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2 COUNCIL OF THE CITY OF PHILADELPHIA  
3 COMMITTEE ON HOUSING, NEIGHBORHOOD  
4 DEVELOPMENT AND THE HOMELESS  
5  
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7 Room 400, City Hall  
Philadelphia, Pennsylvania  
8 Monday, December 5, 2011  
10:25 a.m.

9  
10 PRESENT:

11 COUNCILWOMAN JANNIE BLACKWELL, CHAIR  
COUNCILMAN FRANK DiCICCO  
12 COUNCILMAN WILLIAM K. GREENLEE  
COUNCILMAN CURTIS JONES, JR.  
13 COUNCILWOMAN MARIA D. QUINONES-SANCHEZ  
14

15 BILL 110784 - An ordinance repealing Chapter  
21-1100 of The Philadelphia Code, entitled  
16 "Community Development," and replacing it with  
a new Chapter 21-1100 that restates and  
17 revises the policy of the City of Philadelphia  
regarding its Community Development Block  
18 Grant Program...

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2 COUNCILWOMAN BLACKWELL: Good  
3 morning. Thank you all for being here,  
4 and we will convene our City Council  
5 Committee on Housing, Neighborhood  
6 Development and the Homeless with regard  
7 to Bill No. 110784.

8 We will ask Deb McColloch if  
9 she would come forth to the witness table  
10 while we ask the Clerk to read the title  
11 of the bill.

12 THE CLERK: Bill 110784, an  
13 ordinance repealing Chapter 21-1100 of  
14 The Philadelphia Code, entitled  
15 "Community Development," and replacing it  
16 with a new Chapter 21-1100 that restates  
17 and revises the policy of the City of  
18 Philadelphia regarding its Community  
19 Development Block Grant Program; expands  
20 the scope of the Chapter to incorporate  
21 related housing and community development  
22 programs; requires the preparation of an  
23 annual Consolidated Plan for the City  
24 that covers, not only Community  
25 Development Block Grant funds that the

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City receives under the Housing and  
Community Development Act of 1974, as  
amended, but also other funds from other  
sources that the City receives for  
housing and community development  
activities and programs; and establishes  
requirements and procedures relating to  
the preparation, content, publication,  
amendment, approval, oversight,  
administration and implementation of the  
Consolidated Plan; all under certain  
terms and conditions.

COUNCILWOMAN BLACKWELL: Thank  
you very much.

Again, we say welcome to City  
Council's Committee on Housing,  
Neighborhood Development and the Homeless  
regarding Bill No. 110784. First I would  
like to introduce my colleagues and then  
make some opening remarks.

To my left is Councilman Bill  
Greenlee. To his left, Councilman Curtis  
Jones. To my right is Councilwoman Maria  
Quinones-Sanchez, and to her right,

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Councilman DiCicco.

We have a quorum, and we will begin.

First let me say that we tried to do with housing what the Zoning Code did to -- what the Zoning Code Commission and hearing did to the Zoning Code. It sounds very simple, but it didn't end up that way.

About 18 months ago, we forwarded to members of the Committee a binder that contained all the chapters of The Philadelphia Code that pertained to housing and community development. We indicated in the communication that accompanied the binder that it was my interest to review these chapters for the purpose of determining whether or not the chapters could be improved or modernized.

After several reviews of Chapter 21-1100, we made the decision that this Chapter would be the first that would be tackled. This bill is a rewrite of Chapter 21-1100.

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We want to take some time to provide background, and that is why it is important to share with you the goals to be established for the rewriting of this chapter of The Philadelphia Code.

Background: Chapter 21-1100 was created by Bill No. 1029-AA in 1982. Nearly 30 years ago, City Council had a number of serious concerns regarding how Community Development Block Grant funds were being used, who was receiving benefits from the programs, the lack of reporting, and concerns over Council's ability to provide appropriate oversight.

A reading of Bill No. 1029-AA and subsequent amendments show that City Council took some concrete steps to address their concerns. Council outlined who the beneficiaries would be, how the funds would be used, what elements should be contained within the Plan, how citizens would participate in the creating of the Plan, Council's oversight and approval procedures, and what

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information would be provided to Council and the public. However, in the process of creating Chapter 21-1100, the authors of the bill used language that referred to programs and activities that no longer exist and created some reporting requirements that we could not understand, that didn't make sense to us.

Why 21-1100 is important, the Consolidated Plan, which is a primary subject of Chapter 21-1100, is the only document that on an annual basis outlines our city's plans and programs to deal with the shortage of affordable housing, the preservation of affordable housing, the mitigation of homelessness, the creation or retention of jobs and other community and economic development needs for our very low, low and moderate-income citizens as well. It outlines how the City proposes to spend federal, state and local resources that are dedicated to programs to mitigate housing, unemployment, and community and economic

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development issues faced by our city's  
most vulnerable populations.

Chapter 21-1100 outlines the  
process by which the Consolidated Plan is  
developed and how citizens can  
participate in its development.

The Code of Federal Regulation  
states that one of the functions of the  
Consolidated Plan is to create, quote, a  
planning document for the jurisdiction  
which builds on a participatory process  
among citizens, organizations, businesses  
and other stakeholders, end of quote.

Finally, the funds approved  
under each year's Consolidated Plan are  
substantial and deserve our utmost  
attention.

Over the past ten years, City  
Council has approved Consolidated Plans  
whose aggregate budgets total nearly \$2  
billion. That's 1 million -- excuse me;  
\$1,945,160,000.

Goals for the rewrite -- and  
I'm almost finished -- during the nearly

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30 years since the ordinance to create Chapter 21-1100 was enacted, there have been a few amendments regarding economic development. For the most part, the Code is reflective of the original legislation, which is in need of modernization, and some subsections which require a complete overhaul if the true intent of the Council is to be realized.

At the outset, we established the following goals of rewrite:

Point: To make clear Council's intent and what funds are being governed by Chapter 21-1100; also to remove outdated language such as references to programs and activities that no longer exist; and to broaden the language to make it inclusive of the current and potential future funding and activities.

Point: To restate Council's desire that these funds benefit our most vulnerable citizens, whose incomes are very low, low or moderate.

Point: To eliminate reporting

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requirements that now produce quarterly reports that most members of Council find are of little value.

Point: To create easy-to-read, easy-to-follow and very easy-to-understand financial reporting requirements and resulting reports. Also to create program reporting requirements that will provide the public and Council information on program performance that is easily readable and understood.

The reports will include data on specific program performance, job development and retention, contracting information as it relates to how contractors benefit, Philadelphia-owned-businesses, minority-owned businesses, women-owned businesses and disabled-owned businesses, and demographic data on the workforce that is created as a result of these contracts.

Since the introduction of the bill, I and my staff have been meeting

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2           with the Administration to deal with  
3           their issues and concerns. As a result,  
4           we're going to propose amendments to the  
5           bill today.

6                     I believe we have achieved most  
7           of the goals that were established for  
8           this rewrite. The one area that remains  
9           a concern for me is the financial  
10          reporting on the budgets we approve when  
11          we approve each year's Consolidated Plan.  
12          The Administration has debated that the  
13          proposed requirements are burdensome and  
14          not easily implemented. However, we have  
15          agreed to work together to achieve a  
16          budget-based reporting system that meets  
17          the goals we established for reports to  
18          be provided under this Chapter, easy to  
19          read, easy to follow and easy to  
20          understand.

21                    I'm willing to put my faith in  
22          people and take their word that we can  
23          achieve this important goal through  
24          mutual cooperation and understanding. My  
25          philosophy is, and has always been,

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2 there's a solution to every problem and  
3 when we work together, everybody wins.

4 I want to thank everyone who is  
5 here and all who have contributed and  
6 been involved in this bill. Thank you.

7 Anybody have any statements  
8 they'd like to make?

9 (No response.)

10 COUNCILWOMAN BLACKWELL: I  
11 guess I made them all, huh?

12 Thank you very much. We'll now  
13 call on our first witness, Deb McColloch,  
14 Director of Housing, OHCD.

15 MS. MCCOLLOCH: Good morning,  
16 Councilwoman Blackwell and other members  
17 of the Committee on Housing, Neighborhood  
18 Development and the Homeless and any  
19 other members of City Council. I am  
20 Deborah McColloch, Director of Housing,  
21 and I am here today to present testimony  
22 on behalf of the Administration on Bill  
23 110784, which amends Chapter 21-1100,  
24 "Community Development," of The  
25 Philadelphia Code.

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The Administration has been discussing this bill with Council since last spring when I met with Council staff at the suggestion of Councilwoman Blackwell to review and make recommendations for revisions to Chapter 21-1100. We agreed that some of the language was out of date and no longer applies to the current regulations. We agreed to work together to introduce an ordinance that the Administration could support, to craft a document to accurately reflect current HUD requirements and address City Council's concerns that the 1029-AA report is not useful. We have had some significant concerns with the bill introduced on November 3rd. I am pleased to report, however, that after numerous meetings with Council staff and the sponsor, we have agreed to amendments to the bill that we have discussed with the sponsor and that are before you today. The Administration supports the bill as

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proposed to be amended.

The amendments before you would change Chapter 21-1100 in several ways. Section 1104 revises the language for the Citizen Participation Plan. The Citizen Participation Plan is included annually in the Consolidated Plan and is reviewed and approved by City Council. Therefore, the specifics of the Citizen Participation Plan do not need to be included in the City Code.

Section 1105 revises the language regarding approval of the Consolidated Plan and the amendment process. The Office of Housing and Community Development will provide copies of all amendments to the Consolidated Plan to City Council. This section also provides that the Office of Housing and Community Development will report on changes in revenue by line item that exceed 10 percent of the original budget and greater than \$500,000.

Section 1106 revises the

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reporting requirements. These revisions were the subject of much debate. We have agreed to provide Council with financial reports that we have been preparing for some time. The Office of Housing and Community Development will work with City Council over the next year to design a mutually agreed-upon format for providing additional financial reports that are presented to City Council. This language is not included in the City Code, but I have a letter committing to working together, which I believe you all have copies of. I gave it to Mrs. Blackwell.

The Administration supports Bill 110784 as proposed to be amended and recommends the Committee report it out with a favorable recommendation and suspend the rules to permit the first reading at the next Council session.

Thank you for the opportunity to testify today, and I'm happy to answer any questions that you may have.

COUNCILWOMAN BLACKWELL: Thank

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2           you. We thank you for the meetings and  
3           for our ability to work together, for  
4           your staff, for mine, for Herb Wetzel.  
5           We will ask that your letter be made part  
6           of the -- ask the stenographer to make it  
7           part of the record. And now we'll  
8           entertain questions.

9           Councilman Jones.

10          COUNCILMAN JONES: Good  
11          morning, and thank you, Madam Chair, for  
12          taking the step to codify these  
13          regulations to make it simple for  
14          citizens in Philadelphia, CDCs in  
15          Philadelphia, non-profits in the City of  
16          Philadelphia and folks in Council to kind  
17          of understand the complexity of drawing  
18          these funds down and doing a proper job  
19          of planning. So thank you for doing the  
20          tedious work of this.

21                 My comments have -- just to  
22          give you a heads-up about our upcoming  
23          process and things I will look for, even  
24          if it is simpler, it still needs to be  
25          addressed.

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One of the things that I discovered during the census process, during the redistricting process was that the 4th District, along with the 3rd District, we lost population. We lost population, and the interesting thing is that in the 3rd District and the 4th District we border along Market Street. We had a beautiful subway El project that lasted ten years, but the unintended consequences was major abandonment. In some areas 40 percent abandonment along the commercial corridor. I think Frankford went through that same process when it received some of the infrastructure improvements.

What I would hope we would do and looking at this as a planning process, that because we lost population, because we have an increased number of vacancies and because that happens to be a low- and moderate-income area, that we address that in a way that applies some of the limited resources I know you have

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2           from the federal government at least to  
3           address that loss in population, to do  
4           block stabilization.

5                     We had an opportunity,  
6           Councilwoman Blackwell and myself, to  
7           walk with the Regional Director of HUD,  
8           and I think -- matter of fact, you had  
9           your walking shoes on that day,  
10          Ms. McColloch. And we saw blocks that  
11          but for one or two vacant properties were  
12          beautiful blocks, but we needed to  
13          address them in a systematic way.

14                    The other phenomena in that  
15          area is a decrease in homeownership and  
16          an increase in rental. That is a  
17          phenomena that other districts around the  
18          City are also experiencing, with high  
19          foreclosure rates, with high Sheriff's  
20          sales being brought up by investors. We  
21          need to take a look at that not only from  
22          a revitalization CDBG point of view, but  
23          from laws of this body to deal with  
24          rental governance and what happens to a  
25          community when it goes from stable

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homeownership to high degree of rental  
and what does that mean to the community.

So we're looking forward to  
working with you, along with the Market  
Street West Plan that I believe  
Councilwoman Blackwell gave a  
presentation this week about, her vision  
along that area. So this is an issue  
that as we start to design what dollars  
and how dollars will be appropriated,  
including mixed-use dollars that we have  
worked with you to talk about a program  
that deals with rental on the top and  
business operations on the bottom, these  
are things that we want at least to put  
on your radar so that we can begin to  
discuss and plan with the City to make a  
difference in these areas that are  
impacted both by predatory lending, loss  
of population, high vacancies and  
out-of-town investors coming in and to  
create rental communities. So we would  
hope that you put that on your planning  
agenda.

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2                   MS. MCCOLLOCH: Okay. Thank  
3                   you.

4                   COUNCILMAN JONES: Thank you,  
5                   Ms. McColloch.

6                   Thank you, Madam Chair.

7                   COUNCILWOMAN BLACKWELL: Thank  
8                   you very much, Councilman.

9                   Any other questions, concerns  
10                  or comments?

11                  (No response.)

12                  COUNCILWOMAN BLACKWELL: Is  
13                  there anyone else here who would like to  
14                  testify on this bill?

15                  (No response.)

16                  COUNCILWOMAN BLACKWELL: Again,  
17                  we want to thank our staff, your staff  
18                  and the Mayor's staff as well for our  
19                  ability to come this far.

20                  Any other comments?

21                  (No response.)

22                  COUNCILWOMAN BLACKWELL: Seeing  
23                  none, then we will leave the hearing part  
24                  of our gathering and go into the stated  
25                  meeting.

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2           The Chair calls on Councilman  
3       Greenlee, Vice-Chair, for a motion and  
4       for a suspension of the rules.

5           COUNCILMAN GREENLEE: Thank  
6       you, Madam Chair. I move the adoption of  
7       the amendment to Bill No. 110784.

8           (Duly seconded.)

9           COUNCILWOMAN BLACKWELL: It has  
10      been moved and seconded that the  
11      amendments to Bill 110784 be adopted.

12          All in favor will say aye.

13          (Aye.)

14          COUNCILWOMAN BLACKWELL: Those  
15      opposed?

16          (No response.)

17          COUNCILWOMAN BLACKWELL: The  
18      ayes have it, and so the adoption -- the  
19      amendments are adopted.

20          The Chair now recognizes  
21      Councilman Greenlee for the purpose of  
22      passing out with a suspension of the  
23      rules, as amended, Bill No. 110784.

24          COUNCILMAN GREENLEE: Thank  
25      you, Madam Chair. I move that Bill No.

1           12/5/11 - HOUSING - BILL 110784  
2           110784, as amended, be reported out of  
3           this Committee with a favorable  
4           recommendation and that the rules of  
5           Council be suspended to allow for first  
6           reading at our next session of Council.

7                     (Duly seconded.)

8           COUNCILWOMAN BLACKWELL: It has  
9           been moved and seconded that Bill No.  
10          110784, as amended, be reported out of  
11          Committee with a favorable recommendation  
12          and also a recommendation for suspension  
13          of the rules so as to permit first  
14          reading at our next session of Council.

15                    All in favor will say aye.

16                    (Aye.)

17          COUNCILWOMAN BLACKWELL: Those  
18          opposed?

19                    (No response.)

20          COUNCILWOMAN BLACKWELL: The  
21          ayes have it. The bill is passed out.

22                    We thank you all, and this  
23          hearing is adjourned.

24                    Thank you very much.

25                    (Committee on Housing,

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2           Neighborhood Development and the Homeless  
3           concluded at 10:45 a.m.)

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2 CERTIFICATE

3 I HEREBY CERTIFY that the  
4 proceedings, evidence and objections are  
5 contained fully and accurately in the  
6 stenographic notes taken by me upon the  
7 foregoing matter on December 5, 2001, and that  
8 this is a true and correct transcript of same.

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13 -----  
14 MICHELE L. MURPHY  
15 RPR-Notary Public  
16  
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18

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20 transcript does not apply to any reproduction  
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22 direct control and/or supervision of the  
23 certifying reporter.)  
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25