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COUNCIL OF THE CITY OF PHILADELPHIA

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COMMITTEE ON LEGISLATIVE OVERSIGHT

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, November 27, 2007
10:30 a.m.

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PRESENT:

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COUNCILMAN JAMES F. KENNEY, CHAIR

11

COUNCILWOMAN CAROL ANN CAMPBELL

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COUNCILMAN DARRELL L. CLARKE

COUNCILMAN W. WILSON GOODE, JR.

COUNCILWOMAN MARIAN B. TASCO

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RESOLUTION 070882 - Resolution authorizing
Council's Legislative Oversight Committee to
hold public hearings to investigate the
Administration's failure to enter into
contracts necessary...

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RESOLUTION 070890 - Resolution authorizing
Council's Legislative Oversight Committee to
hold public hearings to investigate the
Administration's failure to enter into
contracts necessary...

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COUNCILMAN KENNEY: This is a hearing from a previously recessed hearing of the Legislative Oversight Committee.

There is one citizen in the audience from the Ninth District who would like to testify, from Councilwoman Tasco's district. I want to get started with you, sir. Councilwoman Campbell is on her way, and then we'll get with the Administration. So if you could please come up, identify yourself for the record and proceed with your testimony.

Please identify yourself for the record and proceed with your testimony.

MR. McNEAL: My name is Gerald McNeal. I live at 6601 Opal in the 10th Ward.

Today I'm here to testify to the fact of, I guess, dealing with the Heating Assistance Program.

COUNCILMAN KENNEY: Yes, sir.

MR. McNEAL: Just expressing

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2 some of my concerns about how when trying
3 to contact the Heating Assistance Program
4 I received -- trying to talk to a lady
5 named Ms. Halls, after not being able to
6 speak to Ms. Halls, who was supposed to
7 be a person that I'm -- to start off, in
8 2002, I needed assistance with my
9 heating, help with my heating. They
10 expressed to me that it was not an
11 emergency. So at that point in time, I
12 paid \$800 for heating to make sure my
13 house was heated.

14 In 2005, I called back, because
15 my heater was not operational. They end
16 up telling me that it was an emergency.
17 But in June of 2006, they decided to call
18 me and tell me that even though it was an
19 emergency, we're getting ready to get
20 around to it.

21 I have six kids. With me
22 having six kids, I take care of my six
23 kids. I do have an income of maybe like
24 \$2,400 a month, but what I do, I take my
25 kids to school and I deal with my kids.

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2 So right now that's what I'm dealing
3 with.

4 In 2006, even though they told
5 me it was an emergency, nobody ever got
6 back to me about the heating. When I
7 called, I had to speak to a Ms. Halls,
8 who was not in, a Ms. Adula, who was her
9 supervisor, who was not in. From Ms.
10 Adula, I asked to speak to a guy,
11 Portacella. Mr. Portacella is supposed
12 to be in charge. At that point in time,
13 I received from a Ms. Mayes, I guess a
14 secretary, that Mr. Portacella is not
15 taking calls due to the fact that he
16 wouldn't know where to go with this
17 situation, because he just designates
18 what he wants done. He doesn't really
19 know anything else about the program.

20 And what I'm saying is that
21 this has been a long, long road just to
22 ask for assistance. I pay my taxes. I
23 have car insurance. I have a car. And I
24 basically take care -- try to help my
25 community, try to do the things that I'm

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2 supposed to do in my community, and it's
3 been like going through red tape. Every
4 time I turn around, there's -- to this
5 point today, nobody has come out, helped
6 me with my heating system. I try to heat
7 my house the best way I can, which is
8 with heaters, this, that, the other. And
9 that's what I'm here to testify.

10 COUNCILMAN KENNEY: So your
11 heater today, as we speak today, is still
12 not functioning?

13 MR. McNEAL: Yes.

14 COUNCILMAN KENNEY: Is there
15 someone here from the Heating Assistance
16 Program that I can refer this gentleman
17 to?

18 Could you please see those two
19 gentlemen in the back and see if we can't
20 get something expedited for you.

21 MR. McNEAL: So that's
22 basically it.

23 COUNCILMAN KENNEY: Yes, sir.

24 We'll just have to wait and
25 recess until Councilwoman Campbell gets

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2 here, unless Councilman Goode has any
3 questions for anybody.

4 COUNCILMAN GOODE: No.

5 COUNCILMAN KENNEY: Five
6 minutes.

7 (Short recess.)

8 COUNCILMAN KENNEY: In an
9 effort to expedite the hearing, what we'd
10 like to do is to have Mr. Hanna,
11 Mr. Koonce and Ms. McColloch come to the
12 witness table and receive some questions
13 from Councilwoman Campbell. You won't be
14 required to read your testimony. We can
15 enter it into the record.

16 The Chair recognizes
17 Councilwoman Campbell.

18 COUNCILWOMAN CAMPBELL: Good
19 morning.

20 (Good morning.)

21 COUNCILWOMAN CAMPBELL:
22 Mr. Hanna, before I really get into it,
23 I'd like you to give me an honest opinion
24 of what you think has really happened
25 here and the damage to the residents of

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2 the Fourth Councilmanic District, because
3 this has not been effective and it's been
4 incompetent, but I'd like to hear what
5 you think.

6 MR. HANNA: Thank you,
7 Councilwoman Campbell. My name is Kevin
8 Hanna. I serve as Secretary of Housing,
9 the City of Philadelphia.

10 Before I respond to your
11 question -- and, believe me, I will -- I
12 need to apologize to this Committee for
13 not being at the previous hearing. As
14 fate would have it, I had been scheduled
15 to attend an out-of-town conference
16 literally months before that hearing was
17 even called. So it was very difficult --
18 in fact, that conference has to do with a
19 committee hearing that will take place
20 tomorrow. So it's not a slap in the face
21 of the Committee, but just an unavoidable
22 circumstance.

23 After having come back from
24 that conference, however, I did view the
25 tape.

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2 And, Councilwoman, in response
3 to your question, I will tell you --
4 well, in fact, as I have told you in
5 private -- in viewing that tape, I was
6 personally and professionally embarrassed
7 by what took place. Not so much for what
8 took place at the hearing, but for the
9 cause of the hearing to start with.

10 In my testimony -- and, again,
11 Councilman, I won't read it, but my
12 testimony offers a sincere apology. I
13 take full responsibility for a number of
14 things, not the least of which is the
15 provision of inaccurate information to
16 you in particular, Councilwoman, but to
17 other Councilpeople as well, inaccurate
18 information which you depended upon to
19 make certain decisions. Based on that
20 inaccurate information, I know you have
21 put or raised some people's hopes to
22 where -- or to a point where we may not
23 be able to meet those expectations. And
24 that, as much as anything else, again,
25 causes me personally and professionally

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2 an awful lot of embarrassment and
3 chagrin, and for that, again, I sincerely
4 do apologize.

5 I don't know that -- in fact, I
6 will say that there was no -- there was a
7 complete absence of malice in --

8 COUNCILWOMAN CAMPBELL: I don't
9 think you can say that. I don't think
10 you know what's in another person's
11 heart. I think you can only speak for
12 yourself.

13 MR. HANNA: Point taken.
14 Certainly on my part, there was a
15 complete absence of malice. In providing
16 that information, I had absolutely, in
17 fact, no reason to want to unnecessarily
18 raise your or your constituents'
19 expectations. Again, as we've discussed
20 privately in your office, I wish we could
21 do three times as many basic systems
22 repairs as we are able now to get done in
23 the City of Philadelphia, but with the
24 resources that we have, we can't.

25 There were certain aspects of

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2 our reporting, of our ability to gather
3 information and present that information
4 that was lacking. To some extent, I was
5 unaware of a lot of those inabilities. I
6 am certainly aware of them now. And,
7 again, as my testimony points out in one
8 of the last couple of paragraphs, I've
9 taken it upon myself and we've made it a
10 point to redouble our efforts to fix
11 those inadequacies that are in the system
12 as they are now, those inadequacies which
13 caused us to provide you inaccurate
14 information. It's our hope in the not
15 too distant future we'll fix what's wrong
16 with our reporting capabilities and be in
17 a position to provide to you information
18 that's both accurate and reliable,
19 information on which you can make more
20 prudent decisions.

21 COUNCILMAN GOODE: Point of
22 information.

23 COUNCILMAN KENNEY: Councilman
24 Goode.

25 COUNCILMAN GOODE: Thank you,

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2 Mr. Chairman.

3 Good morning, Mr. Hanna.

4 MR. HANNA: Good morning.

5 COUNCILMAN GOODE: I believe in
6 the interest of time and just moving
7 forward, the question that was posed is
8 really about the future. At different
9 points throughout this hearing we may
10 discuss what happened in the past and
11 that will come up again. I think the
12 question that's been posed is what is
13 going to happen.

14 MR. HANNA: From a couple of
15 different -- well, let me answer that
16 from a couple of different perspectives.

17 From the perspective of
18 systems, with the reorganization, NTI
19 provided funds to upgrade an antiquated
20 system that was being used at the RDA.
21 That system has not been implemented
22 completely. Both the Executive Director
23 and I, along with MOIS, have recommitted
24 ourselves to fix what was wrong in that
25 system. So in answer to your question

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2 from an IT standpoint, we'll devote the
3 resources, the training necessary --

4 COUNCILMAN GOODE: Mr. Hanna, I
5 think you know my question is about the
6 money.

7 MR. HANNA: I'm coming to that,
8 and money has a lot to do with the NTI
9 systems issue as well.

10 From the standpoint of the
11 transfer ordinances or transfer bills
12 that were passed by Council, the first
13 1.2 million, there's no issue with that.

14 COUNCILWOMAN CAMPBELL: 1.3.

15 MR. HANNA: 1.3 million. There
16 was no issue with that. The issue is
17 with the second 1.2 or 3.

18 In sitting down with staff,
19 with the Mayor, it was decided that the
20 commitment -- even though money had not
21 actually been spent, the commitment to do
22 two and a half of the three projects, the
23 Administration feels, is a commitment
24 that needs to be stepped up to. Again,
25 even though the money has not been spent,

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2 it's the Administration's view that those
3 commitments still need to be stepped up
4 to.

5 In the case of one of the
6 three --

7 COUNCILWOMAN CAMPBELL:

8 Mr. Hanna, commitment by whom?

9 MR. HANNA: Commitment by the
10 previous Councilperson, your predecessor.

11 COUNCILWOMAN CAMPBELL: You're
12 telling me commitments are not made to be
13 broken when they have to be? You tell me
14 that it's more important to worry about
15 vacant lands, vacant houses than senior
16 citizens living in houses that are
17 falling down, that can end up in the
18 street?

19 MR. HANNA: No, ma'am.

20 COUNCILWOMAN CAMPBELL: It's
21 more important about property than it is
22 about the well-being of those senior
23 citizens who stood in line when the Mayor
24 ran for reelection and they went on faith
25 and believed in him even though the bug

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2 problem came up, they stood out there
3 because they believed in him and believed
4 that he was really for them and would
5 look out for them? You think this is
6 right?

7 MR. HANNA: No, ma'am. I'm not
8 saying that. One is more important than
9 the other. Certainly the provision of
10 necessary basic systems repairs to
11 people's houses, to their roofs, to their
12 heaters, to their drywall, to floors that
13 have holes, certainly that's more
14 important than just about any other thing
15 that we do and, as a result, BSRP is
16 funded with more money than just about
17 any other program that we administer.

18 The question, I think, is as
19 much a political question as anything
20 else.

21 COUNCILMAN GOODE: Mr. Hanna,
22 are there any NTI funds that are not
23 committed?

24 MR. HANNA: Any NTI funds that
25 are not committed? Can you define for me

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2 "committed"? Because all of the money is
3 allocated in one way or the other, but
4 not all of it has been spent.

5 COUNCILMAN GOODE: To specific
6 projects.

7 MR. HANNA: To specific
8 projects? No.

9 COUNCILMAN GOODE: Or programs.

10 MR. HANNA: Programs? Yes.
11 Specific projects? No. That's why I
12 asked you to define the word "committed"
13 for me.

14 COUNCILMAN GOODE: So there are
15 NTI funds that are committed to --

16 MR. HANNA: For example, there
17 are NTI funds that are committed to
18 single family new construction. There
19 are NTI funds committed to
20 multi-family --

21 COUNCILMAN GOODE: Because
22 originally there were no NTI funds
23 committed to Basic Systems Repair; is
24 that correct?

25 MR. HANNA: Originally?

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2 COUNCILMAN GOODE: Originally.

3 MR. HANNA: I wasn't here when
4 the original NTI budget was crafted, but
5 I know in the year that I got here, in
6 2002, NTI funds were in fact diverted
7 from other sources to BSRP.

8 COUNCILMAN GOODE: I'm glad you
9 used the word "diverted." Basic Systems
10 Repair was not an original purpose of the
11 NTI program. Yet at some point, there
12 was a decision made to divert funds from
13 the original purpose to Basic Systems
14 Repair. I believe that was probably a
15 good thing. So the request now is that
16 we look at further expanding a decision
17 that was originally made by the
18 Administration to divert NTI funds in the
19 Basic Systems Repair because it might be
20 a better use of funds than was originally
21 intended, which is a decision the
22 Administration made when they originally
23 decided to divert funds.

24 And so I'm asking whether there
25 are funds that are not committed to

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2 projects that can be diverted to the
3 expansion of the Basic Systems Repair
4 Program. That's a yes or no question.

5 MR. HANNA: No, Councilman,
6 it's not quite a yes or no question. It
7 is --

8 COUNCILMAN GOODE: Let me
9 explain to you why it is a yes or no
10 question.

11 MR. HANNA: I'm sorry?

12 COUNCILMAN GOODE: Let me
13 explain to you why it's a yes or no
14 question. NTI funds are bond funds
15 sometimes used in collaboration with
16 funds from the General Fund, sometimes
17 used in collaboration with funds from the
18 Community Development Block Grant
19 Program. We have, I believe, four
20 different bills in the Appropriations
21 Committee hearing on Thursday where we
22 will be transferring funds to any number
23 of different causes, probably in some
24 cases housing purposes. Do you know if
25 any of those bills in committee on

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2 Thursday morning are a transfer in funds
3 from one purpose within government to
4 other housing purposes?

5 MR. HANNA: Do we have anything
6 in the transfer ordinance on Thursday?

7 MS. MCCOLLOCH: I'm sorry. I'm
8 not familiar with the specific bills --

9 COUNCILMAN KENNEY: Please
10 identify yourself.

11 MS. MCCOLLOCH: I'm sorry.
12 Deborah McColloch from the Office of
13 housing and Community Development.

14 We have requested funds be
15 transferred to support the weatherization
16 and weatherization workshops this winter.
17 It's \$200,000. I do not know,
18 Councilman, if that's in one of the bills
19 that you're hearing on.

20 COUNCILMAN GOODE: Could
21 someone from the Administration tell me
22 what the purpose of Bills 942 and 952 is
23 and whether there are funds being
24 transferred from the General Fund for
25 housing purposes?

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2 MR. HANNA: We can get that to
3 you, but don't have it right now. 942
4 and 952?

5 COUNCILMAN GOODE: That's
6 correct. And whether there's \$1.3
7 million there.

8 Thank you, Mr. Chairman.

9 COUNCILMAN KENNEY: Thank you.
10 Councilwoman Campbell.

11 COUNCILWOMAN CAMPBELL: Yes.

12 Mr. Hanna, let's go back. I remember
13 distinctively last summer I spoke to you
14 after I had met with the people from the
15 Phase I Mt. Carmel project, and with them
16 in the room, I called you and they told
17 me they were being forced to do
18 properties that they did not want to do,
19 and I thought that was asinine, and I
20 asked why did they have to do that. I
21 not only asked this of you, I asked this
22 of Mr. Koonce, and I was told that my
23 predecessor did not want to spend the
24 money they wanted to spend on the project
25 they really wanted to do, so they were

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2 told they had to do something they didn't
3 want to do, that they thought was
4 unnecessary in order to later be able to
5 do what they really wanted to do. Now,
6 can you explain that to me?

7 MR. HANNA: Can I explain that
8 to you?

9 COUNCILWOMAN CAMPBELL: Yes.

10 MR. HANNA: No, ma'am, I cannot
11 explain that to you.

12 COUNCILWOMAN CAMPBELL: Because
13 I spoke to you about it, and when I asked
14 you why, you said because they really --
15 my predecessor really didn't want to
16 spend the money on what they really
17 wanted at that time.

18 MR. HANNA: I couldn't have
19 said that to you, because I wouldn't have
20 known that level of detail on that
21 particular project. You may have gotten
22 that response from someone else in the
23 conversation.

24 COUNCILWOMAN CAMPBELL: No. I
25 said it to you in the presence of them.

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2 They were in the room. Because it was
3 very confusing to me that they were being
4 forced to see about acquiring properties
5 that they said they didn't even want nor
6 were they in their plan, but they were
7 told this is what they had to do. And I
8 remember, if I go in a little further, I
9 recall being told that my predecessor's
10 chief of staff, former chief of staff,
11 had pursued it because they felt this was
12 the best way for them to get to where
13 they really wanted to get.

14 Now, that's asinine to me. Why
15 would they be encouraged to acquire
16 something that they didn't want in the
17 first place?

18 MR. HANNA: I have absolutely
19 no answer for that, Councilwoman. I
20 don't know why they or anyone else would
21 be encouraged to acquire property that
22 they don't need that doesn't fit into
23 whatever else they were looking to do.

24 COUNCILWOMAN CAMPBELL: You
25 know, Mr. Hanna, before I started this

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2 program, I had a serious conversation
3 with you and I told you about these
4 people that were suffering in silence,
5 these people that we wanted to reach. We
6 spent the entire summer, not on vacation,
7 on reaching out to every minister in the
8 Fourth Councilmanic District, every block
9 captain, every Town Watch group, every
10 committee person, every church, every
11 store, to reach out for people who really
12 needed help.

13 You know what it is to
14 interview people that are living on \$44 a
15 month or living on \$237 a month or a
16 mother of four living on \$549 a month?
17 You know what it is to have a senior
18 citizen call you and tell you they're
19 living in a nursing home because they
20 couldn't put a roof on their house and if
21 you could just give me a roof, I can go
22 back and finish my last days?

23 Now, I remember I talked to you
24 last week and I believe you told me your
25 parents were having their 57th wedding

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2 anniversary.

3 MR. HANNA: That's correct.

4 COUNCILWOMAN CAMPBELL: And

5 that's blessed. They're fortunate, they

6 have you. What if they didn't have you

7 and they needed help? You think this

8 would be the right way to handle them?

9 You would want to see them there suffer?

10 You would spend \$280,000 to build houses

11 in a section of the City that you could

12 only sell for \$80,000 and you're giving

13 up \$200,000, but yet you don't want to

14 spend 10,000, 6,000 to stabilize these

15 people's homes, to stabilize the

16 neighborhood, to keep the City going?

17 And you're going to tell me it takes four

18 months to find out they made a mistake?

19 That's total incompetence over there. No

20 one deserves a salary over there that

21 takes them four months to find out that

22 they can't count.

23 And the terrible thing about

24 this is, nobody had the decency to call

25 me and tell me this or to write me.

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2 You're playing games. What they've done
3 over here is despicable. It is
4 despicable. We don't even do this in
5 politics. We don't do that because we
6 know people need help, and that's what
7 your agency is supposed to be there for,
8 and they have failed. They failed
9 miserably.

10 MR. HANNA: Councilwoman,
11 again, I take full responsibility for
12 that. That buck needs to stop somewhere
13 and I'm the guy sitting in the corner
14 office who is ultimately responsible for
15 what comes out of that department. And,
16 again, I have no response to your
17 statement. I don't deny any of it.
18 Certainly people who live on poverty or
19 sub-poverty level salaries or sources of
20 income ought to get not just this
21 department but this City's help in trying
22 to improve their circumstances. You're
23 right, if my 77-year-old father or
24 75-year-old mother, either together or
25 apart, were in this situation, I'd be

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2 livid. Frankly, I'd be livid. That, as
3 much as anything else, is the source of
4 my embarrassment and why, again -- I
5 don't know how much longer I'm going to
6 be with the City. I have not had a
7 chance to talk to the Mayor-elect, so I
8 don't know what his plans are for the
9 next Secretary of Housing, whether it's
10 me or not. What I will pledge to you is
11 that for as long as I'm here, whether
12 it's 60 days or another six years, I'll
13 redouble my efforts to make sure that as
14 many people as possible receive the
15 benefits of the Basic Systems Repair
16 Program as is possible with the resources
17 that I'm given.

18 COUNCILWOMAN CAMPBELL: These
19 dastardly acts that have been perpetrated
20 against these poor defenseless
21 disenfranchised people is just
22 unspeakable. It's just unspeakable how
23 anyone whose livelihood comes from the
24 money being placed there to take care of
25 poor people could perpetrate such a

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2 conspiracy. I have a problem with this.
3 It's the worst display of arrogance,
4 incompetence also and insincerity and
5 being hypocrites, because they're
6 supposed to be there for these little
7 people. If we don't protect them, who
8 protects them?

9 I just have a really serious
10 problem with this. I think the City
11 needs to look at itself, because your
12 agency has failed the needy. I think you
13 might have started all right, but it's a
14 complete mess now. And if this is what
15 the reorganization did, then they
16 shouldn't have had the reorganization.
17 Because you're in total chaos, as far as
18 I can see. And I've talked to the
19 Controller, and he thinks it's utter
20 chaos also.

21 A lot of the information that
22 I'm getting right now still is not true.
23 They said they spent 180,000. They
24 didn't spend \$180,000 of the money, but
25 yet they would try to justify a lie and

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2 say that they did. Who makes them God
3 that they make decisions about these
4 people's lives that need help?

5 I'm going to ask you some
6 questions.

7 I'm going to give you a copy of
8 a letter that I forwarded you dated June
9 8, 2007, a copy of a letter I forwarded
10 to you dated June 20th and a copy of a
11 letter that I forwarded to you on July
12 12, 2007. I would like these items to be
13 made part of the public record.

14 In the June 8th letter to you
15 and copied to Michael Koonce I cancelled
16 three NTI acquisitions totaling over \$1.3
17 million and requested an accounting of
18 any and all expenses that were incurred
19 on those acquisitions, as well as an
20 accounting of all NTI acquisition
21 expenditures attributed to the Fourth
22 Council District.

23 Mr. Hanna, was my request
24 delineated in the June 8th letter clear
25 and precise?

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2 MR. HANNA: Was your request
3 delineated clear and precise? Yes, it
4 was.

5 COUNCILWOMAN CAMPBELL: Does
6 this letter state that if you have any
7 questions, please contact me? If it was
8 not clear and precise, why did you not
9 contact me for clarification?

10 Was my request delineated in
11 the June 8th letter fair and reasonable?

12 Mr. Hanna, was it fair and
13 reasonable?

14 MR. HANNA: I'm conferring with
15 Mr. Koonce, because this information
16 ultimately would have come from his shop.

17 Yes, Councilwoman, I would say
18 that the request that you made was fair
19 and reasonable. I might hasten to add
20 that I don't have the date of our
21 response, but attempts were made to
22 respond to these letters. Again, I don't
23 have the responses in front of me, but I
24 know there was an exchange between
25 Mr. Wetzel and perhaps people on your

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2 staff.

3 COUNCILWOMAN CAMPBELL: I don't
4 think so. I was elected to represent the
5 Fourth Councilmanic District, not
6 Mr. Wetzel, not my staff. I sent the
7 letter under my signature. I should have
8 been the one that was contacted. I
9 represent the Fourth District, not them.

10 MR. HANNA: Of course you do,
11 but, Councilwoman, it was our
12 understanding that if we had any specific
13 detailed questions, that we were to
14 consult with and confer with Mr. Wetzel.

15 COUNCILWOMAN CAMPBELL:
16 Mr. Wetzel works for Council. I don't
17 believe I ever gave you that impression,
18 because anyone that knows me knows I am a
19 hands-on person, and no matter how
20 minutia it is, I want to know it. So
21 that's not true. Anyone that deals with
22 me knows that.

23 MR. HANNA: Well, let me then
24 restate my response. No, we did not
25 respond directly back to you, but we did

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2 respond to these requests by sending what
3 we thought were appropriate responses
4 back to Mr. Wetzel. Mr. Wetzel, after
5 having reviewed our responses, got back
6 to us saying that no, there were
7 shortcomings, he needed this, that or the
8 other, and there was an exchange that
9 went on, for the most part, over the
10 summer.

11 COUNCILWOMAN CAMPBELL: What
12 steps did you undertake to ensure that I
13 would receive a complete and accurate
14 response and what follow-up did you
15 undertake to ensure that I received a
16 response?

17 MR. HANNA: To these specific
18 letters or going forward?

19 COUNCILWOMAN CAMPBELL: I can't
20 hear you.

21 MR. HANNA: Do you want me to
22 respond in terms of these specific
23 letters or going forward what steps we
24 were prepared to take?

25 COUNCILWOMAN CAMPBELL: In

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2 response to my letters.

3 MR. HANNA: These responses
4 were assigned to an individual on my
5 staff, an individual who is no longer on
6 our staff. That individual was asked to
7 pull together the information that was
8 needed through whatever means necessary
9 and to respond in writing, again, to
10 Mr. Wetzel.

11 I reviewed that information
12 before it went out to you. I assumed --
13 and this goes back again to my
14 testimony -- I assumed that the
15 information that was provided to me was
16 in fact correct. In hindsight, it turns
17 out that it was grossly incorrect and
18 inaccurate.

19 COUNCILWOMAN CAMPBELL: Can you
20 explain why some five months after I made
21 this request I have not received a
22 complete response to my request yet?

23 MR. HANNA: I'm sorry. Could
24 you repeat that question?

25 COUNCILWOMAN CAMPBELL: Can you

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2 explain why five months after I have made
3 the original request I have not received
4 a complete response to my request?

5 MR. HANNA: Again, it goes back
6 to -- well, a couple things. It goes
7 back to our systems and it also goes back
8 to the nature of the request. What you
9 had asked for in your June 8th letter,
10 among others, was an accounting of what
11 had been spent for these three specific
12 projects. These are the three projects
13 to which I referred before. These
14 projects were committed to by your
15 predecessor. Budgets were created for
16 the cost of acquiring these properties on
17 behalf of Allegheny West, Resources for
18 Human Development and Mt. Carmel.

19 COUNCILWOMAN CAMPBELL: Point
20 of order. Allegheny West, which was
21 charged in my district, it should have
22 been charged to the Eighth Councilmanic
23 District. You need to check that.

24 MR. HANNA: Okay.

25 COUNCILWOMAN CAMPBELL: The

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2 Fourth Councilmanic District was charged
3 for things that were done with Allegheny
4 West that should have been charged to the
5 Eighth Councilmanic District. I don't
6 think that's very accurate.

7 MR. HANNA: And that's a part
8 of my point, that budgets were put
9 together and what was provided to me were
10 the estimated costs of the acquisitions.
11 I did not know that the acquisitions had
12 in fact not taken place.

13 COUNCILWOMAN CAMPBELL: Your
14 people don't tell you what's going on?

15 MR. HANNA: No, Councilwoman.
16 Again, this goes back to what I said
17 before. I depend on what my people tell
18 me and --

19 COUNCILWOMAN CAMPBELL: But
20 they work for you.

21 MR. HANNA: Yes, they do.

22 COUNCILWOMAN CAMPBELL: They're
23 paid to tell you what's going on.

24 MR. HANNA: Yes, they are.

25 COUNCILWOMAN CAMPBELL: They're

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2 supposed to be your eyes and ears.

3 MR. HANNA: Yes, they are.

4 COUNCILWOMAN CAMPBELL: Then if
5 they don't do it, why aren't they fired?

6 MR. HANNA: That's a very tough
7 question. I screw up every day, at least
8 every week, in my job, and thankfully, by
9 the grace of God, I haven't been let go
10 for my --

11 COUNCILWOMAN CAMPBELL: But
12 they are paid to do a competent job.
13 They are paid to do what they're supposed
14 to do in the right manner, and if they
15 don't cut it, then they shouldn't be
16 there, because the people are suffering
17 because of it. It's no excuse to keep
18 someone if they're incompetent or if they
19 don't do what they're supposed to do or
20 they don't report to you like they should
21 and keep you aware of what's really going
22 on. There's no excuse for that.

23 Having received no response
24 from you, I sent the June 20th letter. I
25 again repeated my request for an

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2 accounting of all NTI acquisition
3 expenditures attributed to the Fourth
4 Council District. Again, having received
5 no response, I wrote to you again on July
6 12, 2007 repeating the same request as
7 was made in the two previous letters.

8 Mr. Hanna, having received
9 these three letters from me, I am sure
10 that you had gauged that there was an
11 important request. Is it your management
12 style to just ignore requests made by
13 members of the City Council? Can you
14 explain your apparent indifference to
15 responding to this request?

16 MR. HANNA: No, ma'am, it's not
17 my management style to ignore requests by
18 City Councilpeople. Again, as I said
19 before, on several occasions, we
20 attempted to provide the information that
21 was requested in this June 8th, June 20th
22 and subsequent letters. Those attempts
23 were met with correspondences from
24 Mr. Wetzel stating what the shortcomings
25 were and why what our response -- why our

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2 response did not quite match up to what,
3 in his mind, you were actually asking
4 for.

5 COUNCILWOMAN CAMPBELL: I want
6 to ask you some questions regarding the
7 three acquisitions I cancelled and the
8 \$1.3 million of the NTI bond proceeds I
9 transferred by City Council resolution on
10 September 20, 2007.

11 I'm going to give you a copy of
12 an OHCD report that listed all properties
13 and each acquisition that was allegedly
14 approved by City Council for the Fourth
15 Council District which my office received
16 prior to June 8, 2007. For the three
17 acquisitions that I cancelled, Mt. Carmel
18 Phase I, RHD Carroll Park and Allegheny
19 West Forgotten Blocks, would you read
20 what it says in the Status line for each
21 of these acquisitions.

22 MR. HANNA: Read what it says
23 on which line?

24 COUNCILWOMAN CAMPBELL: What it
25 says about Allegheny West, about Carroll

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2 Park, Mt. Carmel. What does it say from
3 the Status line?

4 MR. HANNA: I'm not quite sure
5 which document you mean, but in looking
6 at the one that's labeled OHCD
7 Acquisition Report Received Prior to June
8 8, 2007, for Mt. Carmel --

9 COUNCILWOMAN CAMPBELL: I can't
10 hear you.

11 MR. HANNA: If the document to
12 which you're referring is the one labeled
13 OHCD Acquisition Report Received Prior to
14 June 8, 2007, in that report in the
15 Status column for Mt. Carmel,
16 Philadelphia Neighborhood Housing
17 Services Homeownership and Carroll Park,
18 the highlighted column, the words that
19 are there says "acquisition underway."

20 COUNCILWOMAN CAMPBELL:
21 Mr. Hanna, I'm going to give you a copy
22 of an OHCD report that listed all
23 properties and each acquisition that was
24 allegedly approved by City Council for
25 the Fourth Council District which my

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2 office received on June 13, 2007.

3 For the three acquisitions that
4 I cancelled, Mt. Carmel Phase I, RHD
5 Carroll Park and Allegheny West Forgotten
6 Blocks, would you read what it says in
7 the Status line for each of these
8 acquisitions?

9 MR. HANNA: June 13th? I just
10 have the June 8th.

11 COUNCILWOMAN CAMPBELL: Post
12 June 8th.

13 MR. HANNA: Post June, that
14 same column for Mt. Carmel, Philadelphia
15 Neighborhood Housing Services
16 Homeownership and Carroll Park, the
17 highlighted Status column reads "not
18 proceeding."

19 COUNCILWOMAN CAMPBELL:
20 Mr. Hanna, I'm going to give you a copy
21 of the spreadsheet that OHCD provided to
22 me that is a status report on NTI Fourth
23 Council District acquisitions. It is
24 dated September 10, 2007. I would like
25 the spreadsheet made part of the public

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2 record.

3 Mr. Hanna, for the acquisition
4 called Allegheny West Forgotten Blocks,
5 what number appears in the Expenditures
6 to Date column?

7 MR. HANNA: Zero.

8 COUNCILWOMAN CAMPBELL: What
9 statement appears in the Comments
10 section?

11 MR. HANNA: "Project cancelled
12 per CW Campbell."

13 COUNCILWOMAN CAMPBELL:
14 Mr. Hanna, for the acquisition called RHD
15 Carroll Park RFP, what number appears in
16 the Expenditures to Date column?

17 MR. HANNA: Zero.

18 COUNCILWOMAN CAMPBELL: What
19 statement appears in the Comments
20 section?

21 MR. HANNA: "Project cancelled
22 per CW Campbell."

23 COUNCILWOMAN CAMPBELL:
24 Mr. Hanna, for the acquisition called Mt.
25 Carmel Phase I, what number appears in

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2 the Expenditures to Date column?

3 MR. HANNA: Zero.

4 COUNCILWOMAN CAMPBELL: What
5 statement appears in the Comments
6 section?

7 MR. HANNA: "Project cancelled
8 per CW Campbell."

9 COUNCILWOMAN CAMPBELL:
10 Mr. Hanna, at the bottom of the
11 spreadsheet, there is a line titled
12 Balance Available for Programming. What
13 is the amount indicated in the column
14 titled Expenditures to Date?

15 MR. HANNA: \$1,343,285.

16 COUNCILWOMAN CAMPBELL:
17 Mr. Hanna, two documents that I received
18 from OHCD after June 8th which I have
19 given to you today acknowledge the
20 cancellation of three acquisitions in the
21 Fourth Council District; is that correct?

22 MR. HANNA: I'm sorry. Could
23 you repeat your question?

24 COUNCILWOMAN CAMPBELL: Yes.
25 The two documents that I received from

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2 OHCD after June 8th which I have given to
3 you today acknowledge the cancellation of
4 three acquisitions in the Fourth Council
5 District; is that correct?

6 MR. HANNA: That's correct.

7 COUNCILWOMAN CAMPBELL: The
8 spreadsheet I received from OHCD on
9 September 10, 2007 indicates that no
10 funds were expended for the three
11 acquisitions I cancelled on June the 8th;
12 is that correct?

13 MR. HANNA: That is correct.

14 COUNCILWOMAN CAMPBELL: The
15 spreadsheet I received from OHCD on
16 September 10, 2007 affirms OHCD's
17 acceptance of my decision to cancel three
18 acquisitions on June 8, 2007; is that
19 correct?

20 MR. HANNA: It would so
21 indicate that, yes.

22 COUNCILWOMAN CAMPBELL: The
23 spreadsheet that I received from OHCD on
24 September 10, 2007 states that \$1,343,285
25 of NTI bond proceeds is available for

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2 programming; is that correct?

3 MR. HANNA: That \$1,343,285 is

4 under the Expenditures to Date --

5 COUNCILWOMAN CAMPBELL: No.

6 That's not what I asked you. Please

7 answer what I asked you. I said the

8 spreadsheet I received from OHCD on

9 September 10th states that \$1,343,285 of

10 NTI bond proceeds is available for

11 programming; is that correct?

12 MR. HANNA: Yes, that's

13 correct, as indicated by the term

14 "balance available for programming."

15 COUNCILWOMAN CAMPBELL: But it

16 is correct?

17 MR. HANNA: Yes, that's

18 correct.

19 COUNCILWOMAN CAMPBELL: Money

20 was available for programming?

21 MR. HANNA: That's what this

22 report indicates, yes, ma'am.

23 COUNCILWOMAN CAMPBELL: And

24 that was September 10th?

25 MR. HANNA: Yes, ma'am.

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2 COUNCILWOMAN CAMPBELL: These
3 reports were given to me by the
4 government agency that you oversee,
5 correct?

6 MR. HANNA: Yes.

7 COUNCILWOMAN CAMPBELL: Would
8 you agree that any reasonable person
9 would have felt secure relying on this
10 information?

11 MR. HANNA: Yes.

12 COUNCILWOMAN CAMPBELL: Based
13 upon these reports, could a reasonable
14 person come to the conclusion that three
15 acquisitions were cancelled and there was
16 at least \$1.3 million available for
17 programming?

18 MR. HANNA: Yes, a reasonable
19 person could come to that conclusion.

20 COUNCILWOMAN CAMPBELL: I was
21 told at the last hearing of this
22 Committee that the reports were
23 inaccurate. Are you telling me that
24 after three written requests, numerous
25 e-mail requests from City Council staff

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2 and months of waiting, the report issued
3 under your supervision is inaccurate?

4 MR. HANNA: Yes, that's what
5 I'm telling you.

6 COUNCILWOMAN CAMPBELL: Can you
7 today state unequivocally that members of
8 this Council can rely on the accuracy of
9 the NTI District Council Acquisition
10 Status Report?

11 MR. HANNA: If a report were
12 issued today or reports provided in
13 September?

14 COUNCILWOMAN CAMPBELL: What
15 makes them be -- you're saying they can
16 rely? Is that what you're saying? They
17 can rely now, but they couldn't rely
18 then?

19 MR. HANNA: No. What I am
20 saying is that information provided
21 before, including and especially the
22 information provided you, was inaccurate.
23 I've not -- I can't speak to information
24 provided to other Council districts,
25 because I haven't seen it. I haven't had

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2 a chance to review it, nor has
3 Mr. Koonce, I would imagine, personally.
4 So I can't vouch for the reliability of
5 other information provided to other
6 Councilpeople, at least not at this time.

7 COUNCILWOMAN CAMPBELL: Tell
8 me, do you people take Council so lightly
9 that they think they don't have to be
10 honest, they don't have to put their best
11 foot forward to give them accurate and
12 correct information so they can serve
13 their constituencies?

14 MR. HANNA: Councilwoman --

15 COUNCILWOMAN CAMPBELL: Do they
16 think they're above that?

17 MR. HANNA: Councilwoman, my
18 office, my department, absolutely does
19 not take providing information to Council
20 lightly.

21 COUNCILWOMAN CAMPBELL: It
22 seems as though they do.

23 MR. HANNA: We have evidently
24 provided information that was inaccurate,
25 but that was not as a result of our

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2 taking the request as anything but
3 serious.

4 COUNCILWOMAN CAMPBELL: Prior
5 to the last hearing on this matter, you
6 requested a meeting with representatives
7 from my office to discuss the
8 cancellation of these acquisitions.
9 Attending that meeting in addition to you
10 were Deborah McColloch, Michael Koonce,
11 Anthony McIntosh and Andrea Schwartz of
12 the Law Department; is that correct?

13 MR. HANNA: Yes, that's
14 correct.

15 COUNCILWOMAN CAMPBELL: During
16 the course of that meeting, Ms. McColloch
17 was quite persistent in letting you and
18 others at that meeting know that she had
19 personally made verbal commitments to one
20 of these projects; is that correct?

21 MR. HANNA: I'm sorry. Give me
22 that question again.

23 COUNCILWOMAN CAMPBELL:
24 Ms. McColloch was quite persistent in
25 letting you and others at the meeting

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2 know that she had personally made verbal
3 commitments to one of these projects.

4 MR. HANNA: As I recall,
5 Ms. McColloch did stress the fact that
6 commitments were made to --

7 COUNCILWOMAN CAMPBELL: That is
8 not what I said. I said that she made.
9 There's a difference. She's a civil
10 employee. She's there to do what needs
11 to be done for the department, not make
12 commitments. She's not an elected
13 official. The people haven't empowered
14 her to make decisions for them. She may
15 make some for the agency, but not for the
16 people. So where does this personal part
17 come into it about personal commitments?
18 That's hogwash. You can't tell me that
19 this government doesn't constantly change
20 their commitments.

21 MR. HANNA: I don't know --

22 COUNCILWOMAN CAMPBELL: We live
23 with it every day. We see it.

24 MR. HANNA: I don't know that
25 Ms. McColloch -- and, of course,

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2 Ms. McColloch can speak for herself, but
3 I don't know that Ms. McColloch
4 represented that the commitments were
5 hers personally as much as commitments
6 that had been made by the previous
7 Councilperson that our office was
8 basically instructed to carry out.

9 COUNCILWOMAN CAMPBELL: He's
10 gone. He's gone. Do you think January
11 15th the new Mayor is going to do what
12 Mayor Street did? He's gone. We changed
13 courses, new ground rules. So I don't
14 even want to hear about this. That's
15 superfluous. I had made a decision.
16 Maybe the circumstances were different
17 when I made my decision than when he made
18 his. I made my decision based on the
19 needs of the constituency of the Fourth
20 Council District, not on personal
21 feelings, the needs, the people out there
22 that were suffering. And that's what the
23 people empowered me to do, to make
24 decisions for them, to protect them, to
25 be their guardian when they need it, and

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2 that's what I've tried to do.

3 During the course of that
4 meeting, Ms. McColloch stated repeatedly
5 the verbal commitment was to an
6 organization that OHCD had a longstanding
7 relationship with; is that correct?

8 MR. HANNA: The verbal
9 commitment was?

10 COUNCILWOMAN CAMPBELL: Yes or
11 no, please.

12 MR. HANNA: I'm sorry. I'm
13 trying to understand the question. That
14 the verbal commitment was?

15 COUNCILWOMAN CAMPBELL: No. I
16 didn't say verbal. She stated repeatedly
17 the verbal commitment was to an
18 organization that OHCD had a longstanding
19 relationship with; is that correct?

20 MS. MCCOLLOCH: I'm sorry. I
21 want to make sure that I answer the
22 question correctly.

23 COUNCILWOMAN CAMPBELL: I'm not
24 asking you. I'm asking him. You'll have
25 your turn to speak to me. I'm speaking

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2 to him.

3 MR. HANNA: Again, there was
4 one word in that question I didn't
5 understand. I keep hearing "verbal
6 commitment was" something that --

7 COUNCILWOMAN CAMPBELL: Because
8 evidently it was not a written
9 commitment, it was a verbal commitment.
10 I don't think that's hard to
11 differentiate.

12 MR. HANNA: No. I just wasn't
13 sure if that was the word you used.

14 To be quite honest,
15 Councilwoman, I don't remember
16 specifically.

17 COUNCILWOMAN CAMPBELL: Oh, I
18 do. I was quite surprised when this was
19 reported to me. You and I had often
20 spoken about my desire to help the poor,
21 the elderly and disabled homeowners in
22 the Fourth Council District. During
23 these conversations, you spoke of the
24 respect you had for my decision to move
25 these funds in the BSRP program and that

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2 no one in the Administration had ever
3 expressed to me that they were opposed to
4 the cancellation of these acquisitions.
5 So can you understand how surprised I was
6 when I was told by my staff of the
7 position Mr. McColloch had taken?

8 MR. HANNA: Yes, I can
9 understand.

10 COUNCILWOMAN CAMPBELL: In
11 light of recent time, I feel compelled to
12 ask you if you were opposed to my
13 decision to cancel three. Were you?

14 MR. HANNA: No, I was not
15 opposed to it.

16 COUNCILWOMAN CAMPBELL: Then
17 why did you tell me you supported my
18 decision?

19 MR. HANNA: Why did I or why
20 did I not?

21 COUNCILWOMAN CAMPBELL: Why did
22 you? You told me you supported my
23 decision.

24 MR. HANNA: I did support your
25 decision. Councilwoman, let me elaborate

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2 on that answer. I did support your
3 decision. Based on our conversations, I
4 agreed with your logic for wanting to
5 transfer the money. Again, I did not
6 know that this information that you just
7 referred to was erroneous. But I had
8 absolutely no problem. In fact, I think
9 those were my exact words. I had
10 absolutely no problem with what you were
11 looking to do.

12 After, however, it came to my
13 attention that these numbers were
14 erroneous, that in fact if not monies
15 spent, then commitments were made and
16 that these three organizations made
17 certain decisions, made certain other
18 commitments based upon our, both the
19 legislative and the administrative side,
20 our commitment to these projects, it
21 became a much more -- a much dicier
22 situation. It wasn't just a matter of
23 this 1,343,000 and some change being
24 available and uncommitted. It became
25 more a matter of a conundrum. On the one

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2 side, we certainly have this need by your
3 constituents for basic systems repairs,
4 but on the other side, these three CDCs
5 made certain commitments based on a
6 previous commitment to them that the City
7 would fund certain acquisitions.

8 COUNCILWOMAN CAMPBELL: CDCs
9 don't come before people. We're talking
10 about people with no roofs. We're
11 talking about people with no plumbing.
12 We're talking about people with no
13 heaters. They don't come before people
14 and their needs. The government is
15 supposed to be responsible for the people
16 first. That's your moral responsibility.
17 And when people elect you and put you in
18 office, they empower you, thinking that
19 you're going to take care of them, that
20 you're going to do the best that you can
21 do for them to make it better for them.
22 This has not been the case here at all.

23 It appears to me that OHCD
24 never planned to honor my requests to
25 cancel three acquisitions funded out of

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2 the Fourth Council District acquisition
3 fund. It seems to me that the reports I
4 was given by OHCD that acknowledged the
5 cancellation of the acquisitions were
6 only given to appease me and that after I
7 left office, OHCD would implement the
8 acquisitions. I feel that way because
9 your position to my decision only arose
10 after I moved the \$1.3 million of NTI
11 acquisition funds to the BSRP program on
12 September 20th, the very funds OHCD
13 needed to implement the acquisitions I
14 cancelled.

15 Mr. Hanna, can you explain to
16 this Committee why it took my transfer of
17 NTI acquisition funds to uncover any
18 opposition to my decision to cancel
19 certain NTI-funded acquisitions and why
20 didn't anyone have the guts to just call
21 me and tell me how they really felt about
22 it instead of being so deceitful?

23 MR. HANNA: I would argue that
24 the movement of that 1.3 -- the proposed
25 movement of that \$1.3 million was not the

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2 impetus for opposition to reprogramming
3 the \$1.3 million to BSRP. It was at that
4 point that it was decided, we decided,
5 particularly Mr. Koonce in listening to
6 his testimony a couple weeks ago at the
7 previous hearing, that Mr. Koonce went
8 back and did his own review to determine
9 for himself just how much money had
10 actually been spent. It was at that
11 point also that I had my own
12 conversations with the Administration
13 relative to the issue that I just brought
14 up relative to commitments versus --
15 commitments and the budgets that those
16 commitments create versus the actual
17 expenditures, and the decision was made
18 at that point that even though, again,
19 money had not actually been spent, but
20 that the commitment itself was a strong
21 enough representation that any funds that
22 were dedicated for that purpose ought to
23 remain for that purpose.

24 COUNCILWOMAN CAMPBELL: But
25 they were my funds. Listen to what I'm

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2 saying to you. They were my funds that
3 belonged to the Fourth Council District,
4 to the people in the -- how dare you make
5 a decision and not call me and come and
6 sit down and talk to me about it and it
7 affects the people that I represent.
8 You're going to tell me you think that's
9 right? You're going to make decisions
10 that affect their lives, their well-being
11 and yet no one tells me anything about
12 it? And they kind of sneak in the back
13 door and that's how I find out what's
14 going on?

15 MR. HANNA: Councilwoman, I
16 will admit to you that we ought to have
17 been more up front with you once the
18 decision had been made and as much as
19 about the decision, about the logic that
20 led to the decision.

21 COUNCILWOMAN CAMPBELL: I'm
22 going to give you a copy of a letter that
23 I forwarded to you on October 29, 2007.
24 I would like to make sure this letter a
25 part of the public record. Since you

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2 have not chosen to respond to this
3 letter, I'm asking you to respond now.

4 Mr. Hanna, are you prepared to
5 amend PHDC's contract and add the 1.3
6 million of NTI bond proceeds that I
7 transferred on September 20th to the BSRP
8 program?

9 MR. HANNA: If you just give me
10 a minute to review the letter itself.

11 Councilwoman, I believe that
12 this letter was responded to, but it was
13 responded to, excuse me, by the Mayor on
14 behalf of OHCD.

15 COUNCILWOMAN CAMPBELL: I don't
16 believe you're Mr. Mayor.

17 MR. HANNA: I'm sorry?

18 COUNCILWOMAN CAMPBELL: I said
19 I don't believe you're Mr. Mayor. I sent
20 it to you. Yes, the Mayor sent me a
21 letter, but you have to speak for
22 yourself. I didn't write the Mayor. I
23 wrote you.

24 MR. HANNA: Okay.

25 COUNCILWOMAN CAMPBELL: And

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2 courtesy dictates that I should have
3 gotten an answer, regardless of whether I
4 liked the answer or not. Every tub has
5 got to stand on its own feet. You can't
6 hide behind the Mayor or anyone else.

7 MR. HANNA: Absolutely.

8 COUNCILWOMAN CAMPBELL: If I
9 write you, then I'm going to give you
10 respect. I expect the same respect to be
11 reciprocal. I'm going to respond to you.
12 You may not like what I say, but I'm
13 going to respond, and I would expect the
14 same from you.

15 MR. HANNA: Councilwoman, in
16 the five years that I've been here, for
17 the most part, the people in this room
18 will attest to the fact that I've not
19 hidden behind the Mayor or anybody else.
20 Again, you're absolutely right. I should
21 have responded to your letter to me.

22 In response to your direct
23 question as to whether or not we're
24 prepared, I'm prepared, to move money
25 from -- NTI dollars from one place to

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2 another in the amount that you're
3 requesting, no, I'm not prepared to do
4 that.

5 COUNCILWOMAN CAMPBELL: Why is
6 that?

7 MR. HANNA: Because of the
8 reasons stated, that although I
9 acknowledge the importance of what you're
10 doing, although I agree with the logic
11 behind what you're looking to do, the
12 commitments that were made to other
13 projects in this particular situation
14 have to take precedent.

15 COUNCILWOMAN CAMPBELL: Why?
16 Because you say so?

17 MR. HANNA: Councilwoman, you
18 asked me why. You didn't ask as to
19 whether or not my logic was right morally
20 or otherwise. I'm giving you my
21 reasoning. Well, I'm giving you my
22 answer and my reason for my answer. Now,
23 it's certainly your prerogative to
24 question or even to disagree with my
25 answer.

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2 COUNCILWOMAN CAMPBELL:

3 Mr. Hanna, do you make your own decisions
4 or are you told what to do?

5 MR. HANNA: Councilwoman, I'm
6 not a robot. I do, however, have a boss.

7 COUNCILWOMAN CAMPBELL: Okay.
8 So then what you're really saying, this
9 is coming from higher than you; is that
10 correct?

11 MR. HANNA: No. What I'm
12 saying is that it's the Administration's
13 view that the commitments that were made
14 to these three organizations have to in
15 this particular situation --

16 COUNCILWOMAN CAMPBELL: Clarify
17 for me who the Administration is.

18 MR. HANNA: The Administration
19 is the Mayor's office, my office.

20 COUNCILWOMAN CAMPBELL: I'm
21 going to give you a copy of this letter.
22 I want this letter, I think I said,
23 entered in the public record. I stated
24 whatever contracting processes are
25 required, either through amending an

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2 existing PHDC contract or entering into
3 another contract that allows PHDC to
4 assess these funds as of July 1, needs to
5 be undertaken immediately.

6 Let me ask you this: According
7 to the Controller, which we will deal
8 with, the money that I'm being told was
9 spent was not spent. Now, I don't think
10 that the Controller would have a reason
11 not to tell us the truth. Say you used
12 \$200,000. Take the \$200,000, but you
13 give my poor people the rest of that
14 money that they need for their repairs.
15 It's not important about that. It's
16 important that they get what's left to
17 take care of their needs. Now, tell me,
18 is that possible?

19 MR. HANNA: I've not seen the
20 Controller's report. I've not talked to
21 the Controller, so I'm not quite sure
22 where he's getting his numbers from or --

23 COUNCILWOMAN CAMPBELL: From
24 your records.

25 MR. HANNA: Again, I've not

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2 talked to the Controller, so it's --

3 COUNCILWOMAN CAMPBELL: He's
4 getting his information from your
5 records.

6 MR. HANNA: It's hard for me to
7 respond to something that the Controller
8 is doing without having been able to ask
9 him my own questions.

10 COUNCILWOMAN CAMPBELL: I know
11 that you received similar letters from
12 Councilwoman Tasco and Councilman Savage.
13 Given the fact that you know how great
14 the need is for this program, what steps
15 did you undertake to make sure that these
16 funds were made available as rapidly as
17 possible?

18 MR. HANNA: For the Fourth,
19 Seventh and Ninth Districts?

20 COUNCILWOMAN CAMPBELL: Yes.

21 MR. HANNA: With the Basic
22 Systems Repair Program, monies, actual
23 dollars, aren't expended until the work
24 is in fact done. For the Fourth, Seventh
25 and Ninth Districts, particularly for the

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2 Seventh and the Ninth Districts, that
3 money -- well, those repairs are still
4 ongoing. Once those repairs are done,
5 that money will be available for them.
6 Those contractors will not experience any
7 delay in being paid for the work that
8 they got done.

9 COUNCILWOMAN CAMPBELL: Do you
10 stand by your statement to the Inquirer
11 that implementation of the Basic Systems
12 Repair Program has been delayed because
13 HUD was two months late in authorizing
14 the funds needed for the program?

15 MR. HANNA: I remember having
16 that telephone interview. I don't know
17 that that was a direct quote or an
18 accurate direct quote, and certainly all
19 of us have been misquoted by the media.
20 I will say this, however: That we could
21 not contract with PHDC for any funds
22 until we received our -- we, as in the
23 City via OHCD -- received our letter from
24 HUD confirming our contract or the
25 contract between the US federal

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2 government, HUD in particular, and the
3 City of Philadelphia. Until that
4 happened, we could not contract with
5 PHDC.

6 COUNCILWOMAN CAMPBELL: Do you
7 acknowledge that HUD has nothing to do
8 with these NTI bond proceeds and they
9 could have been under contract sooner by
10 amending an existing PHDC contract?

11 MR. HANNA: HUD has everything
12 to do with everything we do, by virtue of
13 the fact that all of our salaries are
14 paid for with CDBG or other federal
15 dollars. HUD has made the
16 determination --

17 COUNCILWOMAN CAMPBELL: We're
18 not talking about salaries. I spoke to
19 the regional head -- Senator Specter made
20 it possible for me to speak to the
21 regional head of HUD, and he told me HUD
22 had nothing whatsoever to do with the
23 funding, the process of the NTI, and
24 that's completely false. And I do have a
25 letter that pretty much says that from

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2 him.

3 MR. HANNA: HUD has nothing to
4 do with NTI, that's correct, but HUD has
5 everything to do with the programs that
6 we decide to --

7 COUNCILWOMAN CAMPBELL: I'm
8 talking about NTI. I'm not talking about
9 other programs. I'm talking about that
10 NTI money, that bond money. That's what
11 I'm talking about.

12 MR. HANNA: You're right, that
13 is City of Philadelphia -- that is a City
14 of Philadelphia obligation.

15 COUNCILWOMAN CAMPBELL: If
16 these funds would have been made
17 available to PHDC in July 2007, would
18 persons on the Seventh and the Ninth
19 Council District waiting lists have
20 received service sooner?

21 MR. HANNA: No, Councilwoman, I
22 don't think they would have. I've given
23 a lot of thought to this, again, having
24 reviewed the tapes from the last -- from
25 the other hearing. I am well aware of

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2 Mr. McIntosh's statement at the last
3 hearing. I'm well aware of
4 Ms. McColloch's statement at the last
5 hearing. They contradict. Ms. McColloch
6 says that it wouldn't have made any
7 difference. Mr. McIntosh stated -- in
8 fact, I think the term he used was
9 "absolutely" --

10 COUNCILWOMAN CAMPBELL: Why
11 wouldn't it make a difference? If the
12 funds were available, they had the
13 contractors, who usually don't have a lot
14 of work to do in the summertime, why
15 wouldn't it have made a difference?

16 MR. HANNA: I'm getting to
17 that.

18 COUNCILWOMAN CAMPBELL: I think
19 we lost maybe helping 300 to 400 people.

20 MR. HANNA: I'm getting to
21 that.

22 Having contradictory responses
23 to that particular question, I decided to
24 go and do my own research and find out
25 for myself so that I could make my own --

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2 COUNCILWOMAN CAMPBELL: How did
3 you do that?

4 MR. HANNA: I talked to members
5 of my staff. I talked to members of --

6 COUNCILWOMAN CAMPBELL: You
7 trust them?

8 MR. HANNA: I talked to members
9 of my staff. I talked to members of the
10 PHDC staff. I talked to folks who had
11 once worked for PHDC and once worked for
12 OHCD.

13 COUNCILWOMAN CAMPBELL:
14 Mr. Hanna, listen to me. I find it
15 inconceivable. You've just sat here and
16 testified to me today and told me that
17 your staff has not been honest with you,
18 they have not been accurate, they have
19 not even been considerate of how bad they
20 make you look by their actions, but yet
21 you would trust their opinion. That's
22 amazing.

23 MR. HANNA: Councilwoman, I
24 would be an idiot to go back to the same
25 people who provided me that information.

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2 I didn't go back to those same people. I
3 went to people who I thought had no skin
4 in this game, people who had nothing to
5 gain nor lose by providing me information
6 as long as their identities were kept
7 anonymous. Those are the folks to whom I
8 went. And, yes, to a large extent, I do
9 trust what they told me.

10 COUNCILWOMAN CAMPBELL: That's
11 all, Mr. Hanna.

12 Mr. Chairman, I want a
13 ten-minute break. I need a ten-minute
14 break.

15 COUNCILMAN KENNEY: We have a
16 request for a ten-minute recess. Thank
17 you. Just hang in there.

18 (Short recess.)

19 COUNCILMAN KENNEY: Please come
20 back into the session for a moment. I
21 want to try to cut to the chase on this.

22 Is there any available NTI
23 money for the Fourth Council District?

24 MR. HANNA: In addition to the
25 1.3 million already transferred, we have

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2 made the determination that approximately
3 \$500,000 would also be available.

4 COUNCILMAN KENNEY: And you're
5 basing that on the fact that you believe
6 there's money been committed from NTI for
7 two specific projects?

8 MR. HANNA: That's why I said
9 at the beginning two and a half. For two
10 projects, yes. For --

11 COUNCILMAN KENNEY: That would
12 be Allegheny West and Carroll Park?

13 MR. HANNA: Allegheny West and
14 Mt. Carmel. For Carroll Park, three
15 properties, as I understand it, have been
16 purchased. Another 11 or so were
17 planned. Those 11 can be cancelled.

18 COUNCILMAN KENNEY: We have a
19 preliminary report from the Controller's
20 office that says that on Allegheny West
21 and on Carroll Park that he sees no
22 evidence of any Council authorization for
23 either Allegheny West or Carroll Park and
24 that according to RDA, NTI funds are not
25 committed to acquire Allegheny West

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2 properties or Carroll Park properties.

3 MR. KOONCE: Could I have
4 the -- I'm sorry. My name is Michael
5 Koonce. I'm the Executive Director of
6 the Redevelopment Authority.

7 I'd like to have Deputy
8 Director David Thomas, who has been
9 working with the Controller, respond.

10 COUNCILMAN KENNEY: Sure.

11 Please identify yourself for
12 the record.

13 MR. THOMAS: My name is David
14 Thomas, Deputy Executive Director for the
15 Redevelopment Authority.

16 COUNCILMAN KENNEY: Thank you.
17 Did you hear the question?

18 MR. THOMAS: I'm sorry. I did
19 not hear the full question.

20 COUNCILMAN KENNEY: According
21 to a preliminary report by the City
22 Controller that I have received from
23 Councilwoman Campbell's staff, he sees no
24 evidence of any Council authorization for
25 Allegheny West or for Carroll Park, and

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2 according to the RDA, according to what
3 this report says, is that NTI funds are
4 not committed to acquire Allegheny West
5 properties or Carroll Park properties.
6 Could you comment on that?

7 MR. THOMAS: The first part of
8 your statement, that Allegheny West and
9 Carroll Park, no Council ordinance, is
10 correct. The second part of your
11 statement, no funds are committed, that
12 depends on who you ask, if you will.
13 Because there's no Council authorization,
14 funds obviously could not be committed.

15 COUNCILMAN KENNEY: So that's
16 accurate?

17 MR. THOMAS: Based on that,
18 yes.

19 COUNCILMAN KENNEY: So I guess
20 based on that answer, then, wouldn't that
21 money be available for programs or
22 acquisitions in the Fourth District?

23 MR. THOMAS: Again, that's not
24 a question for me to answer. That would
25 be somebody else.

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2 COUNCILMAN KENNEY: Do you know
3 who else could answer it?

4 MR. HANNA: I'm probably the
5 person to answer it. I'd need to sit
6 down and talk to Messrs. Thomas and
7 Koonce. Not having seen, again, that
8 Controller's report, I'd have to sit down
9 with the RDA staff.

10 COUNCILMAN KENNEY: But I guess
11 the confirmation that there's no Council
12 ordinance would make the funds naturally
13 non-committed or uncommitted. You can't
14 commit the funds without Council action,
15 right?

16 COUNCILWOMAN CAMPBELL: Mr.
17 Chairman?

18 COUNCILMAN KENNEY: Yes.
19 Councilwoman Campbell.

20 COUNCILWOMAN CAMPBELL: I
21 believe that if they have no
22 authorization from Council to proceed and
23 spend that money, that money belongs to
24 the Fourth Council District.

25 COUNCILMAN KENNEY: You can

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2 comment.

3 MR. KOONCE: I'm sorry. If I
4 may, the Redevelopment Authority does not
5 have a Council authority to expend any
6 dollars for the projects Allegheny West,
7 the portion of the Fourth District for
8 Allegheny West, nor Resources, the RHD
9 properties. It does have an ordinance
10 that allows us to expend dollars on
11 behalf of Mt. Carmel.

12 COUNCILMAN KENNEY: Okay. So
13 the funds that were potentially going to
14 be committed through our authorization on
15 Allegheny West and Carroll Park, those
16 monies should be available.

17 MR. KOONCE: Except that it's
18 my understanding from Mr. Hanna's
19 testimony that the Administration has
20 said if the money is committed, then it
21 has to stay committed.

22 COUNCILMAN KENNEY: So --

23 COUNCILWOMAN CAMPBELL: It's
24 not committed.

25 COUNCILMAN KENNEY: But it's

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2 not committed, because it wasn't
3 authorized to be committed.

4 MR. HANNA: Well --

5 COUNCILMAN KENNEY: See, I
6 guess -- look, we have like 40 days left
7 for the Administration. I don't know
8 what's going to happen with any of this
9 stuff. The new Mayor may have a totally
10 different idea on how to handle this
11 stuff.

12 The Allegheny West and the
13 Carroll Park properties, if they're not
14 committed and the money is not there,
15 they're probably not going to happen in
16 the next 40 days. Is there some way to
17 divert or redirect the money into the
18 BSRP program in the Fourth District to
19 kind of take care of some of these people
20 in the last 40 days that we have to help
21 them?

22 MR. HANNA: But, again,
23 following that logic -- and, again,
24 Councilwoman, I've said it before in
25 private. I'll say it publicly. I agree

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2 with what you're looking to do.

3 If we do follow that tact,
4 Councilman Kenney, then in 45 days and
5 thereafter where do we look for, where do
6 we find the money for those other two
7 projects once they do kind of kick back
8 up? That's the dilemma.

9 COUNCILMAN KENNEY: We don't
10 know at this point whether or not the new
11 Administration is going to even
12 prioritize Allegheny West or Carroll
13 Park. So I think what we know now is
14 that there are people out there that are
15 in need. There's some money available.
16 Because we have not authorized commitment
17 of the funds, it would seem like the
18 easy -- not easy, but it seems like the
19 most direct thing to do is to use that
20 money to fix those heaters and roofs, and
21 even if it goes further than 45, 40 days,
22 it goes 45, 50, 60 days, I'm sure the new
23 Administration is not going to stop the
24 repair of people's homes for money that's
25 been committed to that purpose. And it

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2 seems at this point, after all these
3 hearings -- and I don't really
4 necessarily want to have another one --
5 that may be the fair thing to do, since
6 there is no authorization for commitments
7 on either of these projects.

8 MR. HANNA: Councilman Kenney,
9 Councilwoman Campbell, let me do this --
10 and Lord knows I've got back of scars
11 that comes from having sat in this
12 position in other committees, so I'm not
13 looking forward to another committee
14 hearing either. I understand what you're
15 getting at, Councilpeople. As I said
16 before, the Administration has made this
17 policy decision. I am half of the
18 Administration, as I defined it. Let me
19 have a conversation with the other half
20 of the Administration, as I defined it,
21 to see if maybe this might not be a
22 reasonable resolution to this thorny
23 problem.

24 COUNCILMAN KENNEY: It would
25 seem a nice holiday gesture.

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2 MR. HANNA: Okay.

3 COUNCILMAN KENNEY: Okay?

4 COUNCILWOMAN CAMPBELL: Yes.

5 COUNCILMAN KENNEY: For the
6 record, I'm going to tentatively recess
7 this hearing until December the 11th at
8 10 o'clock. Hopefully we won't have to
9 have it, but I just want to keep the
10 record open if I can.

11 MR. HANNA: And if in fact by
12 then we resolve this, then -- well,
13 hopefully we will have resolved this so
14 that your wish can be granted.

15 COUNCILMAN KENNEY: Thank you.
16 Thank you for your attendance.

17 MR. HANNA: Thank you.

18 COUNCILWOMAN CAMPBELL: Thank
19 you.

20 (Committee on Legislative
21 Oversight adjourned at 11:40 a.m.)

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3

I HEREBY CERTIFY that the

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6

stenographic notes taken by me upon the

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foregoing matter on November 27, 2007, and

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that this is a true and correct transcript of

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MICHELE L. MURPHY

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RPR-Notary Public

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