COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON FINANCE

Via Microsoft Teams
Philadelphia, Pennsylvania
Monday, June 8, 2020
3:31 p.m.

PRESENT:
COUNCILMAN DEREK S. GREEN, CHAIR
COUNCILWOMAN CINDY BASS
COUNCILMAN ALLAN DOMB
COUNCILWOMAN JAMIE GAUTHIER
COUNCILWOMAN HELEN GYM
COUNCILMAN BOBBY HENON
COUNCILWOMAN MARIA D. QUINONES-SANCHEZ
COUNCILMAN MARK SQUILLA

BILLS 200296, 200297, 200298, 200299, 200300,
200329, and 200330

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COUNCILMAN GREEN: Thank you. This is the Council Committee on Finance. I understand that state law currently requires that the following announcement be made at the beginning of every remote public hearing as follows:

Due to the current public health emergency, City Council committees are currently meeting remotely. We're using Microsoft Teams to make these remote hearings possible. Instructions for how the public may view and offer public testimony at public hearings of Council committees are included in the public hearing notices that are published in the Daily News, Inquirer, and Legal Intelligencer prior to the hearings, and can also be found on PHLCouncil.com.

I note that the hour has come for the beginning of this hearing.

Mr. Iannuzzi, will you please call the roll to take attendance. Members that are in attendance, please -- could you hold on one moment. We have some background noise. Please put your microphone on mute. If you can put your microphone on mute, please. We have background noise.

Thank you.

Members that are in attendance will please indicate that you are present when your name is called. Also just say a few brief words when responding so that your image will be displayed on screen when you speak. Thank you.

Mr. Iannuzzi, please call the roll.

THE CLERK: Chair Derek Green.

COUNCILMAN GREEN: Present.

THE CLERK: Councilmember Bobby Henon.

COUNCILMAN HENON: Present.

THE CLERK: Councilmember Bass.

COUNCILWOMAN BASS: Present, and good afternoon.

THE CLERK: Councilmember Gym.

COUNCILWOMAN GYM: Good afternoon, everybody. Present.

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THE CLERK: Councilmember Oh.

(No response.)

THE CLERK: Councilmember Quinones-Sanchez.

COUNCILWOMAN SANCHEZ: Good afternoon, everyone. Thank you for your patience and your time. Thank you, Chair.

THE CLERK: Councilmember Squilla.

COUNCILMAN SQUILLA: Present.

THE CLERK: Councilmember Domb.

COUNCILMAN DOMB: Present. Good afternoon, everyone.

THE CLERK: Councilmember Gauthier.

COUNCILWOMAN GAUTHIER: Present. Thank you, Mr. Chairman, for the opportunity to join and thanks to the Committee as well.

THE CLERK: Councilmember Parker.

(No response.)

THE CLERK: That concludes the

roll, Mr. Chair.

COUNCILMAN GREEN: Thank you, Mr. Iannuzzi.

This is the public hearing of the Committee on Finance regarding Bill Nos. 200296, 200297, 200298, 200299, 200300, 200329, and 200330.

At this point, I'll have Mr. Iannuzzi please read the titles of the bills.

THE CLERK: Bill No. 200296, an ordinance constituting the Fifteenth Supplemental Ordinance to the General Gas Works Revenue Bond Ordinance of 1998; authorizing the City of Philadelphia, Pennsylvania to sell, either at public or private sale, one or more series of Gas Works Revenue Bonds and Gas Works Revenue Bonds to refund such Bonds; to repay the costs of certain capital projects and other Project Costs; authorizing the City to obtain credit enhancement for any Series of the Bonds; making certain determinations and covenants relating to

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Gas Works Revenues and the payment of interest and principal; and authorizing covenants and actions in order that the Bonds shall not be arbitrage bonds; all under certain terms and conditions.

Bill No. 200297, an ordinance constituting the Twenty-Third Supplemental Ordinance to the Restated General Water and Wastewater Revenue Bond Ordinance of 1989, as supplemented; authorizing the Bond Committee to issue and sell one or more series of tax-exempt or taxable Water and Wastewater Refunding Revenue Bonds and revenue refunding bonds; authorizing agreements to provide credit enhancement or payment or liquidity sources (or any combination of the foregoing) for such Bonds; providing that such Bonds shall bear interest at fixed or variable rates; determining the sufficiency of pledged Project Revenues; authorizing the Director of Finance to make certain actions with regard to the sale of such Bonds, the investment of

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proceeds thereof and the City's continuing disclosure obligations with respect to such Bonds; setting forth the use of proceeds of such Bonds; covenanting the payment of interest and principal; and supplementing the Restated General Water and Wastewater Revenue Bond Ordinance of 1989.

Bill No. 200298, an ordinance authorizing the Bond Committee to sell bonds at public or private negotiated sale, to provide funds toward various capital municipal purposes; providing for appropriations to the Sinking Fund Commission for the payment of such bonds; authorizing agreements to provide credit or payment or liquidity sources for the bonds in connection with issuance of the bonds, and certain other actions; providing for obtaining the consent of the electors to increasing the indebtedness of the City; and fixing a day and providing for agreements for holding the election for obtaining such consent.

Bill No. 200299, an ordinance authorizing the City Treasurer, on behalf of the City, to enter into an amendment agreement with Citizens Bank of Pennsylvania for provision of payroll banking services to the City, under certain terms and conditions.

Bill No. 200300, an ordinance approving the Fiscal Year 2021 Capital Budget providing for expenditures for the capital purposes of the Philadelphia Gas Works (including the supplying of funds in connection therewith) subject to certain constraints and conditions, and acknowledging receipt of the Revised Forecast of Capital Budgets for Fiscal Years 2022 through 2026.

Bill No. 200329, an ordinance approving a Substantial Amendment to the Annual Action Plan 2019-2020 to add $40,410,779 in Federal Coronavirus Aid, Relief and Economic Security Act (CARES) funding, all under certain terms and

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conditions.

Bill No. 200330, an ordinance authorizing the Director of Planning and Development, on behalf of the City, to file applications with the United States Department of Housing and Urban Development for a Community Development Block Grant; to file applications to participate in the HOME Improvement Partnership program and the Emergency Solutions Grant program; and to apply for a Housing Opportunities for Persons with AIDS grant; and to file applications with the Commonwealth to obtain grants under the Act of April 12, 1956 P.L. 1449, Section 4, as amended, to prevent and eliminate blight; authorizing the Director of Planning and Development and the Director of Commerce to file applications to obtain other grants from the Commonwealth; authorizing the Director of Commerce to use the Section 108 Loan Guarantee Program; and authorizing the Director of Planning and

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Development and the Director of Commerce to enter into all understandings and assurances contained in such applications and take all necessary action to accept the grants; all under certain terms and conditions.

COUNCILMAN GREEN: Thank you, Mr. Iannuzzi.

Before we begin to hear testimony from the witnesses we have for today, everyone that has been invited to the meeting to testify should be aware that this public hearing is being recorded. Because the hearing is public, participants and viewers have no reasonable expectation of privacy. By continuing to be in the meeting, you're consenting to be recorded.

Additionally, prior to recognizing members for the questions or comments that they have for witnesses, I will note for the record at this time that we will use the Chat feature available in Microsoft Teams to allow members to signify that they wish to be recognized. In order to comply with the Sunshine Act, the Chat feature must only be used for such purpose.

Mr. Iannuzzi, will you please call the first panel of witnesses to testify this afternoon.

THE CLERK: On Bill No. 200297, Jackie Dunn, First Deputy City Treasurer from the City of Philadelphia.

COUNCILMAN GREEN: Good morning -- excuse me. Good afternoon, Ms. Dunn. I hope you are ready to proceed. Please state your name for the record and proceed with your testimony.

DEPUTY TREASURER DUNN: Yes. Good afternoon, Chair Green and members of the Finance Committee. My name is Jackie Dunn and I am the First Deputy City Treasurer. With me virtually are Christian Dunbar, City Treasurer, and Melissa LaBuda, Deputy Commissioner and Chief Financial Officer for the Philadelphia Water Department.

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I'm testifying in support of Bill 200297, which would provide authorization to refund up to 1.47 billion in outstanding water and wastewater revenue bonds.

Bill 200297 would give the City Treasurer's Office and the Philadelphia Water Department the ability to pursue refundings on up to 1.47 billion of bond maturities that were previously issued with City Council approval between the years 1997 and 2019.

Currently, the City can refund approximately 93.9 million in bonds, which are expected to produce 8.7 percent or 8.15 million in net present value savings, resulting in lower debt service costs during this financially challenging period.

The remaining authorization would allow the City to capitalize on future refunding opportunities that can result in savings in accordance with the City's debt service policy -- debt policy. Excuse me.

Despite market volatility in recent weeks, we are currently in an environment with historically low tax exempt and taxable rates. We will continue to monitor possible refunding opportunities, and if approved, this authorization would allow the Water Department to pursue future opportunities for meaningful savings.

Thank you for your consideration and for the opportunity to testify. I'm happy to answer any questions at this time.

COUNCILMAN GREEN: Thank you, Ms. Dunn. And just similar to the briefing that we had last week, I just want to ask a few quick questions in reference to the refunding.

I think you stated in your testimony and it's been stated prior to today's hearing as well as our City Treasurer, Christian Dunbar, that the benefit of doing this refunding provides

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opportunities for savings for the City, which is especially important during this COVID-19 scenario. Can you elaborate a little bit.

DEPUTY TREASURER DUNN: Sure. Yes. That's correct. We anticipate in July when we pursue this transaction that we'll be able to generate savings in the ballpark of 8.7 percent net present value, which I had mentioned, which translates into about 8.15 million over the period of the bond maturities that are being refunded, and the broader refunding authorization will allow us to pursue other transactions for refundings that might become economically attractive in the coming months, and we think that's incredibly important for the City during this period to be able to reduce its debt service costs, which would translate into reduced costs for taxpayers.

COUNCILMAN GREEN: And that testimony will be consistent with, I guess, testimony that our City Treasurer,

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Mr. Dunbar, will testify in the next panel regarding the PGW, Water, and City bond bills as well, provides the opportunities for refunding, which can save the City of Philadelphia money at this time, especially during this COVID-19 pandemic.

DEPUTY TREASURER DUNN: Yes. That's correct.

COUNCILMAN GREEN: Okay. Thank you.

At this point, I will recognize Councilmember Allan Domb.

COUNCILMAN DOMB: Thank you, Mr. Chairman Green and hello, Ms. Dunn. Good afternoon. I just have a question. The bonds that we're refunding, what were the rates on the ones you retired and what are the rates on the ones that we're initiating?

DEPUTY TREASURER DUNN: Sure. We're in the process of pursuing these refundings. We anticipate that the transactions will occur in July. And so

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we're monitoring the markets to see what those rates would be for our credit rating and how we compare to at the MMD spread or the Treasury spread since we're looking at both current and taxable, but we can provide you with that information as we get a little closer to the transaction.

COUNCILMAN DOMB: Okay. Do you know what the market is today for refinancing, the interest rate?

DEPUTY TREASURER DUNN: I do. If you give me a moment, I can pull up --

COUNCILMAN DOMB: This is great that we're doing this, because this is found savings.

And, Chairman Green, this is great that this is happening, so I applaud all of this. It's great. We should do more of it.

COUNCILMAN GREEN: As Ms. Dunn is pulling up the information, I know one of the things that I've stated to our City Treasurer, Mr. Dunbar -- I know he's

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done it since his time as Treasurer -- to constantly look at our various indebtedness as a city. So I know they're constantly looking at different call dates and opportunities for refinancing. They were doing this prior to this current pandemic, which I think helps us to better navigate the scarce resources we have as a city, and that's even more important during this time here.

Ms. Dunn, do you have the information for Councilmember Domb?

DEPUTY TREASURER DUNN: Yes. So on June 4th, the -- I'll just give a couple periods for ballpark. The ten-year MMD was at 0.84 percent and the 20-year was 1.44 percent and the 30-year was 1.65 percent, just to give you a general ballpark since looking out over that longer term period, and that's for a AAA or the highest rated credits. And so we would look to see how closely the City could come to that benchmark rate.

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COUNCILMAN DOMB: Based on the City's credit, what's the ballpark that we would receive on a refinance?

TREASURER DUNBAR: I can jump in here, Councilman. This is Christian Dunbar.

So just in terms of -- I mean, I think what Ms. Dunn characterized was sort of the federal overall market view, but I think, as you know, Councilman, that each of our bonds are issued year per year maturity. So typically we would have to go out to market, issue the debt. Depending on how close we come to the spread between the MMD that Ms. Dunn characterized will determine what our all-in cost is.

So it's very difficult without first going out to market and seeing what the demand is for our bonds across the yield curve. Particularly for Water, it could be anywhere from one year to 30 years, and then we do an average weighted interest rate across those. So it's

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difficult to sort of guess. It really does depend on the day we go out and the demand from the market that determines where our spreads are relative to the best spreads in the country.

COUNCILMAN DOMB: So let me just make sure then you can answer this question for me. We're refinancing about $130, $135 million of bonds basically?

TREASURER DUNBAR: So right now currently the refunding margin shows right around 100 million, and most of that is tax-exempt refinancing. Prior to COVID-19, we were anticipating somewhere near 400 million in taxable refinancing, but what's happened in the current marketplace is that taxable yields versus tax-exempt yields have widened a bit. And so a quick way to sort of understand that is that the market has less confidence in companies today in their ability to repay, so taxable yields are not as attractive as they used to be, whereas I think the market still has some

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level of confidence in municipal issuers. So tax-exempt yields are still at all-time lows.

COUNCILMAN DOMB: And the savings from the 100 million, is that about $8 million?

TREASURER DUNBAR: Correct.

COUNCILMAN DOMB: That's not per year. Is that over the remaining term?

TREASURER DUNBAR: Well, that's for the total -- that's the total savings number. So it's not per year, and we can get you what that looks like each year throughout the savings period.

COUNCILMAN DOMB: So one last question and I'll let you go. Because of the fact that the City of Philadelphia as a municipality that maybe is in favor right now for getting really low rates, I assume we're looking at all of our interest securities and things. How do we take advantage of this opportunity for us?

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TREASURER DUNBAR: Absolutely. It's something we've been looking and we monitor pretty closely on a week-to-week, month-to-month basis, and that's why we're now requesting particularly in this bill 1.4 billion in refunding authority. So in an event that refundings become economical, we could take advantage of them without having to go to Council first, because that would potentially slow down the opportunity to refund some of these bonds for savings. And it's important to remember that Council has already given authorization to issue this debt. Now we're just requesting our ability in a speedy time to refund them for savings to the City, and we obviously, Councilman, would not do a refunding if there wasn't savings to be had for the City of Philadelphia, and our debt policy calls for a minimum level of savings around 3 percent, but typically we are north of 5 percent before we process the transaction.

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COUNCILMAN DOMB: I would say this, that right now we're in this window of time, it might be 30 or 60 days, where it's really attractive for us to look at this, because as more states come out of the COVID situation, you're going to see more businesses rebound and more confidence in businesses for borrowing and so forth. So right now we're in a great spot to do as much as we can as soon as we can.

TREASURER DUNBAR: Absolutely. That's a good point.

COUNCILMAN DOMB: Thank you very much. Thank you both.

COUNCILMAN GREEN: Thank you, Councilmember Domb.

I think Councilmember Bass also has a question for Ms. Dunn.

COUNCILWOMAN BASS: Good afternoon. Good afternoon. Can you hear me?

COUNCILMAN GREEN: Yes, we can hear you. Please proceed with your

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question.

COUNCILWOMAN BASS: I don't have an actual question. I just had a statement, and I really just wanted to thank everyone who is involved in this transaction or potential transaction, as we're looking at any way and every way to save money here in the City of Philadelphia. I just really wanted to echo the sentiments of you, Mr. Chairman, and also my colleague Councilman Domb that any savings that we could have right now in the City of Philadelphia is really going to go a long way to helping us save some of the programs and services that are desperately needed.

So I just really wanted to say a big thank you to any and all who were involved in this effort.

Thank you, Mr. Chairman.

COUNCILMAN GREEN: Thank you, Councilmember Bass.

I don't see any additional questions for Ms. Dunn. Thank you.

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We're going to the second panel. Christian Dunbar, our City Treasurer. And, Mr. Dunbar, you talked about how the market has a much better faith in tax exempt issues as opposed to taxable. We hope that the federal powers that be in DC would have that same type of belief. It seems like the market believes in the public sector, but unfortunately sometimes our federal elected officials don't always do the same. Hopefully we'll get some revenue reimbursement for cities like Philadelphia.

So with that, if we can begin the next panel, Panel No. 2, on the PGW refunding bills as well as the Water, City bond, and payroll. If Mr. Dubow is here, if he would also like to testify, please say so as well.

MR. DUBOW: I'm here, and I'd like to testify on the loan authorization in whatever order you guys think is appropriate.

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COUNCILMAN GREEN: Well, since you started, Mr. Dubow, why don't you go with the loan authorization, and then from there, we'll have Mr. Dunbar continue with PGW refunding, the Water refunding, and then also the payroll bill, which also has a proposed amendment and also has an attached compliance report. I will have some additional questions, but I'll wait until both Mr. Dubow and Mr. Dunbar testify.

MR. DUBOW: Thank you.

Good afternoon, Chair Green and members of the Committee. I'm Rob Dubow, the Finance Director, and I'm here to testify today in support of Bill No. 200298 introduced in May. The purpose of the bill is to obtain approval from City Council to place a loan authorization question on the General Election ballot in November. The loan question requests an increase in indebtedness in an amount not to exceed $134 million, and the purpose of that borrowing would be to fund the City's Fiscal Year 2021 Capital Budget that's pending before City Council. State law requires the City to place that question on the ballot.

As of June 30th, 2019, the City's legal debt limit was 9.5 billion, and the amount of debt applicable to that limit was 2.1 billion. As a result, the City has a debt margin of about 7.4 billion.

The FY21 Capital Budget for new GO bonds is approximately $128 million. The proposed ordinance includes the new GO loan amount as well as a 4 percent cost of issuance, to bring the total loan authorization amount to approximately $134 million.

There is a table in my testimony that breaks the bill out by categories.

In order to provide appropriate time to advertise the ballot question prior to the November election, I would like the bill to be enacted by Council

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before it recesses this summer.

And, finally, attached as part of this testimony is the proposed ballot question.

I respectfully request that you report the bill out of Committee with a favorable recommendation and that the rules of Council be suspended so as to permit first reading at the next session of Council.

And that concludes my testimony. I'd be happy to answer any questions.

COUNCILMAN GREEN: Before Mr. Dubow -- we have a question. Let's get Mr. Dunbar and then we'll have all the questions for this panel.

TREASURER DUNBAR: Thank you, Councilmember Green and thank you to the other members of the Committee. My name is Christian Dunbar, and I think as you saw with me earlier today was First Deputy City Treasurer Jackie Dunn. We also have Joseph Golden, who is a Chief

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Financial Officer, but we also saw that we have Craig White, who is the Chief Executive Officer for PGW, Philadelphia Gas Works, and I believe there's a host of other PGW employees and executives that are here with me today.

Today I am testifying in favor of Bill No. 200296, which would authorize the Philadelphia Gas Works and the Office of City Treasurer to issue up to 300 million of gas revenue bonds. Proceeds from the sale of the bonds shall be used to finance capital projects included in the Capital Budget of the Gas Works as well as any required payment to the Sinking Fund Reserve and costs of issuance and/or capitalized interest on the bonds.

That completes my testimony for PGW, and we can take any questions at this stage related to PGW.

COUNCILMAN GREEN: Mr. Dunbar, can you finish all of your testimony for this panel, and then we'll get the questions from members of Council.

TREASURER DUNBAR: Absolutely. Thank you very much.

The final bill that the City Treasurer's Office will be testifying on is Bill No. 200299 -- excuse me; 200229. Again, Christian Dunbar. I am here joined with other members from Treasury.

Bill 200229 would provide authorization to the Office of City Treasurer, on behalf of the City of Philadelphia, to enter into an amendment agreement with Citizens Bank of Pennsylvania for provision of payroll banking services to the City for an additional term from July 1st, 2020 and expiring June 30th, 2021, under certain terms and conditions.

Citizens Bank has provided these services for the past three years. To ensure continuity of funds during this period, we recommend the authorization of the payroll through Citizens Bank once again, amending their contract for an

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additional one-year term effective at the beginning of the fiscal year of July 1st, 2020. If we do not proceed with this ordinance, City employees will not receive the paychecks they are owed. It is imperative that we complete this annual process.

And just to note, Councilmembers, that this is the final year for Citizens Bank. They have held the contract for three years and this will be their final year, and the City Treasurer's Office will be issuing an RFP for either retaining them or bringing on a new payroll service into the future.

And that concludes the three testimonies. First Deputy City Treasurer Jackie Dunn had provided testimony on Water.

COUNCILMAN GREEN: Thank you, Mr. Dubow. Thank you, Mr. Dunbar. I know Councilmember Bobby Henon has a question regarding the bond authority, and we'll get to his question, but I have

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a few quick questions I want to raise.

When will the RFP regarding the payroll transaction be available? When are you planning on issuing the RFP? I'm sorry.

TREASURER DUNBAR: I think we are scheduled -- I don't have that schedule in front of me -- to issue the RFP sometime early in next fiscal year. So sometime between July and August we'll be issuing the RFP for payroll services.

COUNCILMAN GREEN: Okay. Also, can you give a little perspective on the current credit rating of the various City credits. I know there's been some movement. A lot of that has been tied to having a very strong fund balance over the past years when we've had a strong economy, but we're now into a global pandemic that's had a very significant impact on the City from a financial perspective.

So if you can kind of give us the current perspective on our current

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credit rating for a lot of the credits that are on today's calendar.

TREASURER DUNBAR: Absolutely. I think, first and foremost, the credit to note in this environment I think, as you know, Council Chair, that the rating agencies have been reluctant for obvious reasons in this environment to give any upgrades or credit improvements across sectors. In fact, they have actually downgraded entire sectors or put entire sectors on negative outlook. Obviously we understand the transportation sector is going through some difficult times, particularly the airport sector.

However, PGW in this environment was able to get an outlook improvement, and this can only largely be due to PGW's management and its commitment to improving the fiscal health of the City -- excuse me; of the utility over the last five or more years.

As far as the City's GO credit, our rating was recently affirmed when we did a transaction in January. We have communicated significantly between City Treasury, Budget, as well as Mr. Dubow in regards to the updated Mayor's budget and all the different moving parts. So we have not seen any negative rating action as it relates to our general obligation. And that is the same case with our water and our wastewater system. Our water and wastewater system has historically been our best credit rating that we have had, and, again, a lot of that is the commitment of the Water Department and Ms. LaBuda, who is the CFO, and Deputy Commissioner is on as well. She can also take questions.

And, finally, our airport credit has been, again, a mid-A credit. Obviously what COVID has done has made the industry very, very challenging, but we do have pretty decent liquidity for all of our credits, and so we have yet to see a rating action across the board, and the only rating action we have seen has

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been a positive rating action for PGW.

COUNCILMAN GREEN: Okay. And also I know you have an amendment to the payroll bill. If you could briefly just describe that amendment.

TREASURER DUNBAR: Let me pull that up.

The amendment is authorizing the City Treasurer, on behalf of the City, to enter into an amendment agreement with Citizens Bank of Philadelphia for provision of payroll banking services to the City, under certain conditions. The amendment is the Authorized Depository Compliance Report document from Citizens Bank, and it's attached to my testimony, and I can provide that to members of Council at a later date -- or excuse me; after this Committee hearing.

COUNCILMAN GREEN: With that, I would like to acknowledge Councilmember Bobby Henon for a question.

COUNCILMAN HENON: Thank you,

Mr. Chairman.

And I want to thank Mr. Dunbar, Mr. Dubow for both your testimony. My question is to whomever it's appropriate to is regarding the $131 million bond authorizations by the electors in the form of a question on the November ballot in the fall. Has this capital bond been reflective of the newly submitted and amended budget by the Mayor?

MR. DUBOW: Yes. This authorization relates to the new Capital Budget that City Council is considering now, and it's been revised, as you mentioned, from the original budget.

COUNCILMAN HENON: Okay. Great. And I just want to make sure that we let the general public know that bond authorizations through questions with the general electors happen how often?

MR. DUBOW: The bond authorization question happens almost every year. The actual borrowing is done really on a cash basis, so that happens

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less frequently.

COUNCILMAN HENON: Great. I think you answered both of those questions, especially that the bond has been reflective of the newly submitted budget from the Mayor. So I have no further questions.

Thank you.

COUNCILMAN GREEN: Thank you, Councilmember Henon.

Also for members of the Committee, the amendment that Mr. Dunbar was referring to has been circulated to all members of the Committee and their staff.

Now I'll recognize Councilmember Allan Domb for a question.

COUNCILMAN DOMB: Thank you, Mr. Chairman.

Again, thank you, everybody, for your testimony. I guess this is for the Finance Director, Mr. Dubow. Just curious, the 62.6 million for municipal buildings, how would that money be used?

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MR. DUBOW: So any time -- the best way to look at that is to look at the Capital Budget that's in front of us. So it's on kind of a wide variety of projects. I'll actually defer to the folks from Budget to give you some examples of that. I think both Marisa Waxman and Peilin Chen are on the call.

MS. WAXMAN: Peilin, do you want to jump in, or I can do some big picture.

So examples of municipal buildings and facilities where we'll be making improvements, a significant one is elevators in the --

COUNCILMAN GREEN: Ms. Waxman, if you can just state your name for the record just for the stenographer, just in case.

MS. WAXMAN: Hi. Marisa Goren Waxman, Budget Director.

So we have a number of municipal facilities that are slated for improvements. I mentioned the elevators,

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but now I'll actually turn it over to Peilin Chen, Deputy Budget Director, for more detail.

MS. CHEN: Hi. Good afternoon. This is Peilin Chen, Deputy Budget Director for Capital.

The triplex is a good one. So under municipal buildings, that houses several departments. So this would include the facilities under the Fire Department, the libraries, the health facilities, the homeless services buildings, Police Department, Prisons, you know, City Hall. All of the major buildings fall under this category.

COUNCILMAN DOMB: I guess my question is based on what's been going on in the economy and the fact that space usage might be different in the future than it is today, have we taken that into account, especially with a lot of our office spaces, and figured out ways to actually save money to try to avoid some of these expenses?

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MR. DUBOW: Yes. We are going through that process now of looking at what the government will look like when it reopens, and we think that may present potential for savings.

COUNCILMAN DOMB: Okay. And then the other question -- two more -- three more. The total debt of the City --

MR. DUBOW: They're multiplying.

COUNCILMAN DOMB: Yeah, they're multiplying.

What's the total debt of the City right now?

MR. DUBOW: So the total outstanding amount, about 2.1 billion.

COUNCILMAN DOMB: How does that compare to two years ago?

MR. DUBOW: I would have to -- unless, Peilin, do you know or should we get back to --

COUNCILMAN DOMB: Let me tell you why I'm asking that question. In

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2016, according to the information you all supplied, our debt service to the City was 132 million. In the new proposed budget, it's 181.5. So it's gone up almost 50 million or 37 and a half percent in five years. So I'm trying to figure out why it's gone up that much.

MR. DUBOW: Part of the reason is that we've had over the years underinvestment in our facilities and in street paving, and we were trying to compensate for that. So the amount of street paving, for example, has gone up substantially, and that then leads to increases in debt service since we borrow --

COUNCILMAN DOMB: One last question. This could be for you, Rob, or anyone else. Have we reconciled all of our accounts? Are we up to date in the last 30 days of reconciliations for all accounts for the City?

MR. DUBOW: Yeah. I'll let the

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Treasurer's Office answer that.

TREASURER DUNBAR: Thank you for that question. We are currently -- of our 77 accounts, as you know, that we reconcile, Councilman, we are up to date on 71 of those accounts. There are six accounts that are about two months behind, and the reason really for that, Councilman, is that just given what has happened over the last two and a half, three months from a COVID perspective, our accounting staff capacity has been significantly reduced and collection of revenues has been significantly reduced, recognition of some of the revenue and expenses has been significantly reduced. But we are -- almost all of our staff now can work remotely. We're waiting on a couple additional laptops. As you can imagine, the demand from IT has been significantly high. And so we do anticipate that we should be able to catch up relatively quickly.

But our most important account

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I think, as you know, our consolidated cash account, is up to date. So we can provide additional information if you would like, but our staff, we have been, quite honestly, proud just given everything that's happened for them to have maintained the level of reconciliation that they have been able to with all the different IT struggles and having the City ability to remotely test us so quickly. And we certainly appreciate the leadership that you've had on this and look forward to engaging again.

COUNCILMAN DOMB: That's great.

Just last question. Are there any issues that we should be aware of that are outstanding on those reconciliations?

TREASURER DUNBAR: There are no major issues. And I will say what's important to note is that the daily reconciliation is still happening, but the monthly, if you will, final

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reconciliation is what's behind. So our staff is keeping up, by and large, to some of the daily movement of money in and out of our accounts. But as of now, there is no major issue of note or concern.

COUNCILMAN DOMB: That's great. Thank you very much. Thank you so much.

Thank you, Mr. Chairman. Thank you.

COUNCILMAN GREEN: Thank you, Councilmember Domb.

I just have one last question for our City Treasurer, Mr. Dunbar. Can you give some perspective on the type of financing professionals we've been using from a diversity standpoint for a lot of these transactions?

TREASURER DUNBAR: Absolutely, Councilman. And as you know, the City Treasurer's Office and the Administration particularly has had a significant focus on ensuring, and the Mayor, to ensure that our professionals are diverse and reflect the City of Philadelphia. So for many of our transactions from an investment banking perspective -- and, again, what's important to note is there's really only three major investment banks that are minorities that can senior manage our deals, and of those three in an entire universe of investment banks, three of them -- those three banks are in our top ten. The highest ranking, Siebert Williams Shank, is ranked number two of all our investment banks, Lubben Capital is ranked number five of all our investment banks, and Ramirez is ranked number nine of all our investment banks. And of the total amount over the last five years -- or excuse me; the last four years of this Administration, we're just around 30 percent of our investment banking capacity or revenue that's gone to minority and disabled and women-owned firms.

COUNCILMAN GREEN: Okay.

TREASURER DUNBAR: As you know,

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totally from a Treasurer's perspective, we're in the low 50's as it relates to our diversity numbers. I believe the last number for last year was 51. Currently we're at 52, and that's the totality of all of our contracts in professional services. And we've actually increased our goal from 30 percent to 40 percent because obviously it's important. It's been a focus of this Administration, and we want to ensure that we can institutionalize the numbers that we've been able to achieve over the last four years.

COUNCILMAN GREEN: When you say all your professionals, you're talking about FA's or financial advisors or counsel or other type of professionals, correct?

TREASURER DUNBAR: Yes. We are talking about the totality of every dollar that comes out of the City Treasurer's Office from a payment perspective, and that's how we track it.

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COUNCILMAN GREEN: Thank you, Mr. Dunbar.

I don't see any additional questions for you or Ms. Dunn or Mr. Dubow on this issue, so I want to thank you.

I want to move into the next panel, Panel No. 3, and this will be representatives from PGW. I understand Mr. White and Mr. Moser are there, as well as Gemela McClendon, who is the Executive Director of the Gas Commission. So if we could start with Mr. White and those from the PGW team, and then we'll go to Ms. McClendon, and then we'll open it up for any questions from members of Council. Thank you.

MR. WHITE: Thank you, Councilman Green. I know that the Committee prefers that we stay close to the issue on the agenda, but I've received a number of inquiries from both Council staffers and Councilmembers about the shutoff moratorium. So if it would be acceptable, I'd certainly like this opportunity to give you some background on where we stand on some of these issues, and of course Mr. Moser is here and he submitted testimony on the Capital Budget, but as I said, there's been quite a bit of interest on this front and I thought maybe you would like us to take the opportunity here and discuss some of these issues. Is that acceptable?

COUNCILMAN GREEN: That's fine, Mr. White. If you could give that overview, and then, Mr. Moser, if you could kind of summarize your testimony, as well as Ms. McClendon also give a summary of your testimony.

MR. WHITE: Very good. Thank you, Councilman.

I think the first point to start with is the Governor's Office's amendment to the Proclamation of Disaster Emergency, and very recently, I think it was on the 3rd of June, the Proclamation of Disaster Emergency has been extended for 90 days, which takes us into early September. So unless the Governor himself modifies that, we expect that to be the case.

Now, the second component to that is obviously the PUC, and we have an order from the PUC that similar to the emergency order where it extends all of the issues pertained in that order out 90 days, the PUC has required an order to utilities to not terminate service during the pendency of the Proclamation of Disaster Emergency. So there will be no service terminations until that would conclude.

Now, just to give you a little further background, we have not terminated service for a residential customer since November of '19. And in addition to that, if the Committee would like any discussion on some of the programs we have that provide a great amount of flexibility, particularly for our customers that are at 150 percent of

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poverty or below, we could certainly go into that.

I think a couple of the key issues are that I think I can honestly say that outside of maybe California and Oregon, we have the best program in the country for customers that fall into this category, and it's only getting better, and it's getting better at a time that coincides with when shutoffs may be allowed, and that is September.

The big step that we took unilaterally -- and that's in a recent filing with the PUC -- we requested to alter the burden, the energy burden, on customers from the current levels in our CRP program, which are 8, 9, and 10 percent of your household income, down to 4 and 6 percent of the household income. So this will be a significant savings for those customers that are on the CRP program, and of course new entrants to the program would see this as well.

So there's quite a few things

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that we're doing during the COVID. I'm sure you're aware of the fact that the shutoffs, we terminated that, as I mentioned, but we've also stopped applying any late fees and we're certainly modifying our requirements for CRP documentation. Folks have trouble sometimes getting information on their unemployment status, and we take over documentation for that.

I think one of the most important items that -- and I'll end with this, and of course, I have Denise Adamucci here that has a great deal of expertise in this area. One of the most important items is the fact that PGW traditionally uses the last 30 days of income to determine whether you qualify and where you qualify in our programs. So with things happening so quickly during the COVID and folks finding themselves in a position where they don't have income, our program is very dynamic, and as I said, we look at just the recent

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30 days to see whether you qualify. So we feel that that capability gives people some nimbleness to get on our program rather quickly.

So those were the opening remarks I wanted to make on this issue, and if any members of the Committee have any questions obviously or even suggestions that we can evaluate and give you an answer on, we'd certainly like to do that.

COUNCILMAN GREEN: And just for the record, I'm not sure if you stated it for the record. That was Craig White, President and CEO of Philadelphia Gas Works.

At this point, Mr. Moser, if you could begin and state your name and title for the record.

MR. MOSER: Good afternoon, Chairman Green and members of the Committee on Finance. My name is Douglas Moser. I am the Executive Vice President and Acting Chief Operating Officer for

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the Philadelphia Gas Works. I'm appearing today on behalf of PGW in support of Bill No. 200300, which would approve a Fiscal Year 2021 Capital Budget for PGW.

The Proposed Capital Budget totals $213,368,000 primarily to support our program to replace existing plant and facilities to ensure that PGW continues to operate its assets at a high standard of safety and reliability.

I have submitted written testimony, but I am available to answer any questions you may have.

COUNCILMAN GREEN: Thank you, Mr. Moser.

And if I could have Gemela McClendon, Esquire, Executive Director of the Philadelphia Gas Commission, to now testify.

MS. McCLENDON: Good afternoon, Chairman Green and members of the Committee. My name is Gemela McClendon and I am the Executive Director of the

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Philadelphia Gas Commission. We appreciate this opportunity to testify before you in support of Bill No. 200300, which embodies the recommendations of the Commission to City Council regarding PGW's Fiscal Year 2021 Capital Budget, which was unanimously approved by the Commission on April 21st, 2020.

We respectfully request this Committee to report this bill out with a favorable recommendation, together with a suspension of the rules, so that it may have its first reading at the next Council session.

At its public meeting held on April 21st, 2020, the Gas Commission endorsed the Fiscal 2021 Capital Budget for PGW in the not-to-exceed amount of $213.368 million. Of that amount, 209 million in immediate funding would be available at the start of the fiscal year on September 1st and 3.79 million would require either the Gas Commission's release approval and/or the satisfaction

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of certain conditions prior to PGW's commitment and/or expenditure of the funds.

The Commission's recommendations to City Council are detailed in the Resolution and Order that I have attached to my written testimony as Appendix No. 1.

PGW originally submitted a proposed budget of $283 million and a Five Year Forecast. The Gas Commission performed its due diligence review and evaluation of PGW's proposals in accordance with the applicable legal standards and governing standards, taking into account PGW's finances, its operations, and its core purpose. A number of reductions were recommended by Commission staff, which were not contested by PGW or the Public Advocate. The Commission accepted these uncontested recommendations and ultimately adopted a budget of $213.368 million. This amount is $70.188 million lower than PGW's

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proposed budget or roughly 25 percent. However, it is 60 percent higher than the approved Fiscal 2020 Capital Budget of $127.708 million.

The reason for this increase is because PGW is looking to complete two projects that are very important to its continued efficient operation. The first project is Phase 2 of its update of its customer information system. PGW's system was implemented -- was last updated in the late 1990s. I can't remember the year exactly. And it has not been updated since. PGW has already embarked upon Phase 1 of the update of its customer information system, and the funds in this year's Capital Budget will allow it to complete the project.

Additionally, PGW's long-awaited building consolidation initiative is ready to move forward, which will result in PGW having three main centers of operation - its headquarters at 800 West Montgomery

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Avenue, a North Operations Center which will be located somewhere off of the Roosevelt Expressway with easy access to I-76, and its South Operations Center, which is currently located at -- which will be located at its existing Passyunk site.

In addition to approving the actual Capital Budget funding, the Commission is also recommending that Council approve changes to PGW's Capital Program protocols. These protocols govern how PGW goes about preparing its capital budget from year to year and were first adopted in Fiscal Year 2014. At this time, the Commission believes that it is prudent to update the Capital Program protocols to allow for longer line item lifespans for projects that require additional time to complete. So, for instance, the customer information system.

Under the existing Capital Program protocols, PGW only has two years

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to complete projects like this, when we know at the outset that a project of this size and nature takes a longer -- takes more than two years to complete. So the one change will allow for longer lifespans for those projects that are longer in nature to complete.

The other major change to the protocols that we're recommending is the creation of a condition funding reserve, which will allow PGW to address spending shortfalls that it may encounter in its distribution department that occur as a result of events outside of PGW's control.

The Commission respectfully recommends that Council approve Bill No. 200300, and on behalf of the Gas Commission, I thank you for the opportunity to provide this testimony.

COUNCILMAN GREEN: Thank you, Ms. McClendon, Mr. Moser, and Mr. White. I just have a few questions and then we'll open it up to questions for members

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of Council.

Ms. McClendon, you talked about the Gas Commission's recommendation for reducing the PGW Capital Budget, I believe like $70 million. Can you just give a quick overview of those recommendations that calls for the budget reduction.

MS. McCLENDON: Well, when PGW presented its initial budget proposal, it did include funds for the actual capital leasehold that would be required for the building consolidation initiative, so the property where the North Operations Center will be located. PGW and budgeting actually included the amount of that leasehold. It was an accounting decision. And after discussion with the Gas Commission's budgeting and accounting experts and PGW and the Public Advocate, it was agreed that that leasehold amount probably should not be included in the actual Capital Budget. So that eliminated a large chunk of the proposed

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budget amount. So it really was just an accounting matter that led to a large part of the reduction.

COUNCILMAN GREEN: Okay. Thank you, Ms. McClendon.

Mr. White, I just have a few quick questions, one that came up during last week's Finance Committee briefing.

Because of COVID-19 and because of the delay of a lot of issues that are impacting people, especially their ability to receive resources, there are a number of people that may have had their gas shut off. I know from a process standpoint, PGW requires an amount of money as a deposit before that gas can be turned back on. Has there been any conversations or considerations about helping those who may need some assistance in getting to that down payment before they can set up a payment agreement with PGW?

MR. WHITE: Certainly we are very sympathetic to the notion that there's people out there, particularly outside of the 150 percent of poverty, folks that are at 150 to 250, that are really going to be challenged. At this point, as I said, we haven't shut anyone off since November of '19, and the folks that were shut off prior to that were shut off pursuant to the PUC-required procedures.

So I think that it would be fair to say that there will be a lot of discussion with the PUC over the next couple of months as to potential strategies that may support customers differently than we are today. And I'll just throw an example out there. We receive significant refunds from an interstate pipeline after a rate case is concluded. Unlike a PGW rate case where we can't put in rates until they're approved, interstate pipelines put in rates subject to rate fund, and we pay those higher rates and then we receive a refund. And one of the things that I'm

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thinking about is how we could potentially discuss with the PUC ways in which we could use those refund dollars. Instead of just spreading them across future volumetric usage by the entire system, maybe we could direct some of those.

So that's just an example. I'm not saying we can get approval for that, but that's an example of where we might be able to free up some dollars and direct them to a subset of our customers.

Beyond that, I think we are going to be largely guided by PUC regulation and where the other utilities in the state are going, recognizing that they are investor-owned and they do have shareholders and we are a municipal with no deep pockets, no shareholders.

COUNCILMAN GREEN: Thank you, Mr. White.

MR. WHITE: Very good.

COUNCILMAN GREEN: Thank you. I just want to raise one other question.

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I know Councilmember Domb also has a question. A question came up during the beginning of the COVID-19 pandemic in reference to PGW's rate case filing with the Pennsylvania Utilities Commission. As Mr. Dunbar stated earlier, PGW has received a rating upgrade that helps us to reduce our borrowing costs. As you also stated, that most of the other utilities that provide gas are investor-owned utilities and PGW being a municipally owned utility with some of the highest rates in the Commonwealth, we're constantly trying to balance between getting our rates as low as possible but also providing for our customers.

So can you give some perspective on the PUC rate case and that process.

MR. WHITE: Well, the PUC rate case to date, we received -- and just to give folks the added understanding of how much oversight goes into this case, it's

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not just the PUC. It's numerous interveners that represent many subsets of our customers that hire expert witnesses that put us through the paces during the rate case. Right now we have received over 600 interrogatories and we produced over 200,000 pages of responses. So there's a great amount of detail and a great amount of oversight that goes into that process.

The process is typically a nine-month process. We filed just after UGI utilities filed, and it was before the COVID obviously. So I think a lot of water has to go over the dam with respect to the rate case, but the reason we filed that rate case was to enable us to remain as solvent as we are today to keep our bond rating so that we can borrow money at reasonable rates and support our customers, particularly in the area of our cast iron main replacement program and of course our gas plants to enable us to meet the coldest day of the year, the

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coldest years and to do it in a safe manner.

COUNCILMAN GREEN: Thank you, Mr. White.

Councilmember Domb.

COUNCILMAN DOMB: Thank you, Chairman Green, and thank you, PGW. I just have a few quick questions.

The collection rate a year ago compared to today at PGW, is there any change in the collection rate?

MR. WHITE: Yeah. I have Joe Golden here, the Chief Financial Officer. So I'm going to ask him to speak to those financial issues.

MR. GOLDEN: Good afternoon, Councilmember Domb.

The collection rate this year at the eight-month ended April was approximately 97 percent, which is slightly above our budget of 96 percent and I believe was a little better than last year at the same time.

COUNCILMAN DOMB: Okay. And do

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you see any problem with people paying during this pandemic?

MR. GOLDEN: We have not experienced that so far.

COUNCILMAN DOMB: Okay. And are the cap rates in general in the market for utilities like PGW going down?

MR. GOLDEN: What rates, Councilmember?

COUNCILMAN DOMB: I'm going to say the capitalization rate, the valuation rate.

When you value a utility -- let me rephrase the question. When you value the utility, because there's steady payment, is the value of that utility increased in a time where private companies are having major issues?

MR. GOLDEN: Councilmember, I'm not aware of the valuation rates of the investor-owned utilities at this time.

COUNCILMAN DOMB: Okay. And can you tell me -- I don't know if you can share this with me. In 2019, what

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was the net income of PGW?

MR. GOLDEN: I do not have that off the top of my head. I can get that to you during the meeting.

COUNCILMAN DOMB: Well, thank you very much, and keep up the good work.

Thank you, Mr. Chairman.

COUNCILMAN GREEN: Thank you, Councilmember Domb.

Seeing no additional questions for PGW, I would like the next panel to come up. If Anne Fadullon can be ready to speak.

MS. FADULLON: Here I am.

COUNCILMAN GREEN: Please state your name and title for the record and proceed with your testimony.

MS. FADULLON: Do you want me to give testimony on both the bills? How do you want to do it?

COUNCILMAN GREEN: Yes. If you could give testimony on both bills. Thank you very much.

MS. FADULLON: Sure. No

problem.

Good afternoon, Councilmember Green and other members of the Finance Committee, members of City Council. I'm Anne Fadullon, Director of Planning Development. I will present testimony on behalf of the Administration on Bill No. 200329 and in a moment on Bill No. 200330, which is a Substantial Amendment to the City's Annual Action Plan 2019 through '20.

The bill allocates $40.4 million in federal CARES Act funding to address emergency COVID-19 housing and community development needs. The CARES Act provided Philadelphia with 26.26 million in Community Development Block Grant funding, 12.98 million in Emergency Solutions Grant funding, and 1.12 million in Housing Opportunities for Persons with AIDS funding.

We propose to use these funds for emergency rental, mortgage, and utility assistance to homeowners and tenants, emergency shelter and homelessness prevention, eviction and foreclosure prevention programs, emergency home repairs, assistance to small neighborhood businesses.

While not nearly enough to meet the need, these funds are critical to helping our residents and our communities respond to the financial crisis caused by COVID-19.

Thank you for the opportunity to present this testimony, and we request a suspension of the rules to permit first reading at the next Council session.

And I'll -- let me give the next testimony and then I'll be happy to answer questions.

I am here to present testimony on Bill No. 200330, which permits the City to apply for CDBG, HOME, ESG, HOPWA, and state funds. The City's Annual Action Plan 2020 through 2021 is the application for these funds. The plan addresses our housing and community

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development needs. Its goals are to preserve and create affordable homeowner and rental housing opportunities; to reduce homelessness and expand special needs housing opportunities; to foster open access to all housing and community resources and programs; to address the education, economic, and income needs of people in neighborhoods; to strengthen community assets and manage vacant land to improve quality of life; and to promote fair housing and access to opportunities for all Philadelphians.

A key goal is to put people and keep people in their homes through production and preservation of rental housing, foreclosure and eviction prevention programs, rental assistance, and home repair programs such as the Basic Systems and Heater Hotline. It seeks to prevent homelessness and expand housing for people with special needs via rental assistance through the ESG, HOME, and HOPWA programs, the Adaptive

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Modifications program, and development financing for homeless and special needs housing.

We will continue first-time homebuyer grants, home repair loans for homeowners, and the loan program for small landlords. We will also support our residents and our neighborhoods through housing counseling agencies, neighborhood advisory committees, neighborhood energy centers, programs to maintain vacant land. We will invest significant resources in community economic development, including business loan programs, business development grants, corridor management support, and building improvement support.

The coming year will be more challenging than any we have seen in a long time. We are committed to meeting that challenge.

Thank you for the opportunity to testify. We must submit the plan to HUD by August 15th, 2020. Therefore, I

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ask for a suspension of the rules to permit first reading at the next Council session, and we're here to answer any questions you may have.

Thank you.

COUNCILMAN GREEN: Thank you, Ms. Fadullon, and I see we have some questions from members of Council.

As you and some of your staff know, years ago when I actually had some hair, I served as Deputy City Solicitor representing the Office of -- then was called the Office of Housing and Community Development, and I know that Community Development Block Grant dollars and other federal dollars have a lot of restrictions and that we have used our General Fund balance for a number of operations.

And so I know with the federal CARES dollars that we received and you're using those dollars for rental assistance, but I do have a significant concern because of the reduction of

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General Fund dollars for initiatives like the Housing Trust Fund and Basic System Repair program, especially during this current COVID-19 pandemic when these dollars are needed more than ever.

Toward the end of last week, my understanding is that the Mayor made a statement that we're going to be revising or making changes to the budget. I believe that was principally in reference to aspects of the Police Department's budget. Also recently the Commonwealth has unveiled some additional dollars for programs for the City as well.

So in light of those two actions, has there been any additional conversations since our last briefing with the Finance Committee regarding changes to this budget or other ideas in reference to how we make the commitment to the Housing Trust Fund as well as Basic Systems Repair programs or other programs that were receiving General Fund dollars that were reduced based on the current pandemic?

MS. FADULLON: I have not been party to any discussions about specifics about changes made to the budget. I know that there have been comments in conversations about that, but I am not pertinent -- I have not been informed of any specific changes to the budget.

COUNCILMAN GREEN: Okay. But as you know, a proposal by the Administration is, I guess, a proposal and we'll go through a process where we'll amend the budget or make other suggestions. The Mayor presents the budget and then Council will make amendments and actually has the responsibility of passing the budget. But from your perspective, my understanding, you're agnostic to how those dollars come, and if City Council were to provide additional dollars both for the Housing Trust Fund or other initiatives using General Fund dollars by moving them, you would be agnostic to

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that perspective?

MS. FADULLON: I don't know if agnostic is the right term. I can tell you that we will make sure those dollars are well spent.

COUNCILMAN GREEN: Okay. Very politically savvy.

With that, I will go to Councilmember Gym.

COUNCILWOMAN GYM: Thank you very much, Mr. Chairman.

Good afternoon, Anne, and I wanted to just say that I think you and many others share a deep commitment to housing, and I really appreciate that.

I've made this very clear on multiple phone calls that I think it's a great thing that the federal government has reached out to do COVID stimulus money specifically to relieve pressures on housing issues. As has been said by the Chairman of this Committee and by many others, we are extraordinarily shocked, depressed, and appalled that the admin would have reallocated a lot of that money away from the Housing Trust Fund and from urgent needs.

I want to thank your Administration -- I want to thank your department for moving quickly on PHLRentAssist. As we saw from the extraordinary turnout in just a very short amount of time, the need is far greater than we can imagine. That includes the fact that we can't actually pay everybody's rent. We are going to need to find other means, and one of them has been like real needs on the Philadelphia Eviction Prevention Project, which provides counseling and advice and lawyers for tenants who are in eviction court. That money has been completely eviscerated, 75 percent down, and I'll be fighting to make sure that it gets restored, and I know other people will as well.

But as you're looking at this budget, we have this influx of money that

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came in from the federal government, not enough but some. We saw the Administration reallocate a lot of it away. The Housing Trust Fund money is actually down from what it was in FY20, something like $8 million. In your understanding, like if we are talking about equity and justice, if black and brown communities in particular are demanding that violence end against them, and that's not only violence in policing but violence in other kinds of systems, which include denial of housing, is this the equity budget that this City should be pushing forward on?

MS. FADULLON: Well, I think that the Administration and the City had some very difficult decisions to make with the depth of the budget cut they had to make, $650 million cutting from the budget, and I think they tried to advance the Mayor's priorities of public education, public safety, and economic development. And I would say that I

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believe that housing is part of economic development, and that if folks are able to get a quality education and get a living wage job, that affordable, stable housing is very important to that.

COUNCILWOMAN GYM: And do you believe housing is part of an equity lens and framework and then equity approach to our budget? Like would you believe that our investment in equity would also be core to our understanding of whether this is an equitable budget as well?

MS. FADULLON: I've always believed that housing is a moral right.

COUNCILWOMAN GYM: So I know that -- you know, I'll be honest. It's a struggle for me because I know we have to move forward on this money, but I cannot -- and I will just share this with the Chairman and other members of my committee, because I know I'm not alone on this, but I cannot support an investment unless we rethink our commitment to housing. I will vote in

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favor of this transfer because we need the money from the federal government in order to have the conversation, but if this money gets reallocated, if the Housing Trust money actually goes down, if there's less resources for housing money than we had planned for a year ago from today, then we are on the wrong track.

So I hope that as the conversation moves forward, we can work with you. I know we will be working with you, Anne, but other members of the Administration to convey to them that housing has to be core to an equitable strategy, that housing has to be core to a race justice strategy, and that housing has to be core to a women and a gender strategy that is like doing justice to our communities.

So thank you, Mr. Chairman, and thank you, Anne.

COUNCILMAN GREEN: Thank you, Councilmember Gym, for your comments.

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And I know, Ms. Fadullon, this was not your proposed budget and I will state this for the record based on my knowledge of you and your work record both here in the public and the private sector. This was made by others within the Administration. So we are going to continue to push, even as we continue to work on this budget, to provide additional dollars back into the Housing Trust Fund.

With that, I will go to Councilmember Gauthier.

COUNCILWOMAN GAUTHIER: Thank you, Mr. Chairman.

Good afternoon, Anne. Your core testimony states that the bills we have before us are not enough to meet rising housing needs. We all know we had a housing crisis pre-COVID, so are you using projections of any kind to project how many more people you expect to be either at risk of becoming housing insecure or homeless as a result of this

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pandemic and the resulting recession?

MS. FADULLON: So I would say as I spoke a little bit at my General Fund testimony on Friday afternoon -- it's great to be back with you guys today -- that we anticipate due to various budget cuts and that we're coming to the end of the bonds that we had for the home repair programs, that we anticipate next year based on our cuts or decrease in funding that we're looking at is that we think probably between -- we'll be able to fund four to five less Low Income Housing Tax Credit projects, either new ones or preservation projects. Based on our cut in home repair dollars, I think we estimate that we may serve about 3,000 less households with our home improvement programs. That includes Basic System Repair, Adaptive Modifications. Our Heater Hotline we've been able to keep steady, so I think we're okay there. And then we know that we will probably run out of our down

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payment Philly First Home dollars, given this year we spent about $14 million through the year, and even if there's a little bit of a dip, which I have to tell you we have not seen so far due to COVID, we only have the $6 million in Wells Fargo money available for next year. So we believe that that will probably only last us, if we're lucky, six months, maybe only four months. So we will see a substantial decrease in services there.

Again, we know that even pre-COVID with all the other resources, that we were not fully meeting the housing needs and, frankly, in order to do that, we'd need a whole lot more zeroes added on to a lot of our funding, but I do think it's incumbent on us to continue to work with all of your offices to figure out how we leverage the dollars that we have to the maximum, but also really how we all -- even if they're not accessible on the local level, how we advocate together to get the kind of

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dollars that we would need in order to really be able to deal with our housing issues here.

COUNCILWOMAN GAUTHIER: Yeah. Thank you.

So basically we're saying with our current proposal, with the prospect of all of these programs being reduced or going away, we could be seeing thousands of people becoming housing insecure or homeless as things stand now?

MS. FADULLON: I think in particular in relation to our home improvement programs, that, yes, there will definitely be many more families at risk of housing insecurity.

COUNCILWOMAN GAUTHIER: Thank you.

I know that we as Council belabored this point at Friday afternoon's hearing, but I think it's important to summarize here today because the Con Plan sets the affordable housing strategy for the City.

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Your testimony prepared for this hearing states very clearly, and we just heard now even, that this Con Plan will not meet the housing need in Philadelphia nor would it have met the need before COVID-19. You note the need for more federal support, but during Friday afternoon's Planning and Development hearing, multiple revenue sources were identified that could potentially increase funding for housing assistance during a time of unprecedented need. These add up to hundreds of millions of available dollars between the recession reserve, the fund balance, Council's -- or City's emergency allocation, and flexible Coronavirus relief money from the CARES Act.

Restoring the $20 million commitment to the Housing Trust Fund would only take 5 percent of this projected available funding. On Friday, the Finance Director said that revisiting this budget is worth discussing. So is

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there anyone here from the Administration today who can commit to amending the Con Plan to restoring the Housing Trust Fund?

MS. FADULLON: I don't know if anybody in the Budget Office or Finance Department is here.

(Pause.)

COUNCILWOMAN GAUTHIER: Okay. It sounds like there's no one here, but since this is a discussion worth revisiting and since we could potentially have thousands of more people become housing insecure, I think we should revisit it with some seriousness.

I support Councilmember Gym's comments. We know we have to get this plan to HUD, but we also know that this plan is inadequate and needs to be revised.

MS. FADULLON: And I would just say it's not -- just to clarify, it's not a HUD requirement that we -- if there were General Fund dollars provided for housing, that we would have to amend our

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Consolidated Plan and Budget. We do that as a courtesy so everybody can kind of see the breadth of the housing dollars, but we could still go on the path with our schedule to get our Consolidated Plan and Budget up to HUD to get those federal dollars and it would not be impacted if there was a change in General Fund dollars coming in.

COUNCILMAN GREEN: Just a point of information. Because the Housing Trust Fund, as Ms. Fadullon said, was based on General Fund dollars, we still are going to be having a conversation with the Administration, and we can look to providing additional dollars for the Housing Trust Fund on the General Fund dollars and still be able to move forward with the Con Plan, but we still have a lot of questions in reference to the overall budget that we will pass as a body, including issues regarding the Housing Trust Fund.

COUNCILWOMAN GAUTHIER: Thank

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you, Anne.

Thank you, Mr. Chairman.

COUNCILMAN GREEN: Are there any additional questions, Ms. Gauthier?

COUNCILWOMAN GAUTHIER: Well, I have one more, if there's still time.

COUNCILMAN GREEN: Go ahead.

COUNCILWOMAN GAUTHIER: Okay. I'd like you to comment on a couple programs set to see significant budget reductions that both help build wealth in black and brown communities as well as stimulate our city's economy. These are the Basic Systems Repair program and Philly First Home program. Those programs are incredibly important to our neighborhoods. And so I wanted you to speak to the wisdom of cutting these programs, being that they build wealth particularly in black communities and being that they are also so successful in terms of giving business to minority contractors.

MS. FADULLON: Sure. Sure.

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Well, as you know, I think, we are looking -- since we're looking at a substantial cut in dollars, there were things that had to be cut. However, we did try to prioritize programs that would keep people in their homes, and that's definitely what our home improvement programs do. And I think the biggest impact to the home improvement programs is that the bond that Council had approved through the transfer tax increase and then the issued $60 million of bonds and those were good for three years, we've now come to the end of that term. So the biggest hit we're taking there really is those bond funds running out. So how we tried to backfill for that is, we did get a little bump in our regular CDBG dollars this year. So we got about a 1.7 or 1.8 increase in regular CDBG coming into the City. So we put 100 percent of that into the home repair programs.

In addition, we did put about

3.75 million in CDBG COVID into our standard Basic System Repair, but overall we put about 4.2 million, because we have a targeted Basic System and some other things.

So we tried to make up for that deficit as much as we possibly could, but we simply overall have less dollars to work with.

As far as the Philadelphia First Home, we really needed the flexibility that came with the Housing Trust Fund sub-fund, non-recording fee Housing Trust Fund dollars that we were getting in order to fund that program. With those -- with those funds being cut for this fiscal year, that really just left us with the Wells Fargo settlement dollars that we had available to that program. I mean, you know, that is 6 million, so it's not a small amount of money, but based on the incredible response we saw, which again is a great building program and also leverages a lot

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of dollars for us, unfortunately we won't be able to serve as many people.

COUNCILWOMAN GAUTHIER: Thank you.

That's all for now, Mr. Chairman. Thank you so much.

COUNCILMAN GREEN: Thank you, Councilmember Gauthier.

Councilmember Maria Quinones-Sanchez.

COUNCILWOMAN SANCHEZ: Thank you, Anne, so much for all your work and your team's work.

On Friday, we started a conversation that I want to go back to today. When Rendell got into office and we had a devastated downtown, he saw to use the Section 108 loan that I spoke about. Can you speak to what have been some of the transformational projects built through Section 108, if you have any examples in Philadelphia that you can speak to, and some of the decision-making that went that you saw -- the leveraging,

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I should say, of other dollars in those projects.

MS. FADULLON: Yeah. So I have to say when Rendell was here, a lot of that Section 108 loan money went to fund the development of hotels in order to attract the Republican National Convention. And I think one of the key things about Section 108 and for those who may not be as familiar is what that does is, it allows you to borrow from future years' Block Grant dollars, but then you have to pay them back, and it can be -- so, for example, let's say we paid back -- we borrowed $40 million of Block Grant. We give a certain amount of time, I think it's 20 years, but not a hundred percent sure. Melissa can jump in here if I'm misspeaking. But you get a certain term and you have to pay those back. So, for example, when it was a hotel project, if those hotels turned income, you could take the income from them to pay back the Section 108 loan.

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If you have a project that doesn't throw off income, you have to pay those out of your actual future CDBG dollars.

So, for example, this year we got 42 million. If we had a Section 108 loan and the payment was due for $2 million, we would have to take the 2 million from our 42 million, and that would continue for a number of years.

So the major housing project that I recall being partially funded with Section 108 loans, I believe -- and, again, Melissa, please jump in if I'm wrong -- is Poplar Nehemiah, but we had other funds from the federal government. We had Nehemiah funds, which was where that name came from, and we had some Enterprise Foundation funds and we had some other funds, and that was a very large transformative project, but that was a project, again, that didn't throw off income in and of itself, but believe -- we built those houses at the time anywhere between, you know, $140,000 to $200,000 and I think they sold between $45,000 to $60,000. So they were heavily subsidized, plus there was a lot of street work and all those kinds of things. So that project didn't throw off any dollars. So we did have to commit and we used to pay it back out of the actual annual CDBG budget.

COUNCILWOMAN SANCHEZ: Thank you, Anne.

You know, one of the reasons why the Council President moved to create the office that you currently run as the first Director of the Office of Community Development and Planning was because we felt that the City for a long time was very siloed around its economic development strategies, and having all of this under your portfolio allowed us to think big. And I think over the last couple of years, we've tried to think big, the Land Bank with all its challenges, the housing plan that was not just about affordable housing but what

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did the City look like in the next ten years, all of those things.

If not today, given what has happened between COVID and the last week, when will it be the time for us to be really bold and big? You know, notwithstanding the fact that we all know what the revenues are going to be moving forward, some of us are going to work as hard as we can so that in November, the tide changes. Why not make that substantial investment and say let's think big, let's do several hundred million dollars?

I don't know who in the Administration has had an opportunity to go visit some of these commercial corridors. Have you had an opportunity to see the devastation in our neighborhoods yet?

MS. FADULLON: Yeah. I mean, I live not far from some of that devastation. So, yes, I've seen it, and it is stunning.

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COUNCILWOMAN SANCHEZ: So we can be bold and do a hotel, but we can't be bold and restore -- like commit to folks that we're going to be there to restore these neighborhoods in a more equitable way?

I just don't know under what conditions -- our Chairman has talked about through his role in the National League of Cities we have access to the most amount of money, the lowest interest. We've heard our Treasurer and other folks say we're probably in a pretty good condition, all things considered. This is the time to send that message that we're going to help do this smart restart.

And so to the Chairman's position, over the next week -- because this has to happen quickly, Anne -- the Administration has to reframe this budget and we have to show significant commitment to restoring the neighborhoods, the ones who had lacked investment from the beginning, the ones who have been devastated over this last week, and we have access to this capital.

I don't know how we get through June 25th without doing anything other than really, really big. I think we can't tell people we heard them and then not do something big, not prevent the 3,000 less people who are going to get service, not prevent the eviction that's going to happen, not fund LIHTC deals that leverage hundreds of millions of dollars. But not to do those things is not an acceptable budget.

And so I join my colleagues in saying we're in this process and we know that you're going to make sure the money is spent and leveraged appropriately, but if we heard people and we're going to say we heard people, what we're doing today cannot be the final and what we do June 25th has to be real and big.

Thank you. That's more of a statement. I'm sorry, Anne.

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MS. FADULLON: That's okay.

COUNCILMAN GREEN: Councilmember, are you concluding your questions?

COUNCILWOMAN SANCHEZ: I am, because I know there's a lot of great advocates here to testify and we have access to Anne all the time, but it's really important that we get some of this stuff on the record, because this is not the time for us to be shy about what we want to do. And so I appreciate it, and out of respect for all of them who have been waiting patiently to come testify, I will conclude.

Thank you.

COUNCILMAN GREEN: Thank you, Councilmember Maria Quinones-Sanchez.

We're going to tee up in a few moments and, one, give a break to our stenographer and also tee up the other people that would like to testify, but I think part of a different flection than what Councilwoman Sanchez said, as

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somewhat as I said earlier, spent a lot of time really learning the code of federal regulations as applied to HUD dollars, and during the Rendell Administration -- now, granted, we did have a much larger Con Plan. We at that point were $130 million, $150 million just on CDBG dollars. And so we had a much larger amount of money, but still we were flexible to using that Section 108 dollars for, as Anne just stated, for a lot of hotel development, like the Ritz Carlton, like the Marathon Grill. A lot of those HUD 108 loans went to PIDC. But we were able to be flexible in using the code in reference to CDBG dollars can be used for the prevention or elimination or slums of blight. We have always just used it the same way for a long number of years, the number of neighborhoods around the City of Philadelphia that may have not received CDBG dollars because we only used it for low- to moderate-income and we were not as flexible as we could like other cities have been, like Cleveland and others who used CDBG dollars to prevent slums of blight.

So we need to have that type of flexibility lens as we go forward in how we can try to leverage as much dollars as possible, even in this challenging time, to make sure we provide more resources to people throughout the City of Philadelphia.

So I'll close my comment with that. I will give the stenographer -- and that's not an indictment of you, Anne. That's more of a philosophy that we've had throughout numerous administrations from when this department was the Department of Housing, Department of Community Development, Department of Housing and Community Development. So there was also a number of different names and plans and ideas, the Neighborhood Transformation Initiative, but we always had a very narrow perspective on how we used CDBG dollars

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as opposed to a broad perspective, except for that time when we were doing that with the 108 dollars and some other perspectives.

So I will close at that point. We will give the stenographer about five minutes to take a break and then we'll tee up our other witnesses who are scheduled to testify.

MS. FADULLON: Thank you.

(Short recess.)

COUNCILMAN GREEN: Thank you. I want to thank all members of the public who are here to testify on Bills No. 200329 and 200330. These are amendments to the FY20 and Consolidated Plan 45 amendment, as well as the new CDBG plan for FY21 and Con Plan, the 46th year.

I want to thank you for your patience and providing your public comment and testimony today in today's Finance Committee hearing. You will have two minutes to speak. We have a number of people who are here to testify on

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these two bills. I want to thank you for your patience and your participation.

Please state your name and your title prior to beginning your testimony. And as I stated earlier, we have a number of people who are here to testify and we'll have two minutes for each person.

The first person to speak is Beth McConnell.

MS. McCONNELL: Good afternoon, Chairperson Green, other members of the Committee. My name is Beth McConnell, Policy Director at PACDC. Thank you for the opportunity to testify.

PACDC urges Council to restore the General Fund commitment to the Philadelphia Housing Trust Fund for the FY21 Year 46 Plan. The Mayor's proposed budget to eliminate his commitment is in concept with existing Council statutes. It will mean more than $9.8 million in cuts for rental housing production and preservation and millions in cuts for the successful Philly First Home-buying program. This will negatively affect our lowest income tenants who desperately need a safe, affordable home and hurt low- to moderate-income buyers who deserve the stability homeownership provides in these trying times. These programs are important for our economic recovery, creating jobs and tax revenue.

While the Administration has proposed using additional CDBG CARES dollars to boost housing counseling, legal services, and the NAC program, the need for those programs to rise to the challenge right now is enormous. We also need additional Housing Trust Fund dollars to stabilize affordable housing units that operate without profit margin and razor-thin cash flow at a time when many of their tenants are expected to get behind on their rent.

We applaud the Mayor for proposing to continue funding for most of our commercial corridor programs, but after the unrest and physical damage to

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corridor businesses last week, 40 percent cuts to programs to help businesses fix up their storefronts or make internal improvements is no longer a wise decision. There are businesses on almost every commercial corridor that will not have adequate insurance to replace broken glass, repair facades, restock inventory or make other critical repairs they need to reopen. So cuts to programs like Storefront Improvement and InStore and the Business Security Grant program and the cuts to Commerce staff could not come at a worse time. These business owners need grants for repairs, legal technical assistance, and the support of corridor managers and Commerce staff to recover.

I want to finally thank the Kenney Administration and Council for their continued commitment to the CDC tax credit program, which provides vital basic operating support for our CDCs to do economic development at this critical time.

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We want to thank you very much for the opportunity to testify.

COUNCILMAN GREEN: Thank you for your testimony.

Stefanie Seldin.

MS. SELDIN: Good afternoon, Chairperson Green and members of the Committee. I am Stefanie Seldin, President and CEO of Rebuilding Together Philadelphia. RTP provides critical home repairs to ensure the safety and health of community residents in need.

I'd ask my full remarks be submitted for the record.

Carrie B., a disabled senior, had no banister and had to crawl up her stairs because she was terrified of falling. She also had no functioning kitchen for years. This is just one homeowner who RTP has served during the pandemic.

Staying at home prevents the spread of COVID-19, but a home can only be a sanctuary when its residents can live in safety and health.

Mayor Kenney's decision to dramatically reduce resources for housing is shortsighted. The Basic System Repair Program has just eliminated the years-long waiting list for home repairs from the proceeds from a 2016 City Council-sponsored bond fund. There were 4,000 people on that list.

While BSRP handled the backlog from 2016, there were hundreds, if not thousands, of homeowners who could not receive home repairs. The waiting list was closed.

The need is back. The City's 2019 Housing Action Plan states that there are 27,000 housing units without complete kitchens or plumbing facilities. Our neighbors are living without ovens, without showers, without toilets. This budget will dig the City back into the same hole we were in before the bond fund.

Home repair funding is but one

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example of housing resources decimated by the post-pandemic budget. $14 million earmarked for the City's affordable Housing Trust Fund is gone. Homeless families will no longer get that first apartment. Tenants will no longer be able to afford their rent, and new homeowners will not receive down payment assistance.

COVID-19 is hitting our poorest communities and communities of color hardest, the same communities that are most likely to struggle with inadequate and unstable housing. Now is the time to right those wrongs, not exacerbate them. The new normal budget act is a great start, and I hope we can think even bigger.

Thank you for the opportunity to testify today.

COUNCILMAN GREEN: Thank you, Ms. Seldin, for your testimony.

I know our next witness is Nora Lichtash. I know that they need additional time to get her on the call.

Ms. Lichtash, are you on the call?

COUNCIL SUPPORT: One second, Councilman.

COUNCILMAN GREEN: Okay.

Ms. Lichtash, if you could begin your testimony.

MS. LICHTASH: Oh, begin now?

COUNCILMAN GREEN: Yes.

MS. LICHTASH: Even though Stefanie is still talking?

COUNCILMAN GREEN: She just completed her testimony.

MS. LICHTASH: Oh, okay. I can start now? Just start?

COUNCILMAN GREEN: Yes. Go ahead.

MS. LICHTASH: Okay. My name is Nora Lichtash. I work for the Women's Community Revitalization Project, also known as WCRP, and we're proud members of the Philadelphia Coalition for Affordable Communities. I'm testifying today

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because my family, along with thousands of Philadelphians, have been marching in the streets since George Floyd's murder to ensure that our elected officials look carefully at how our city allocates its resources through a racial and economic justice lens.

I'm testifying today to oppose the Mayor's callous proposed cuts to the Housing Trust Fund to fill renter assistance, first-time homebuyer closing costs, and although I know it's not included, to the Land Bank.

I've been told that in our city the decision has already been made to spend 15 percent of our city's resources, a full 760 million, on police or in jail. At a time when staying home is the only way to stay safe, the Administration has made the decision to cut back their investment in building and preserving affordable homes.

Although there are some federal dollars due to COVID, the Administration

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will not invest already committed General Fund resources to ensure that renters have enough money to make rent payments, that low-income homeowners can make needed repairs, that first-time homeowners can get help buying a home, that homes are made accessible for people who use wheelchairs, and that taxpayers and properties can help folks who are being pushed out of their communities due to gentrification.

The Mayor's budget should be investing more, not less. I know from the work my organization does how people are suffering. WCRP has developed and managed 300 homes. The average income of our tenant families is less than $15,000 a year. Eighty percent of those families have lost hours or lost jobs due to the pandemic. I know from experience that the Philadelphia residents who are already most vulnerable are hurting the most.

We're counting on you, Council,

to know that the cuts being proposed will bring devastating consequences to far too many. We're not just negotiating dollars and cents here. We're negotiating with people's lives. We ask you to do the right thing and reinstate funding for affordable, accessible homes.

COUNCILMAN GREEN: Thank you for your testimony.

Next, if we could have Rachel Garland.

MS. GARLAND: Good afternoon. Can you hear me?

COUNCILMAN GREEN: Please proceed with your testimony.

MS. GARLAND: I'm just checking if you can hear me.

COUNCILMAN GREEN: Yes. Ms. Garland, please proceed with your testimony.

MS. GARLAND: Thank you.

Good afternoon. My name is Rachel Garland and I'm the Managing Attorney at the Housing Unit at Community

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Legal Services of Philadelphia. I'm here to ask you to maintain funding for programs that keep people in their homes. Specifically, I'm here to urge you to keep the Philadelphia Eviction Prevention Project, known as PEPP, in the budget at 2.1 million perfectly; to pass Bill 200329 which provides 2.8 million in COVID-19 CDBG funding to housing counseling and legal services to prevent eviction and foreclosure; and to maintain funding for the Housing Trust Fund.

Systematized racial inequality has led the black communities being hardest hit by the pandemic, with higher rates of infection, coupled with less access to quality healthcare. These same communities are also the ones most at risk for imminent eviction or mortgage foreclosure when the courts reopen.

Mortgage and rental assistance programs will not solve this problem on their own. There is not enough funding to go around, and without the support of

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housing counselors and lawyers, many will not know how to access this funding.

For homeowners, CLS attorneys will be critical in providing technical assistance to housing counselors and providing legal representation to homeowners. On the tenant side, PEPP was created by City Council because you recognized that not only does poverty cause eviction, but eviction causes prolonged poverty. PEPP has made a lot of progress over the past three years in resolving evictions and Philly was in a better position to deal with the pandemic because of the support PEPP provides to renters.

Unfortunately, the budget is cutting PEPP by 75 percent, gutting representation of and support for renters facing eviction. For what amounts to a drop in the budgetary bucket, PEPP has been incredibly successful. Ninety-five percent of renters helped by PEPP have successful outcomes. They are more

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likely to win their cases, avoid default judgments, and enter into agreements that avoid disruptive displacement, and stabilize both renters and their landlords.

Now is the time to be investing in safe, stable, and affordable housing for renters and homeowners. We need these programs.

Thank you.

COUNCILMAN GREEN: Thank you, Ms. Garland, for your testimony.

Next, we'll hear from Lisa Rivera.

(No response.)

COUNCILMAN GREEN: Lisa Rivera.

(No response.)

COUNCILMAN GREEN: Calling for Lisa Rivera.

(No response.)

COUNCILMAN GREEN: Last call for Lisa Rivera.

(No response.)

COUNCILMAN GREEN: Moving on,

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Carrie Rathman.

MS. RATHMAN: Hi. Good afternoon. Can you hear me?

COUNCILMAN GREEN: We can hear you. Please begin your testimony.

MS. RATHMAN: Hi. I'm Carrie Rathman, Director of Strategic Partnerships at Habitat for Humanity Philadelphia. Habitat is an affordable housing developer and critical repair provider for Philadelphia's low-income homeowners.

The COVID crisis and current unrest in Philadelphia has clearly exposed that things are not working and we are not okay. At Habitat, our vision of the City where everyone has a decent and affordable place to live cannot be achieved without acknowledging the years of injustice that communities of color have faced around the country and especially the violence and economic injustices heaped upon the black community.

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At Habitat, our very origin is grounded in the attempts to bring the benefits afforded by ownership to lower-income families who have traditionally been denied homeownership through our housing policies built on racism.

These past months and weeks have dramatically shown what's at stake when we deny, limit access or invest too little in the basic needs of Philadelphians. Housing is perhaps the most fundamental of these needs. Everything that we say we care about as a city - health, education, economic stability, safety, and keeping families intact - is fully dependent upon stable housing, and for the past several years, Habitat has utilized Housing Trust Fund dollars to stabilize and keep families in their existing homes throughout neighborhoods.

In the past, we've received subsidies for ownership development as

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well. This helps to keep neighborhoods intact, staves off more expensive social interventions downstream, and preserve what is often most families' only financial asset. It also builds long-term stability and wealth.

Do not support the Mayor's proposed cuts to the Housing Trust Fund. The Housing Trust Fund mainly supports families of color, those most devastated by COVID and our current unrest. Do not waiver from the priorities that we have outlined in the Consolidated Plan.

Thank you.

COUNCILMAN GREEN: Thank you, Ms. Rathman.

The next person scheduled to testify is Dorian Jones. Dorian Jones.

MR. JONES: Can you hear me? Good afternoon. Good afternoon, Councilmember. My name is Dorian Jones, disability recipient and homelessness. I am testifying today on Bills 200329 and 200330.

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We oppose any cuts to the Housing Trust Fund. I am a senior who is currently experiencing homelessness from the COVID pandemic. I have struggled to find accessible housing for nearly three years that I can afford because there are already so few safe, affordable rentals for people living with disabilities.

If City Council allows the Mayor to cut funding to the affordable Housing Trust Fund, they will make a hard situation such as mine even worse.

Unfortunately, before and during the beginning of the COVID pandemic, I was sleeping in my car. No one should have to experience what I have this far, especially when I am not without income.

Homelessness is hard enough without a pandemic. Imagine how much more difficult it has been given the previous stay-at-home order. I have no home to stay in. My car has been my home.

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Based on amendment 200329, the federal CARES Act funding does not cover all those cuts being proposed, and this has real consequences on people's lives. More importantly, 3 million less for wheelchair accessibility modifications means that more than 150 people with disabilities will be trapped in dangerous nursing homes or homelessness, because there is so little affordable, accessible houses in our city.

Councilmembers, please stop cuts to the front -- Councilmembers, please stop cuts to the Housing Trust Fund.

Thank you.

COUNCILMAN GREEN: Thank you, Mr. Jones, for your testimony and for your advocacy regarding this issue.

Next, we'll hear from Gail Nedd.

MS. NEDD: Thank you, Chairman Green. My name is Gail Need. I'm a Housing Specialist for Liberty Resources.

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I am testifying today on Bills 200329 and 200330.

On behalf of Liberty Resources, I ask that there be no cuts to the Housing Trust Fund. This is a time to be investing more and making it easier to keep people safe. Cuts to the Housing Trust would eliminate the majority of housing opportunities for seniors, disabled, homeless, and those at risk of being homeless, specifically persons making little to no income.

This would be the consumers I serve at Liberty to be homeless or competing for the presently limited public housing. Programs that Liberty has utilized to assist in obtaining housing has dwindled. For example, there are no mainstream vouchers available from PHA at this time. Liberty does not know when more will be issued. We found out on Friday from PHA that there are only nine vouchers left for nursing home transition, and the program will end on

June 30th. This is even more distressing because the people with disabilities I work with are at extremely high risk during this pandemic.

We have had consumers that were just about to move into their homes that they could finally afford, but before they were able to move out of a nursing home, they passed away from COVID-19. I have now experienced this tragedy several times.

In addition, some consumers become ill from COVID-19 and were unable to move as scheduled into their housing. Now they are faced with outstanding rent bills due for the month or months it took them to recover. This is unacceptable.

The City has a responsibility to protect those that are most vulnerable, but the current budget does not live up to the goals of the Consolidated Plan. According to the amendment 200329, the federal CARES Act funds do not cover all of the cuts being

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proposed. Three million dollars -- hello.

COUNCILMAN GREEN: Yes. Ms. Nedd, if you could just conclude your testimony.

MS. NEDD: Okay. Three million dollars less for wheelchair accessible modifications means that more than 150 people with disabilities will be trapped in dangerous nursing homes because there is so little affordable, accessible housing.

Please, Council, stop the Mayor's cuts to the Housing Trust Fund.

Thank you.

COUNCILMAN GREEN: Thank you, Ms. Nedd, for your work with Liberty Resources and being an advocate for this community.

The next person scheduled to testify is Channel Saunders.

MS. SAUNDERS: Good evening. My name is Channel Saunders and I'm a volunteer with 215 Alliance. I'm a

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member of the Philadelphia Coalition for Affordable Communities. I'm testifying today on Bills 200330 and 200329. Specifically, I oppose the Mayor's proposed cuts to the Housing Trust Fund.

I am one of the 50 percent of the renters in Philadelphia who were cost-burdened before the pandemic even hit our city. This means that after paying rent, I struggle to meet my family's other basic needs even though I have a steady job as a crossing guard.

The Consolidated Plan lays out that we need more affordable housing actions in Philadelphia, yet the Mayor has proposed cutting funds to the Housing Trust Fund. He wants to invest less in creating safe, affordable housing at a time when we need to invest more to keep our people safe. This is unacceptable.

Really the question in front of us is if we think all Philadelphians deserve dignity and respect, how can we flourish and see just change if

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everything that should help us does not help us or it's removed from us?

If City Council does not stop the Mayor's cuts to the Housing Trust Fund, more people like me will struggle to stay housed, and this means more people will be subjected to danger, violence, and sickness by COVID-19.

Thank you, and that concludes my testimony.

COUNCILMAN GREEN: Thank you, Ms. Saunders, for your testimony.

The next person scheduled to testify is Albert Littlepage. Albert Littlepage.

MR. LITTLEPAGE: Yes, Councilman. Good evening, Chairman Green and all Councilmembers. My name is Albert Littlepage. I'm the President of the Point Breeze Community Development Coalition.

I would respectfully like to oppose the Mayor's proposed cuts to the Housing Trust Fund. As a longtime

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Philadelphia resident and the President of the Point Breeze Coalition, we support affordable housing initiatives that build, strengthen, and sustain a diverse community.

In my South Philadelphia community, gentrification has led to market-rate housing and higher rents, which are out of reach for citizens of meager means, which directly affects the African American population.

A fully funded Housing Trust Fund can make a difference and provide the hope and resources needed for organizations like WCRP to service people with disabilities, veterans, and low-income families to live in a real diverse community. I work closely with WCRP to bring more affordable, accessible housing to my neighborhood, like the Mamie Nichols Center housing, and these cuts threaten that progress.

All Philadelphians deserve the opportunity to live a better quality of

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life, and the Housing Trust Fund clearly funds can help.

Currently, the Mayor is forming a committee to address the 25.7 percent poverty rate in our city. If his intentions are genuine, then how can he cut these funds? The ends in this case just don't justify the means.

As you know, we need jobs, workforce development, and affordable housing. Funding the Housing Trust Fund will be a sustainable measure to achieving the Mayor's overall goal to reduce poverty in the City of Philadelphia.

Again, as a longtime Philadelphian and a community activist and a person who loves this city, I respectfully ask this honorable body not to allow any cuts to the Housing Trust Fund.

Thank you, and God's grace.

COUNCILMAN GREEN: Thank you, Mr. Littlepage, for your testimony and

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thank you for your leadership in the Point Breeze community.

The next witness to testify is Marissa Johnson-Valenzuela.

MS. JOHNSON-VALENZUELA: Hi. Good afternoon. My name is Marissa Johnson-Valenzuela. I'm an English professor at Community College of Philadelphia and Secretary of CCP's Faculty and Staff Union, ASP-2026.

Over the past few years, I've spoken with many of you about the need for more funding and support for our city's college. However, today I am testifying on Bills 200330 and 200329.

We oppose the Mayor's cut to the Housing Trust Fund. I lost count of how many students I've known who are trying to navigate homelessness or a housing crisis during this semester. Such students struggle to keep up with their studies, and many just stop showing up. I recall one young man who was doing great, trying to get his life back on

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track, but after class one day, he told me he was homeless and he was ashamed he didn't have a place to take a shower. I did what I could to connect him to resources. As a former social worker in the City, I had some knowledge about what is available. But even though he was passing all of his English 101 assignments, he ultimately stopped showing up.

According to the Hope Center, 56 percent of CCP students are housing insecure, which is higher than the national average for community colleges. Whether or not a student has access to affordable housing options in an increasingly expensive city is truly the difference between passing and failing.

Stable housing is fundamental for so much, including obtaining the kind of education that can lift people out of poverty. And now with the pandemic, we are multiplying one crisis times another times another. If City Council does not stop the Mayor's cuts to the Housing Trust Fund, more people will struggle and more people will die from COVID-19. After all, it's really hard to stay home and quarantine when you don't have a home.

Furthermore, funding to build and preserve affordable, accessible housing will be a critical part of recovery. As recent massive protests demonstrate, this city has so much potential for positive change to become the city Philadelphians want and need, all Philadelphians. Do not cut the Housing Trust Fund.

Thank you.

COUNCILMAN GREEN: Thank you for your testimony.

I just want to remind the public that you need to hit star 6 to unmute yourself. In addition, I just want to remind those who are about to testify, if you are watching this on Channel 64 or PHLCouncil.com through our live stream, please make sure you turn down the sound so we do not have an echo and so we can truly hear your testimony.

The next person to testify is Nicole Freeman.

MS. FREEMAN: Hi. This is Nicole Freeman. One second. I apologize.

Good evening, Chairman Green and Councilmembers. My name is Nicole Freeman and I'm a resident of Philadelphia. I'm testifying today on Bills 200300 and 200329.

I adamantly oppose the Mayor's cuts to the Housing Trust Fund. As a single mother of five living with a plethora of disabilities, I've had an intimate relationship with the plight that is inadequate and affordable housing. And since I've embarked on my journey of motherhood, my biggest stressor in life has been being able to provide and maintain housing for my family.

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My sister, who is wheelchair-bound, has been unable to relocate for more than 15 years due to inadequate or lack of available units, and my uncle who is riddled with arthritis, his joints have seized, rendering him unable to walk. He can't relocate closer to his family due to a lack of funding.

The regentrification that the City has allowed to occur is not only rendering current residents homeless, but they find themselves in a state of perpetual helplessness because the homes are being purchased out from under them.

I speak from firsthand experience in saying this city already doesn't have enough affordable, accessible housing, and I've struggled my entire adulthood to find affordable, safe, and stable housing. It's been a long, disheartening, and draining experience that I will wish on no one, and yet I'm still not alone.

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It's incumbent on City Council to stop the Mayor's cuts and provide the basic and essential need of affordable housing to the residents of Philadelphia.

Thank you, Councilmembers, for hearing us.

COUNCILMAN GREEN: Thank you, Ms. Freeman, for sharing your story and being an advocate for your family regarding this important issue.

The next person scheduled to testify is Max Ray-Riek.

MR. RAY-RIEK: Hi. I'm Max Ray-Riek with Act Up Philly.

This Consolidated Plan and the Mayor's budget cuts within this plan are dangerous. It continues the same trends in past plans that have led directly to preventable deaths and violence in the past, from COVID-19 to an HIV, from overdoses, from police.

Philadelphia has an affordable housing crisis. Rents are rising faster than incomes, and new housing is not

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affordable. Instead of addressing the crisis, City Council has repeatedly heard landlords and developers and not the needs of the over 125,000 households that are severely rent or cost-burdened and the over 5,600 families experiencing homelessness, 80 to 90 percent of whom make $20,000 a year or less.

Because of the huge hole in our housing stock for people making less than 30 percent of area median income, the City has had to make decisions that put people directly at risk.

People who are homeless and enter emergency housing in Philadelphia are usually living on fixed incomes or working in low-wage jobs. There is not enough housing that they can afford, and so over 70 percent of people in shelters still need so-called emergency housing year after year.

Rather than (inaudible) across our shelter system to care for all these folks stuck in the system and new people

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who are being evicted or foreclosed on, many came to Council and DHCD every year to limit our shelter capacity. That's why our winter shelters close and kick people out on the streets every year and that's why the residents organize and demand to keep shelters open (inaudible) and says no. That's why Eva Gladstein resisted opening Center City hotels to shelter Philadelphians during COVID, saying that they will become de facto shelters. That's why we've had COVID outbreaks in our shelter system, including preventable death and hospitalizations of dozens of residents and staff. We've been trying to pretend our way out of the housing crisis instead of investing and solving it.

These are the impacts our budgets have had in years past. This year with many more Philadelphians out of work than ever before and Council trying to stabilize rent using power over PHA and other developers to demand housing affordable to people making $20,000 a year or less, they're going to see large-scale evictions and foreclosures, more homelessness, and we're looking at a budget that is the best balance by plugging in cuts with CARES Act funding and in many cases think the cuts -- I don't want to (inaudible) --

Thank you.

COUNCILMAN GREEN: Thank you for your testimony.

The next person scheduled to testify is Betty Beaufort.

MS. BEAUFORT: Good evening. My name is Betty Beaufort. I'm a community activist and I'm testifying today on Bills 200300 and 200329 to oppose any cuts to the Housing Trust Fund.

I live in Point Breeze over 20 years and I watch my neighborhood change. All I've heard about is gentrification, rent, and home prices going up. I watch my neighborhood struggle to stay in the

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neighborhood. Many have been pushed out. I see houses going for over $200,000 that people are calling affordable. I say, affordable for who?

I want to see investment in housing that is actually affordable. My neighborhoods were struggling before COVID-19, and now with the pandemic, investment in housing is more important than ever.

The Housing Trust Fund serves the Philadelphia residents who are being hit hardest by this pandemic, people with disabilities and families of color with the lowest income in our city. We should be investing more into our community to keep people safe, not less. Funding to build and preserve affordable houses will be a critical part of our city's recovery from COVID-19.

Do not cut any funding to the Housing Trust Fund.

Thank you very much.

COUNCILMAN GREEN: Thank you

for your testimony and your activism in the Point Breeze community.

The next witness is Sam Tower.

MS. TOWER: Hi. My name is Sam Tower. I'm an associate artist with Applied Mechanics and I'm testifying today on Bills 200330 and 200329 to oppose any cuts to the Housing Trust Fund.

I'm going to read excerpts from a statement that has been signed by 400 artists in Philadelphia. The full statement and signatures have been submitted as written testimony.

We are proud to represent the robust artistic and cultural scene here in Philadelphia. If the Housing Trust Fund and social services like it are de-funded, we will face a much longer fight with COVID-19. This will devastate our artistic communities. The work that we have been making by, with, and for the people of this city will cease, especially if the people we serve do not

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have homes in which to stay.

We understand that this is a matter of life and death. To steal resources away from housing during a pandemic is illogical and shameful. It guarantees more cases of COVID-19 as your constituents die on the waiting list for affordable housing. It encourages the spread of the virus in marginalized communities, especially communities of color and among people with disabilities and their caregivers. It means that this disease will persist in the City, where we desperately need to recover and begin to heal.

Affordable funding for housing will help guarantee that recovery. It is an investment in the future in which this city and its people cannot just survive but thrive.

Let's be real, Philadelphians were struggling before COVID-19. Before this pandemic, there was a housing crisis. More than half of all City

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renters and almost one of every three homeowners were cost-burdened. No one should ever have to choose between paying for rent or putting food on the table.

Now due to the virus, Philadelphians are struggling more than ever to pay their mortgages and rent. Council can set the tone for Philadelphia's recovery strategies, and the choice is clear. Fund housing and save lives.

Thank you for the opportunity to testify today. Have a good night.

COUNCILMAN GREEN: Thank you for your testimony. As a Board member for the Cultural Fund, I want to thank you and other artists for coming together and using your skills and your advocacy to raise your voice regarding this issue.

The next person scheduled to testify is Liam Dougherty.

MR. DOUGHERTY: Thank you for hearing my testimony. Hi. My name is Liam Dougherty. I'm an advocate with

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Disabled in Action and the staff.

When will Council say to the hundreds of people who will, despite hearing me, have a stable mortgage, believe it or not, or have a home to stay in because of the (inaudible) to the Housing Trust Fund. When will Council say to those who are depending on the Housing Trust Fund for accessible housing (inaudible). Fifty-three percent of Philadelphia's COVID death (inaudible) preliminary data. Thirty percent of people who are diagnosed with COVID in an institution die as a result. (Inaudible) Philadelphia's death rate is around five percent. That explains (inaudible) for COVID-19 (inaudible). (Inaudible). Many of them who are elderly or have very serious conditions are forced to live together and not in healthy conditions, resulting in numerous COVID fatalities. For many, life in a nursing home is (inaudible). When a person has a disability, someone in long-term care,

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they are faced with the choice of either a nursing home or in resident living. (Inaudible) services such as (inaudible). However, getting money to help (inaudible) contingent on being able to find housing that is accessible to their needs. The Housing Trust Fund supports the addition of more affordable housing, as well as home modifications that are needed now more than ever. Do not force us into a tinderbox.

Thank you.

COUNCILMAN GREEN: Thank you, Mr. Dougherty, for your testimony and your work with Disabled in Action and your advocacy on those issues as well as the issues that are listed for today's hearing.

The next person scheduled to testify is Karen Burrison.

MS. BURRISON: Yes. My name is Karen Burrison. I have a physical disability. I have cerebral palsy. I lived in Philadelphia since I was 15 and

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I was in -- during the time I lived here, I lived at five different residences, 4052 Powelton Ave last two years, 1109 Green Street two years, 1508 South 16th Street two years, 1821 New Market Street 13 years, 3401 Capital present.

I gave you these above addresses for a reason. Everyone can have this dream in Philadelphia. We need the Housing Fund for everyone. No budget cuts at all. We have enough homelessness. Disabled and able-bodied people are right, we don't need more.

We all understand that we all have a lot going on with the pandemic and Coronavirus and different protesting, looting and all the above, and most of us will still be here living day to day when we get -- after this is over with.

Mr. Mayor, give the Housing Trust Fund what they need.

Thank you.

COUNCILMAN GREEN: Ms. Burrison, thank you for sharing your

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poignant testimony with us this afternoon.

The next person scheduled to testify is Ruth Birchett.

MS. BIRCHETT: Good evening. Thank you, Councilman Green. I am Ruth Birchett speaking in reference to Council Bills 200329 and 200330.

It's heart-wrenching to listen to the previous testimonies of all of these honorable people who are working and toiling in the vineyards to try to make life better here in Philadelphia.

It is wrong to give preference to outside developers who are coming in and enjoy tax abatement credits and other kinds of people who are benefiting from our beautiful city. As a daughter of a family who has been in the same house for 70 years here in Philadelphia and has done everything we can to try to make a difference here in the City of Philadelphia, who also was sitting on my steps the night of the riots, we've seen

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our home in the Fifth Councilmanic District and our community robbed of its life.

I am totally against cutting programs that are essential to the lives and the survival of Philadelphians. It's time to put Philadelphians first. It's time for councilmanic prerogative to be pushed aside and eliminated. It's time to de-fund the Philadelphia Police Department in preference for creating a civil community safety network within our communities. Those monies can go to all of these programs that everyone has so quickly taken a pin to to cross out the Housing Trust Fund.

I think it's absolutely absurd in this budget that 11 million was for rental assistance and only 4 million for the system repair program. And I came for Air Management of the Philadelphia Housing Authority as well. That's why people are homeless (inaudible) continually on the backs of

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Philadelphia's most impoverished communities.

Thank you.

COUNCILMAN GREEN: Thank you, Ms. Birchett, for your insightful words and eloquent testimony for today's hearing.

The next person scheduled to testify is Jihad Ali.

MR. ALI: Hello, Chairman Green and other members of City Council. I'm here to provide testimony on Ordinance 200329.

I'm opposing the cut in the Housing Trust Fund. And I'm also here to provide testimony on Bill 200330. Councilman and other members of Council, in these troubling times of this pandemic and national civil unrest, I think you all are doing a great job in trying to get our city through these unprecedented times, both veterans and the newly elected.

I wanted to also point out on

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Bill 200330 my support for the Director of Planning, Anne Fadullon. In light of all that we've recently heard in these streets as a result of the death of George Floyd, one of the things we've all heard is people saying, well, get off my neck, and people could hear us. Well, one of the things I can say truthfully is every time that I've been down to any committee that Ms. Fadullon was chairman of or on, she allowed me to express myself, and I sincerely appreciate that, because I never felt frustrated. I always felt as though I had the opportunity to come down and the least I could do is speak, and she respected that.

I also wanted to encourage her to continue to work with the African American developers who are trying to rise up and do housing, such as Anthony Fullard, who does excellent work. He just completed a project out in West Philly on Osage Avenue, and we need to

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make more developers so we can help solve this housing problem.

I thank you for allowing me to testify.

COUNCILMAN GREEN: Thank you, Mr. Ali, for your testimony today.

The next person scheduled to testify is Kenneth Bigos.

MR. BIGOS: Hello. Can you hear me?

COUNCILMAN GREEN: We can hear you. Please proceed with your testimony.

MR. BIGOS: Okay. Good evening. Thank you, Chairman Green and members of the Finance Committee for enabling me to present my comments today. My name is Kenneth Bigos. I'm the Executive Director of the Affordable Housing Centers of Pennsylvania. We're a HUD-approved and DHCD-funded housing counseling agency. I'm here to present my testimony in reference to items 200329 and 200330 requesting that additional funds for housing counseling services be made available for the 2020-2021 budget. This includes ensuring that the cuts in funding to the Housing Trust Fund are awarded.

The current moratorium on foreclosures and evictions by the Governor until July 10th, 2020 has allowed us to get organized and brace for the avalanche of evictions and foreclosures that will submerge the City's court systems and housing counseling agencies. Housing counselors are the EMT workers for the households that undergo financial distress related to their home.

During the Great Recession, we were called upon by the City to rescue homeowners from the threat of mortgage foreclosure. Fast forward to today, we are in the opening stages of a new economic crisis that will have greater economic devastation compared to the Great Recession.

This will be an epic period

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where the housing counselors will be called upon to keep Philadelphia neighborhoods and family units strong. Currently there's legislation that is being proposed by the Committee of Housing, Neighborhood Development and the Homeless that offers substantial rules that can govern tenants' rights, and evictions that will demand the involvement of housing counselors.

Meanwhile, as we brace for this avalanche of evictions and foreclosures, demand for our first-time homebuyer program is still high. Currently AHCOPA is educating about 200 households per month on the aspects of purchasing a home through our Zoom virtual homebuyer class. Many potential homebuyers see homeownership as the opportunity to get more living space and have a stable housing payment, and they are very much interested in the very first home grant as a way to ease the barrier of access to homeownership, which this program has

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been a godsend for those that have taken advantage of it, and many of them earn a decent living.

So with that, there is no denial that we will have major involvement in the stabilization of Philadelphia's families and neighborhoods and it is incumbent upon City Council and DHCD to make sure there's funding for this anticipated service demand.

Thank you very much for your testimony.

COUNCILMAN GREEN: Thank you for your testimony this afternoon.

The next person scheduled to testify is Andrew Frishkoff.

MR. FRISHKOFF: Thank you, Chairperson Green, members of the Committee, members of City Council.

With its budget and Annual Action Plan, the City of Philadelphia must take the first steps in addressing inequitable policies and practices that have led to decades of injustice and the

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past weeks of devastation. In order to address inequity, the City's Action Plan must affirmatively advance racial equity and must promote comprehensive community response. That starts with fully funding its affordable rental housing obligations to its poorest citizens and residents who are predominantly African American and other people of color. It includes fully supporting community development corporations who have been struggling valiantly to serve residents during the pandemic. It includes public investments in enterprises owned by black and brown people and in corridors serving predominantly non-white residents and neighborhoods.

The following are specific and urgent recommendations. First and foremost, LISC urges City Council and the Administration to restore $20 million from the General Fund to the Philadelphia Housing Trust Fund for FY21. The proposed FY21 budget that eliminates that

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General Fund commitment is in conflict with previous commitments and would decimate necessary funding for affordable housing, including a cut of more than 9.8 million for rental housing production and preservation. This will negatively affect our lowest-income tenants who desperately need safe, affordable homes.

Furthermore, our affordable housing organizations have been struggling to maintain safe and clean housing because reduced rental payments and increased COVID-related costs. They need these Housing Trust Funds to continue providing tenants with safe living conditions.

Additional recommendations include more funds to the Philadelphia COVID-19 Small Business Relief Fund; rental assistance and legal assistance for small businesses who are struggling to pay their rent; increased capital for community development financial institutions to provide flexible

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financing to help small businesses reopen and recover; expansion of language access and digital access services for businesses; increased funding for Commerce and CDC staffing; and new funding for CDC's housing counselor organizations and community-based organizations to help with our public health crises.

Thank you very much for the opportunity to testify.

COUNCILMAN GREEN: Thank you, Mr. Frishkoff, for your testimony.

My understanding is the next person that was scheduled to testify, Michelle Lewis, will be providing written testimony.

The next person to testify is Will Gonzalez.

MR. GONZALEZ: Thank you for the opportunity to testify today. My name is Will Gonzalez. I'm the Executive Director of CEIBA.

Sound housing policy and full

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equity and inclusion of all communities in drafting housing policies is one of the most important elements of promoting reconciliation and healing in Philadelphia. This is especially so for the Latino community. Philadelphia's Latino neighborhoods face issues related to police accountability, racial and social economic inequality, and a disproportionate risk of contracting COVID-19. I've documented in two recent reports by the Economy League and the Federal Reserve Bank of Philadelphia.

We commend the City for the work that it presents in the plan and we are proud to partner with it through our work of that -- of our work and the fellow Latino organizations in Eastern North Philadelphia.

The CARES Act temporarily eliminates the 15 percent cap on the use of CDBG funds for public services in a program year. This increases the opportunity for the City to work

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creatively with Latino CDCs and other non-profits. This new-found flexibility is an opportunity to think outside the box when it comes to using CDBG dollars to help our city's most vulnerable populations.

Let us not miss this critical opportunity to work collaboratively and creatively with the robust family of neighborhood non-profits. CEIBA hopes that the City executes its plan focusing its investments in programs to help people who need assistance the most. This includes Latinos, who have the highest rate of poverty in the City.

The increase in people facing credit issues and housing challenges will increase the need for housing counseling. Please increase the role of housing counselors, increase the funding for housing counseling. We don't want to break the cart that is carrying these great people who are doing great work.

We would be remiss not to

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mention in our comments our concerns about the Latino homeless paradox in Philadelphia. The City of Philadelphia is under-serving Latino homeless. We need to change that. We also request that the City invest a minimum of the $20 million in General Fund dollars to help the Housing Trust Fund and that it find a way to support small business.

Don't be afraid to be bold. This is your time in history. Seize the moment. We need you.

Gracias.

COUNCILMAN GREEN: Gracias, Mr. Gonzalez. Thank you for your testimony and your long history of work with CEIBA.

Earlier I called on Lisa Rivera, who was not able to testify. I believe she is back on. She may need to hit star 6 to unmute.

Ms. Rivera.

(No response.)

COUNCILMAN GREEN: I'm calling

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for Lisa Rivera. She was scheduled to testify. My understanding that she is back on, and you may need to hit star 6 to unmute so you can testify during the hearing.

(No response.)

COUNCILMAN GREEN: And before I make the last call for Ms. Rivera, if there's anyone that's on the call that has not had an opportunity to testify, please say so.

(No response.)

COUNCILMAN GREEN: Hearing none, I believe all the people that have scheduled to testify have already testified.

I will also make another call for Lisa Rivera to testify.

(No response.)

COUNCILMAN GREEN: And, Ms. Rivera, if you are here, you need to hit star 6 in order to testify to unmute yourself.

(No response.)

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COUNCILMAN GREEN: Also we're now about to go into the public meeting, so if all Councilmembers could make sure that you are back on the call. I know prior to the hearing starting, Councilmember David Oh stated that he was here. I want to make sure he was here so we can have him listed for the record.

(No response.)

COUNCILMAN GREEN: Okay. I did not hear from Councilmember Oh.

And this is my final call for Lisa Rivera.

(No response.)

COUNCILMAN GREEN: Okay. Considering we don't have any additional people to testify, at this point we'll take a quick break and then we'll go into the public meeting. I will give an opportunity for Council Support to clear all of the people who have testified off the line, so that way, we can come back into the public hearing and then go into the public meeting.

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So please do not go anywhere, Councilmembers. Please stay there, and we'll allow Council Support to clear the line.

(Pause.)

COUNCILMAN GREEN: As we're getting ready to go back into our public hearing, if we could do a quick mic check for Councilmember Bobby Henon.

COUNCILMAN HENON: Thank you, Mr. Chairman. How does this sound check to you and to our stenographer?

COUNCILMAN GREEN: It sounds good for me.

COUNCILMAN HENON: Thank you.

COUNCILMAN GREEN: At this time, we're going to go back into our public hearing.

Hello?

THE CLERK: Can you hear me?

COUNCILMAN GREEN: We can hear you.

THE CLERK: Great. I was disconnected along with everyone else.

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This is Frank Iannuzzi.

COUNCILMAN GREEN: So we are continuing the public hearing. There being no further questions from members of the Committee and no other witnesses to testify, I will ask once again if there's anyone else present in this hearing whose name we have failed to call and wishes to offer testimony on any of the bills being considered today?

(No response.)

COUNCILMAN GREEN: Hearing none, I want to thank all of the panels of witnesses for their participation today. We value your opinions. I now invite all panels of witnesses to please leave and disconnect from the meeting before we go into our public meeting.

So we're about to go into the public meeting. We'd like to have anyone that's not a member of Council and/or staff to exit the call.

COUNCIL SUPPORT: We are now live, Councilman.

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COUNCILMAN GREEN: I will restate what I just said a few moments ago.

There being no further questions from members of the Committee and no further witnesses to testify, I will ask once again if there is anyone else present in the hearing whose name we have failed to call and that wishes to offer testimony on any of the bills being considered today.

(No response.)

COUNCILMAN GREEN: Hearing none, I want to thank all the panels of witnesses for their participation today. We value your opinions. I now invite all panels of witnesses to please disconnect from the meeting before we go into our public meeting. We will now pause the proceedings briefly as multiple participants will leave the hearing.

(Pause.)

COUNCILMAN GREEN: This concludes the public hearing of this

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Finance Committee. We will now go into a public meeting to consider the action to be taken on the bills before this Committee today.

And, Mr. Iannuzzi, if you could please do a roll call of members for their attendance. Please, members, indicate that you are present when your name is called so we can make sure that we can hear you. Councilmember Bobby Henon has already done a mic check, but please make sure you state you're present as well when you hear from Mr. Iannuzzi.

THE CLERK: Give me one more second, please.

Councilmember Henon.

COUNCILMAN HENON: Present.

THE CLERK: Councilmember Bass.

COUNCILWOMAN BASS: I am present.

THE CLERK: Councilmember Gym.

COUNCILWOMAN GYM: Present.

THE CLERK: Councilmember Quinones-Sanchez.

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COUNCILWOMAN SANCHEZ: Present.

THE CLERK: Councilmember Squilla.

(No response.)

THE CLERK: Councilmember Oh.

(No response.)

THE CLERK: And Chair Green.

COUNCILMAN GREEN: Present.

COUNCILMAN DOMB: This is Allan Domb. I'm present.

COUNCILWOMAN GAUTHIER: Hi. Councilmember Gauthier is still here as well.

COUNCILMAN GREEN: I just want to make sure the Clerk, Mr. Iannuzzi, has recognized those members of Council for the record.

THE CLERK: Members Domb and Gauthier are included in the roll call for this hearing.

COUNCILMAN GREEN: Okay. Thank you so much.

At this point, we are now in our public meeting. I would like to

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recognize Councilmember Henon for a motion on Bill No. 200296.

COUNCILMAN HENON: Thank you, Mr. Chairman. I move that Bill No. 200296 be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended to permit the first reading of this bill at our next session of Council.

(Duly seconded.)

COUNCILMAN GREEN: It's been moved and properly seconded that the Bill No. 200296 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCILMAN GREEN: Opposed?

(No response.)

COUNCILMAN GREEN: The ayes

have it and the motion carries.

The Chair recognizes Councilmember Henon for a motion on Bill No. 200297.

COUNCILMAN HENON: Thank you, Mr. Chairman. I move that Bill No. 200297 be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended to permit the first reading of this bill at our next session of Council.

(Duly seconded.)

COUNCILMAN GREEN: For the record, for the Councilmember that seconded this bill, can you please state for the record.

COUNCILWOMAN BASS: Councilwoman Bass.

COUNCILMAN GREEN: Oh, that was somewhat inaudible. If that Councilmember could restate their second motion.

COUNCILWOMAN BASS: Councilwoman Bass.

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COUNCILMAN GREEN: I believe that was Councilmember Bass that did a seconding motion for Bill No. 200297.

Okay. It's coming in and out.

COUNCILMAN HENON: Mr. Chairman, this is Bobby --

COUNCILWOMAN GYM: Second.

COUNCILMAN HENON: Okay. There you go.

COUNCILMAN GREEN: I believe that was Councilmember Gym that did a second for Bill 200297; is that correct?

COUNCILWOMAN GYM: Correct.

COUNCILMAN GREEN: Also can we get a second for the record for Bill No. 200296.

COUNCILWOMAN SANCHEZ: Sanchez. Second.

COUNCILMAN GREEN: Thank you. That was Councilmember Sanchez who was seconding for Bill 200296.

It has been moved and properly seconded that Bill No. 200297 be reported from this Committee with a favorable

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recommendation and further moved that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCILMAN GREEN: Those opposed?

(No response.)

COUNCILMAN GREEN: The ayes have it and the motion carries.

The Chair recognizes Councilmember Henon for a motion on Bill No. 200298.

COUNCILMAN HENON: Thank you, Mr. Chairman. I move that Bill No. 200298 be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended as to permit the first reading of this bill at our next session of Council.

COUNCILWOMAN SANCHEZ: Second.

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COUNCILMAN GREEN: Could you say for the record the Councilmember that seconded the bill.

COUNCILWOMAN SANCHEZ: Sanchez.

COUNCILMAN GREEN: Thank you, Councilmember Sanchez. It's seconded Bill No. 200298 which has been moved and properly seconded that this Bill No. 200298 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCILMAN GREEN: Those opposed?

(No response.)

COUNCILMAN GREEN: The ayes have it and the motion carries.

The Chair recognizes Councilmember Henon for a motion on the amendment to Bill No. 200299.

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COUNCILMAN HENON: Thank you, Mr. Chairman. I offer an amendment to Bill No. 200299. A copy of the amendment has been circulated to all members of the Committee and I move for the amendment to be adopted to Bill No. 200299, be approved.

COUNCILMAN DOMB: Second. Allan Domb.

COUNCILMAN GREEN: Thank you. The amendment has been seconded by Councilmember Domb.

It has been moved and properly seconded that the amendment to Bill No. 200299 be approved.

All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCILMAN GREEN: Those opposed?

(No response.)

COUNCILMAN GREEN: The ayes have it, the motion carries, and the amendment to Bill No. 200299 has been

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approved.

The Chair recognizes Councilmember Henon for a motion on Bill No. 200299, as amended.

COUNCILMAN HENON: Thank you, Mr. Chairman. I move that Bill No. 200299, as amended, be reported out of this Committee with a favorable recommendation and to further move that the rules be suspended to permit the first reading of this bill at our next session of Council.

COUNCILMAN DOMB: Second. Allan Domb.

COUNCILMAN GREEN: Thank you. The bill, as amended, was seconded by Councilmember Domb.

It has been moved and properly seconded that Bill No. 200299, as amended, be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

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All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCILMAN GREEN: Those opposed?

(No response.)

COUNCILMAN GREEN: The ayes have it and the motion carries.

The Chair recognizes Councilmember Henon for a motion on Bill No. 200300.

COUNCILMAN HENON: Thank you, Mr. Chairman. I move that Bill No. 200300 be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended as to permit the first reading of this bill at our next session of Council.

COUNCILMAN DOMB: Second. Allan Domb.

COUNCILMAN GREEN: The motion is seconded by Councilmember Domb.

It has been moved and properly

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seconded that Bill No. 200300 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCILMAN GREEN: Those opposed?

(No response.)

COUNCILMAN GREEN: The ayes have it and the motion carries.

The Chair recognizes Councilmember Henon for a motion on Bill No. 200329.

COUNCILMAN HENON: Thank you, Mr. Chairman. I move that Bill No. 200329 be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended to permit the first reading of this bill at our next session of Council.

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COUNCILMAN DOMB: Second. Allan Domb.

COUNCILMAN GREEN: Councilmember Domb seconded the motion by Councilmen Henon.

It has been moved and properly seconded that Bill No. 200329 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCILMAN GREEN: Those opposed?

(No response.)

COUNCILMAN GREEN: The ayes have it and the motion carries.

The Chair recognizes Councilmember Henon for a motion on Bill No. 200330.

COUNCILMAN HENON: Thank you,

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Mr. Chairman. I move that Bill No. 200330 be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended to permit first reading of this bill at our next session of Council.

COUNCILMAN DOMB: Second. Allan Domb.

COUNCILMAN GREEN: It has been moved and properly seconded by Councilmember Allan Domb that Bill No. 200330 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCILMAN GREEN: Those opposed?

(No response.)

COUNCILMAN GREEN: The ayes have it and the motion carries.

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Thank you, members of this Committee.

This concludes the business for the Committee of Finance today. I want to thank everyone for your attendance and your patience as we continue to work our way through Microsoft Teams and do the legislative business of City Council and the City of Philadelphia.

Thank you, and have great afternoon and evening.

(Committee on Finance concluded at 6:27 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter, and that this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)