22 expect to do over the summer?

23 MS. SMITH: There are a number of things
24 that we hope to accomplish over the summer. As
25 we've indicated in the back of the NTI Program

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2 statement, we envision finishing field inspections
3 in a number of areas. I'm assuming that we can get
4 the appropriate sign-offs in timely manner, begin to
5 put the package together for advertising. Some of
6 the other things that we hope to do is the
7 Redevelopment Authority -- the Redevelopment
8 Authority has begun to work with District
9 Councilpeople around acquisition requests to make
10 sure that we have a complete and comprehensive
11 listing for acquisition activity. To support the
12 acquisition request, we would be seeking allocation
13 of state volume cap money to support acquisition
14 activities. We would be funding the Homeownership
15 Repair Program which is a moderate rehab program,
16 beginning to market that to small contractors and
17 developers in addition to CDCs. We will be funding
18 the Targeted Basic System Repair Program. There are
19 a number of organizations that have already
20 approached us about how they can do outreach in
21 marketing to use those resources in support of other
22 activities. We'll be funding the PHIL Loan Program.
23 We'll funding things like beginning to put in place
24 resources to start the Vacant Property Management
25 Information System.

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2 COUNCILMAN NUTTER: And you expect to
3 pay for those programs out of the \$20 million?

4 MS. SMITH: The priority for the initial
5 expenditure would be to make sure we have enough
6 resources available to continue not only the NTI,
7 but what we call the targeted demolition strategy.

8 COUNCILWOMAN BLACKWELL: Excuse me, one
9 moment, Ms. Smith. Please, we are still trying to
10 conduct our business of the finance hearing on NTI.
11 Could we please ask everyone to adhere to keeping
12 our voices down. It's just difficult to hear in
13 this room.

14 Thank you. Excuse me.

15 COUNCILMAN NUTTER: What demolition
16 activity do you expect over the summer?

17 MS. SMITH: We will always and continue
18 to do what we call the regular curb side demolitions
19 in response to health and safety activities. In
20 addition, we would need -- you know, the way the
21 City system is structured you need to when you, I
22 think, advertise or put the package together for
23 demolition activity, before you can advertise that,
24 you have to have resources available and encumbered
25 for the contract. So we go back and look at the

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2 master schedule will shows where we see the
3 advertisement, that would be projection on what we
4 need dollars in place in order to go to that
5 advertisement.

6 COUNCILMAN NUTTER: That recollection is
7 that's going to start somewhere in the
8 September-October time period.

9 MS. SMITH: No. I think we're looking
10 to advertise some bid packages prior to that. I
11 have to go look up the information.

12 COUNCILMAN NUTTER: But presently, you
13 have \$17 million.

14 MS. SMITH: Yes.

15 COUNCILMAN NUTTER: Now, we've also had
16 discussion about, from my perspective at least,
17 separating as agenda items retaining walls from
18 curb, sidewalk, driveway issues. You and I have had
19 that discussion. I've taken the perspective that
20 the retaining wall that helps to hold up a driveway
21 and the houses attached to it, if it is in a
22 deteriorated or dangerous condition, it is as
23 dangerous as an abandoned property which we will
24 always take action on. Curb, sidewalk, driveway
25 issues I have separated out for our discussion as a

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2 different type of element. But could you put the
3 policy of the Administration on the record and tell
4 us why you're not looking to do anything in that
5 area?

6 MS. SMITH: Again, I think we weren't
7 able to really come to terms with much would fund a
8 demonstration project at. The Administration really
9 wanted to get a better sense of -- in our meeting
10 with the Chief of Staff, I believe she explained how
11 she really wanted to get a better sense of what the
12 potential cost is before we allocated a dollar
13 amount.

14 COUNCILMAN NUTTER: And to follow up on
15 something mentioned by Councilman Cohen, but even
16 the NTI Program, I think, at its best -- and I would
17 like the program to work and I want the program to
18 go forward and serve all the neighborhoods -- NTI
19 will not solve all the problems throughout
20 Philadelphia; is that correct?

21 MS. SMITH: That's correct.

22 COUNCILMAN NUTTER: And we have 26,000
23 vacant properties in the City; is that right?

24 MS. SMITH: That's correct.

25 COUNCILMAN NUTTER: But we only have a

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2 plan to deal with 14,000 of them; is that correct?

3 MS. SMITH: That's correct.

4 COUNCILMAN NUTTER: But we've decided to
5 move forward even though we can't solve the problem
6 of the 26,000 vacant properties of the City, we made
7 a conscious decision it is the right decision to at
8 least start to do something before we have figured
9 out in totality how to deal with the
10 all-encompassing problem of vacant properties in the
11 City?

12 MS. SMITH: Yes.

13 COUNCILMAN NUTTER: Now, there was a
14 quote in the paper the other day about the curb and
15 sidewall issue. You may be familiar with it. The
16 Mayor's Chief of Staff was quoted as saying, "Curbs
17 and sidewalks don't get you to stabilizing
18 neighborhoods. If you have abandoned houses and
19 nice curbs and sidewalks, you will not have
20 accomplished anything."

21 Do you remember reading that in the
22 paper the other day?

23 MS. SMITH: I've had a very hectic week
24 and have not had a chance to read the newspapers and
25 keep up with newspapers.

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2 COUNCILMAN NUTTER: I'm sure the Daily
3 News is quite disappointed to hear that.

4 MS. SMITH: I just simply haven't had
5 the time.

6 COUNCILMAN NUTTER: That was the quote
7 in the paper. Do you have any perspective on that?
8 Would that be the perspective of the NTI Office?

9 MS. SMITH: Again, as I said, as the
10 Administration has said, we want to focus our
11 resources on the elimination of the dangerous
12 buildings, to begin putting resources together for
13 land assembly, and to begin to do resources for
14 occupied properties like home improvement loans and
15 Basic System Repair Programs.

16 COUNCILMAN NUTTER: Would you have any
17 idea why new curb and sidewalk and concrete street
18 base were recently installed in the 1900 block of
19 North Darien Street.

20 MS. SMITH: I have no personal knowledge
21 about that whatsoever.

22 COUNCILMAN NUTTER: Would you have any
23 perspective on having new curb and sidewalk placed
24 on a street that had 22 occupied properties and 28
25 vacant properties on the street?

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2 MS. SMITH: No, I really don't have -- I
3 mean, I'm not aware of the situation. I don't
4 really want to comment. I don't know how that
5 decision was made. It could have been made years
6 ago.

7 COUNCILMAN NUTTER: No, the work was
8 just completed a couple weeks ago.

9 MS. SMITH: But the decision maybe -- I
10 don't have a perspective on --

11 COUNCILMAN NUTTER: Ms. Smith, you don't
12 think the block deteriorated in the last couple of
13 years do you?

14 MS. SMITH: I'm sorry.

15 COUNCILMAN NUTTER: You don't think the
16 block just fell apart in the last couple of years,
17 do you.

18 MS. SMITH: No, I was just saying I
19 really don't feel comfortable commenting on that
20 particular situation because I don't know all the
21 circumstances around it, how the decision was made
22 or why it was made.

23 COUNCILMAN NUTTER: It's a fact. I'd be
24 glad to show you the pictures.

25 MS. SMITH: I'm not denying whether or

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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 13, 2002, 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