COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE OF THE WHOLE

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, November 12, 2025
10:28 a.m.

PRESENT:

COUNCIL PRESIDENT KENYATTA JOHNSON
COUNCILWOMAN NINA AHMAD
COUNCILWOMAN CINDY BASS
COUNCILWOMAN KENDRA BROOKS
COUNCILMAN MICHAEL DRISCOLL
COUNCILWOMAN JAMIE GAUTHIER
COUNCILWOMAN KATHERINE GILMORE RICHARDSON
COUNCILMAN JIM HARRITY
COUNCILMAN CURTIS J. JONES, JR.
COUNCILWOMAN RUE LANDAU
COUNCILWOMAN QUETCY M. LOZADA
COUNCILMAN NICOLAS O'ROURKE
COUNCILMAN ANTHONY PHILLIPS
COUNCILMAN MARK SQUILLA
COUNCILMAN ISAIAH THOMAS
COUNCILMAN JEFFREY YOUNG, JR.

RESOLUTION: 250955

\- - -

COUNCIL PRESIDENT JOHNSON: Good morning, everyone. This is the public hearing and public meeting of the Committee of the Whole regarding Resolution No. 250955.

Mr. Christmas, will you please call the roll.

THE CLERK: Councilman Squilla.

(No response.)

THE CLERK: Council Lady Gauthier.

COUNCILWOMAN GAUTHIER: Present.

THE CLERK: Councilmember Jones.

COUNCILMAN JONES: Present.

THE CLERK: Councilmember Young.

(No response.)

THE CLERK: Councilman Driscoll.

COUNCILMAN DRISCOLL:
Present.
THE CLERK:
Councilmember Lozada.
COUNCILWOMAN LOZADA:
Present.
THE CLERK: Councilwoman
Bass.
COUNCILWOMAN BASS:
Present.
THE CLERK:
Councilmember Phillips.
COUNCILMAN PHILLIPS:
Present.
THE CLERK:
Councilmember O'Neill.
(No response.)
THE CLERK: Council Lady
Gilmore Richardson.
COUNCILWOMAN GILMORE
RICHARDSON: Present.
THE CLERK:
Councilmember Thomas.
COUNCILMAN THOMAS:

Present.

THE CLERK:

Councilmember Harrity.

COUNCILMAN HARRITY:

Present.

THE CLERK:

Councilmember Ahmad.

(No response.)

THE CLERK: Council Lady Landau.

COUNCILWOMAN LANDAU:

Present.

THE CLERK: Council Lady Brooks.

COUNCILWOMAN BROOKS:

Present.

THE CLERK:

Councilmember O'Rourke.

COUNCILMAN O'ROURKE:

Present.

THE CLERK: Council President Johnson.

COUNCIL PRESIDENT JOHNSON: Present. Thank you. A quorum of the Committee is present and this hearing is now called to order, Mr. Christmas.

Will you please read the title of the resolution.

THE CLERK: Resolution approving the 2025-2026 Housing Opportunities Made Easy (H.O.M.E.) Program Annual Program Statement and Budget, which addresses expenditures by various agencies in the first year of the H.O.M.E. Program.

COUNCIL PRESIDENT JOHNSON: We will now start with witnesses to testify on the resolution. I ask for Mr. Christmas to please call our first panel.

THE CLERK: Would the Chief of Staff to the Mayor Tiffany Thurman please come forward.

COUNCIL PRESIDENT JOHNSON: There's three people and Angela Brooks --

THE CLERK: Angela Brooks, Chief Housing and Urban Development Officer of the City of Philadelphia, and last but not least, Jesse Lawrence, Director of Planning and Development, City of Philadelphia.

COUNCIL PRESIDENT JOHNSON: Good morning.

(Witnesses approached witness table.)

MS. THURMAN: Good morning, Council President Johnson and members of City Council. My name is Tiffany Thurman. I serve as Chief of Staff to Mayor Cherelle Parker and I'm joined today by Chief Housing and Urban Development Officer Angela Brooks, Department of Planning and Development Director Jesse Lawrence and numerous other members of this Administration who have been working on the Housing Opportunities Made Easy Plan.

We are pleased to be back in Council chambers to testify about the first Annual Project Statement and Budget for the H.O.M.E. Plan. First, let us state for the record that we are very appreciative of the thorough review that you, Council President, and your staff have conducted since the H.O.M.E. Plan was first introduced with the Mayor's special address in March. And we will outline later in this testimony the changes we've made as a result of that review.

The $800 million that we propose to borrow for this very ambitious and historic plan is a serious investment and this body has treated it as such. Following the H.O.M.E. hearings City Council conducted this past spring, it was clear that there is widespread agreement that our city is facing a housing crisis.

Philadelphia is short upwards of 17,000 housing units in many neighborhoods across the city and at least 21,000 existing units are in urgent need of repairs and preservation. At the same time, increasing home prices have put homeownership out of reach for many residents. And approximately, 50% of renters in this city are cost-burdened.

The comprehensive H.O.M.E. Plan has been developed to address this crisis head-on and it requires bold investment in a wide array of programs that, in the simplest of terms, fall into two buckets. First, as we have discussed at length in earlier hearings, the H.O.M.E. Plan creates innovative new programs that provide a proof of concept for what's possible in local housing policy.

At the top of this list is the One Philadelphia mortgage, the One Philly mortgage, which will put homeownership within reach for more hard-working Philadelphians. The investment in this new program is significant, but the economic opportunity that comes with building equity in a home will pay dividends for those homeowners and the city as a whole for years and years to come.

Meanwhile, we'll pilot other programs like facade improvement and curbside appeals at a smaller scale to demonstrate the value and impact of improving both homes and neighborhood blocks. Second, the H.O.M.E. Plan allocates most of the borrowed funds, 84% to existing high demand programs and housing production and preservation that thousands of Philadelphians have benefited from.

This includes Basic Systems Home Repair, Adaptive Modifications, Turn the Key, Philly First Home, Eviction Diversion and others, each of which is important to continue to meet our housing needs now, as this wide array of new and existing programs are implemented.

Another critical element of the H.O.M.E. Plan has been to collect, track and report all of the measurable data. Long gone are the days where the city is making big investments and we don't know who benefits. In addition to tracking, the data and key metrics through Philly Stat 360, the Administration will be assessing the economic impact of these programs. And the plan in realtime, full transparency and tracking performance are hallmarks of this Administration and this will fully extend to the H.O.M.E. Plan.

It will be critical to have such a quantifiable analysis ensuring that H.O.M.E. is having the greatest possible impact for residents across the housing continuum spanning from low-income households to the workforce, housing that benefit our nurses, teachers and public safety officers.

As we said before, we refuse to pit the have-nots against those that have-just-a-little. As we've projected the full impact of programs in the H.O.M.E. Plan, the data bears this out. It proves it. Based on our four-year projections across all funding sources for production and preservation, 68% of beneficiaries earn between 0 to 50%

of the Area Median Income, AMI.

93% of beneficiaries earn under 80% AMI. 40% of beneficiaries who are in the deeply affordable category are between 0 to 30% AMI. These beneficiaries reflect our commitment to prioritizing families across income levels with real needs and in neighborhoods across the city.

This includes the family with rent that consumes nearly half their income and is struggling to buy groceries and meet their basic necessities. This also includes the senior citizen on a fixed income who needs to make emergency repairs to their roof from caving -- and keep their roof from caving in. And this includes as well the household with parents who work for the city, our colleagues, your staff who have child care expenses, medical bills and other costs that are keeping their first home just out of reach. The H.O.M.E. Plan was designed to help each of these households and we refuse to let any of them slip through the cracks on our watch.

Finally, and before we hear from Angela Brooks and our team about the Program Statement and Budget on the table today, let me stress how critical it is that we move swiftly on this resolution. We are running out of time to go to the market to borrow funds this calendar year and avoid any program disruption in the coming weeks.

We have Rob Dubow, our Chief Financial Officer, that will be here today to answer any questions regarding that as well as our City Treasurer Jacqueline Dunn. Philadelphians deserve safe, quality, affordable housing and they need it now. Thank you. And now, we'll turn it over to Angela Brooks.

MS. BROOKS: Thank you, Chief Thurman. And good morning, Councilmembers. As stated, my name is Angela Brooks, Chief Housing and Urban Development Officer. The Annual Program Statement and Budget for year 1 of the H.O.M.E. Plan outlines 12 months of spending for the 27 new and existing programs per the H.O.M.E. bond ordinance, Bill 250568.

This is the first of four such Annual Budgets and Program Statements the Administration will prepare as a part of the housing plan. Before we shift into questions, I'd like to outline the changes from the budget originally shared on July 11, as several were made following input from the Council.

Affordable housing

Preservation and Production, we adjusted that from 40.3 million to 19.9 respectively, to 29.7 and 24.3 million, shifting more funding to H.O.M.E. preservation after taking into account recent information that we received around expected housing projects in 2026 and available NPI funding.

Basic Systems Repair, we increased that from 33.5 million to 34.8 million, which will be supplemented by other funding sources, including the Housing Trust Fund, CDBG and NPI to reach an annual spending target of approximately $50 million per year.

Built to Last, we increased that from 1 million to 8.5 million, adding to the available resources for home repairs in year 1. Eviction Diversion and Targeted Financial Assistance, we adjusted from 14.2

million to 15 million maintaining current service levels.

Philly First Home, we decreased that from 12.5 million to nearly 10.7 million as other funding was identified to support the program in year 1. Tangled Title prevention, we increased that from 1.9 million to 2.2 million to maintain current service levels while expanding the NAC pilot program.

Turn the Key increased to 43.5 million in year 1, as existing funds have been spent on closings this year and to maintain the operation of other programs administered by PHDC, including BSRP. At this point, 8.2 million in NPI funds remains for Turn the Key, with an estimated 689 closings are estimated by the end of year 2026. An additional 43.5 million will ensure these affordable homes are completed.

And lastly, a Wills program we created as a separate line item with 1.5 million allocated in year 1, adding resources to be proactive and prevent tangled titles. The total amount proposed for year 1 has increased to approximately 238 million, most of which is due to the important Turn the Key investment.

As we stated before, most of the borrowed funds are for high-demand programs, several of which soon need additional funding to continue without disruption. At the same time, One Philly Mortgage will be created with an upfront $25 million investment, soon allowing more working Philadelphians to become homeowners.

As a result, of these revisions the first Program

Statement and Budget now includes more than a quarter of the total $800 million borrowing authorized for the next four years. But we believe it's important to aggressively tackle the housing crisis that's here now.

Thank you again for the extensive discussion and feedback going back to the spring. We deeply value our partnership with you, Council President and this body. We look forward to your questions today. Thank you.

COUNCIL PRESIDENT JOHNSON: Thank you very much. Jesse, no questions?

MR. LAWRENCE: (Shaking head).

COUNCIL PRESIDENT JOHNSON: Just a couple brief ones. First of all, thank you for coming and providing testimony for the Budget Project Statement. I just have a couple brief questions. So just clarify, what's the original amount that you're borrowing for the first 12 months and then the additional amount we're borrowing for Turn the Key? And then second, how many units do we expect to be built during this 12-month period?

MR. LAWRENCE: Sorry. The first question was -- can you re-ask your question?

COUNCIL PRESIDENT JOHNSON: The first amount under the Project Budget Statement that was sent over and then the second amendment that was sent over?

MR. LAWRENCE: So the first amount didn't have any -- my name is Jesse Lawrence. Thank you. The first amount that was listed in our first statement was $0 for Turn the Key. We have expanded that up to $43.5 million, and that is in response to the need to provide mortgages for what's in the pipeline and then also for us to reach that 1000 unit goal that we are putting forward in H.O.M.E. specifically.

COUNCIL PRESIDENT JOHNSON: So I just want to get clarity. So from the time of July 11th and even before July 11th when you started working to put the Budget Project Statement proposal together, at no point in time you took in consideration the need for the additional 43 million for Turn the Key and what else?

MR. LAWRENCE: What we determined between the last time and this particular moment is that there was a shift in what year 1 bond year would be. Originally that was anticipated to be FY26, at the year's end of FY26. That's now shifted to a calendar year basis, and what we've understood to be the case between, one, understanding what exactly is still allotted for Turn the Key and NPI, but then also just knowing that there will be a six-month period after what the originally anticipated year-end would be was that there was no funds dedicated specifically for what's in the pipeline and what we want to hit with our target.

So because of those shifts, we've made some changes and we've presented that particular line item for this particular year 1 so that we can cover what's in the pipeline and what we have come forward.

COUNCIL PRESIDENT JOHNSON: Okay. And how many units do we expect to build, new units of housing during the 12-month period with this funding?

MR. LAWRENCE: For new housing, 2408 units.

COUNCIL PRESIDENT JOHNSON: Say it again.

MR. LAWRENCE: New construction, 2408 units.

COUNCIL PRESIDENT JOHNSON: So in the first year we're expecting 2000 units to be built?

MR. LAWRENCE: That's across all sources. But the first year we have at least 800 to get through in the pipeline as we --

COUNCIL PRESIDENT JOHNSON: 800?

MR. LAWRENCE: Yes, sir. And if you want specifics, Angel is here to talk to those specifics.

MR. RODRIGUEZ: Good morning.

COUNCIL PRESIDENT JOHNSON: Good morning. How you doing?

MR. RODRIGUEZ: For Turn the Key, for the calendar year --

Angel Rodriguez. For the calendar year of '26 we expect to have 656 closings under Turn the Key.

COUNCIL PRESIDENT JOHNSON: And that's closings as opposed to brand new units built or that's a combination of both?

MR. RODRIGUEZ: No, that's all brand -- Turn the Key is new construction, all new construction. So that would be 656. The total -- and let me just clarify. Closing out NPI, we would have another 109 closing. So the total just for H.O.M.E., that would be 656. Closing out NPI, that would be another 109. So the total number between the two funding sources would be 765 properties.

COUNCIL PRESIDENT JOHNSON: Okay. 675. That's it. Thank you. I have another question. In regards to the H.O.M.E. initiative and obviously

I'm a supportor of it, members of Council are supportive in general as well, where are we at in terms of our partnership with the philanthropic communities as well as the unions regarding this particular initiative?

MS. THURMAN: So we, Angela and I, will both answer the question. I'll start and then turn it over to my colleague Angela Brooks. We're in a really good place. So we are meeting actively with both the unions. We are in partnership with PHA as well as the philanthropic community. We're working with national philanthropic leaders as well as those who are regional and then local.

We've been presenting the plan, keeping them abreast of where things land with City Council, and they're incredibly supportive of it. And we'll be making an announcement very soon.

COUNCIL PRESIDENT JOHNSON: And give me the role that PHA is going to play in helping us put units for low-income individuals. And I know a lot of times we talk about affordable housing and workforce housing and I have a special interest for those who need low-income housing.

MS. THURMAN: And we share that interest. We've been working very closely with Kelvin Jeremiah. I'll turn it over now to my colleague Angela Brooks.

MS. BROOKS: Thank you, Council President, for the question. Angela Brooks. We've been working in conjunction with the Philadelphia Housing Authority, as we mentioned in the spring. While they have their own separate plan, we find them to be complementary plans. We definitely look at them as a partner for some of those deeply affordable units that a lot of people are here to advocate for. We are a true believer in that as well.

A lot of the H.O.M.E. Plan will support that of the funding for PHA. In fact, our homeless prevention line item, all of those things support the initiatives that PHA is implementing as well as at the same time we are doing our H.O.M.E. ops. It's our internal improvement plan of making government work better. And so, all of these things will help them move the needle very quickly as well. But we are allocating funds within the H.O.M.E. fund to support their acquisition fund and some of their shared housing goals.

COUNCIL PRESIDENT JOHNSON: Will their units count?

When I say their, meaning PHA.
Will their units count toward the
30,000 units or that's a separate
track? If H.O.M.E. money is going
toward -- and I know specific
projects that you are supporting in
terms of the H.O.M.E. initiative,
but I'm speaking on a grander
level -- on a general level, I'm
sorry. Will those numbers count as
a part of the overall or we just
have two separate tracks?

MS. BROOKS: It's
confusing. It will be two
different tracks. Certainly, the
ones that are going to be touched
by H.O.M.E. money will count, but
they will be separate and aside.
And one of the important things
we've continued to say is while we
talk about the 30,000 produced and
preserved, we anticipate that the
market itself will create
additional units by some of the

work that we're doing, and that wouldn't be included in that.

And when we're tracking it, we are going to have, as we've mentioned, we're going to have our tracking numbers on Philly Stat 360. We will be delineating both, but we'll be tracking both of those as well.

COUNCIL PRESIDENT JOHNSON: I guess I want to shape this conversation as well. I know we talked about making sure -- and it's my goal to make sure we don't go in this direction, but we're not going to pit the haves versus the have-nots, right. And so, I want to go back to some of my line of questioning during the same conversation I had before in the past.

When we talk about the percentage of individuals that we're going to be supporting, right, that are above the criteria of most of the programs that we offer in the city of Philadelphia, give me a dollar amount of how much above that criteria requirement that we will allow individuals to participate in programs?

MR. LAWRENCE: So I am trying to get to the chart that specifies the different dollar amounts and somebody can pick that up. But what I can say is that we're tracking -- we have experience in understanding of where the demand over a certain AMI band would be for these programs that we're trying to expand at this point.

We have some historic experience in moving from 50% to 60% and seeing that that was a very small increase in intake. What we're obviously going to is from 60 to 100. We have experience in actually denying applications, probably a thousand applications since 2022, over a thousand at this point, for those who simply didn't qualify because they were over the 60% threshold, right.

COUNCIL PRESIDENT JOHNSON: Give me that number again just for the record.

MR. LAWRENCE: At least a thousand since the spring.

COUNCIL PRESIDENT JOHNSON: A thousand?

MR. LAWRENCE: Yes, sir. So what we do know is that the number does increase in terms of how many people probably will still -- but the number does increase in terms of how many people probably would still, but I think that a thousand is probably about 5% of what the overall application has been. So we anticipate anywhere between 5% to

10% of an increase once we elevate these income band levels or the -- I'm sorry, the income eligibility requirement, moving from 60% to 100%. We anticipate about 10% at most of an increase in applications.

COUNCIL PRESIDENT JOHNSON: And give me the application request for those below that particular number just for the record.

MR. LAWRENCE: Since 2022, at least 5500 applications have been received.

COUNCIL PRESIDENT JOHNSON: So you got 5500 that are those drastically in need and then 1000 individuals who are in need at a different income level, correct?

MR. LAWRENCE: At least, sir. Yes, sir.

COUNCIL PRESIDENT JOHNSON: And I just want to have clarity on it. And obviously we talk about these things behind the scenes, but also want to be transparent in terms of as we go through this process how we move forward.

At this time, I'm going to take a moment to -- give me an idea regarding how we're addressing rental assistance. The level of the budget that's directed toward those who are, I guess I wouldn't even say home poor because at the end of the day they don't even have a home, they're renters. So give me a perspective of the H.O.M.E. commitment to address this particular issue.

MR. LAWRENCE: I'll call up our Director for Housing Community Development, but there are a number of different programs that exist prior to this and we'll continue on.

And, Mark, you want to talk about what those mechanisms are.

MR. DODDS: Sure. Mark Dodds, Deputy Director of Division of Housing and Community Development. As Jesse mentioned, there are a few ways we're addressing that. The primary way is through our Eviction Diversion program. Eligible households receive substantial assistance through that program. The annual budget is roughly in the neighborhood of $30 million. This H.O.M.E. Plan enables us to keep the program operating at level stages. So we anticipate, you know, operating that as is.

We will also be operating rental assistance through Fresh Start, which is a new program right now. It's currently on pause until H.O.M.E. dollars are available, but that will include move-in costs and up to three months of assistance for families who qualify. And there is also a program called PHL Housing Plus, which operates as more of a guaranteed income program. It's done in partnership with PHA and there is funding in the H.O.M.E. Plan to continue that program through the end of the fiscal year.

COUNCIL PRESIDENT JOHNSON: Do any of our initiatives actually support the landlord through the subsidy or go directly to the actual renter?

MR. DODDS: Yeah, great question. So Targeted Financial Assistance, that component of the Eviction Diversion program, those payments go directly to the landlord.

COUNCIL PRESIDENT JOHNSON: Okay. Chair now recognizes Councilmember Jamie Gauthier.

COUNCILWOMAN GAUTHIER: Thank you, Council President.

Good morning to all of you. I wanted to start with a question that gets to how we envision the 26 initiatives being proposed -- to be funded in the year 1 H.O.M.E. budget. When you envision target populations, not as a whole for the initiative but for each of the 26 programs that might be funded, I want to hear more about sort of those targets and those priorities, if they exist.

And I ask because we all know that there's a huge need for a lot of these programs, and demand is likely to go up, especially when we start promoting that the programs have higher income eligibility than in the past. Most programs, as listed in the

legislation right now, just have
the maximum income eligibility
criteria next to them, which
doesn't tell a complete story about
where the true demand and need is.
So can you talk about that? What
are the target populations for the
various programs that you'd like to
be funded?

MR. DODDS: Sure. Mark
Dodds again. I think we can start
by saying that the AMIs for the
vast majority of the programs that
we intend to support with H.O.M.E.
dollars are remaining the same.
There are a few changes. However,
historically, and I think this was
mentioned in the testimony, we are
currently serving through programs
like BSRP and various other
programs, though we may not
necessarily target them, naturally
the participants that are taking
part in those programs, that are

benefiting from those programs, are often times at or below 30% AMI, and the vast majority of participants are below 50 and then below 80. So we're seeing somewhere in the neighborhood of over two-thirds of current participants in our programs that are at or below 30% AMI.

COUNCILWOMAN GAUTHIER: Okay. So you think that naturally we'll just support the people who are most in need with those programs as opposed to codifying it or enshrining it in the legislation somehow? Will it just organically happen?

MR. DODDS: Based on past performance and the data that we've compiled, that's what we expect.

COUNCILWOMAN GAUTHIER: Okay. Your figures from the spring showed over 10,000 income eligible households still waiting to hear if their applications have been awarded yet for home repair assistance, and that's before we increase the income eligibility for that program and the Adaptive Modification program, which will more than double the number of eligible homeowners for these programs.

We know there's a need out there across many income bands. I don't think that any of us would debate that. The issue is more can these already strained programs sustain all of the extra demand as they are currently structured.

And so, I wanted to ask is this Administration willing to list priority AMI ranges for each relevant program in the resolution so that those in most need will still be prioritized even as we expand the income eligibility guidelines? And especially, are we willing to do that for the programs where we already know that there is not enough funding to keep pace with even the current level of demand?

(Applause.)

MS. BROOKS: You know, one of the things we talk about a lot, we've talked about in previous meetings with you as well, Councilmember Gauthier, and one of the problems with kind of -- I'm trying to think of how do I want to say it. I think the issue, first of all, the logistics behind it, so while we think it will naturally happen and we don't necessarily think this is something we have to necessarily focus on, the infrastructure in which to do that is it just doesn't exist for us as it stands.

And so, when we started

talking about how we could possibly implement that, we looked at the different ways we could do it, and currently our system doesn't allow for that. And that's just an honest answer. We physically cannot do it. The infrastructure to do so will take some time and that probably would be beyond year 1.

Secondly, I think there's just a philosophical difference between some of the thought process on who it is we're serving. I think a lot of times these conversations make it sound like we're being Robin Hood and taking it from the rich and giving it, you know -- taking things from the poor for the rich. When, in fact, we're taking it from the police officer, the teacher, the city employee that we get on the elevator with who don't have it, the people who are cost-burdened.

So when you start looking at the cost-burdened statistics throughout the city, we're recognizing that a lot of those people they might make 80% of AMI, but they really cannot maintain their homes, which is contributing to a lot of the blight that we're seeing. It isn't that we are necessarily focused on a big marketing campaign to people who make 100% AMI. We have a robust housing counseling system. Many of them are here today that will continue to work with and we will continue to work with those individuals who are the most vulnerable in the same ways that we always have and they will be the people that are mostly marketed to you.

But the infrastructure in which we would add tiering would really add time to the waitlist, because then we'd have to implement that system that could allow us to do that. And when we're talking about waitlists and time, we don't want to expand and add on time for that.

COUNCIL PRESIDENT JOHNSON: Can I get a point of information. Just for clarity, explain just for the record what does that infrastructure look like. Just want to get an idea. The infrastructure that would take more than a year to put together and we don't want people to wait, just want to get an understanding of what that infrastructure looks like?

MS. THURMAN: They're going to answer that question. You know, it could be in a very technical way, but to be very clear we all know, and we stated this during the hearing last when we were here months ago, that AMI while it's important, it's very important, it is only one factor and it doesn't tell a full story of what people are really experiencing.

And so, when we're thinking about whether it's deeply affordable or affordable as an Administration, we've been really keen on not allowing any of our staff, any of our team to be pulled into that debate, because as an Administration we put together a plan that focuses on deeply affordable, that focuses on affordable, that focuses on people who are in need. So AMI is important, but we look at a number of factors beyond that.

And, Council President, that's something that we stand by. And as the Mayor has said on the record time and again, even when she gave her opening budget address, we're not going to apologize for our stance because our approach ensures that everyone benefits, especially those who are in deep poverty and deep need. So I'll turn it over now to Jesse Lawrence to talk about the infrastructure and the more technical demands that it takes to get it up to speed in a year.

COUNCIL PRESIDENT JOHNSON: I just want to know what the infrastructure is. And then also, respectfully just as a body, right, we support the H.O.M.E. initiative. But also we recognize that even in shaping the H.O.M.E. initiative, because there's I think a partnership between the legislative branch and executive branch, but also our perspective and our views just as well should be noted and taken into consideration. And I don't think this body apologizes for the position that they're taking in terms of how we move forward.

(Applause.)

MS. THURMAN: Absolutely.

COUNCIL PRESIDENT JOHNSON: And I say that respectfully. My conversation is really about the infrastructure. If we're saying that something like this really can't be done because it's going to take time and the time that it's going to take means we can't address the people who are in dire need right now, I just want to know what does that infrastructure look like, because I know that we have a very, very astute body of individuals on the Administration side, that if there's a will, there's a way to put something together in a very expediently and efficient manner. So I just want to understand what that infrastructure just will look like that would take us more than a year down the line before we can implement? That's all I'm just asking.

MS. BROOKS: So it would require doing dual tier eligibility screening and verification process, which we don't currently do, additional administrative burden on applicants in terms of things we need. We'd have to have a more complex waitlist management system, which we don't have now.

Potential -- and let's be clear, we're not saying that we would delay service at all. But what we're saying to implement AMI tiers would be a time-constraint. And if we wanted to do it to make the H.O.M.E. funds available, that would need to happen first. Potential delays in service delivery would just be while we navigate through those priority tiers.

So the operational challenges, we're just being honest, could slow down the deployment of some of those critical housing needs while we implement those.

COUNCIL PRESIDENT JOHNSON: That's all I ask.

COUNCILWOMAN GAUTHIER: Thank you so much for that point of information. I just wanted to point out that if we start in what I would think is the most logical way, by clearing out the thousands of people who are already waiting who applied under the current eligibility guidelines, that would give us time to put in place the infrastructure that we need to prioritize folks who need our help the most.

(Applause.)

MS. BROOKS: Well, that would be the plan. So there's no part of the plan that would say that new applicants would come before people on the waitlist. So I want to make sure we clarify that. And I want to just clarify because there seems to be some notion that new applicants would come before people on the waitlist, and that is not the plan nor has it ever been the plan, and we continue to clear the waitlist before new applicants for those existing programs would be applicants.

COUNCILWOMAN GAUTHIER: Thank you. I'm glad to hear that. I'm just pointing out that there's plenty of time to put in an infrastructure that prioritizes those who need our help the most.

And like the Council President said, I fully trust the expertise in our city to be able to do that.

I also wanted to ask about, you know, it seems like we're having a discussion that gives the picture that we might be disagreeing where there's no disagreement. Do you all interpret prioritization as an exclusion of anyone over the AMIs of those who need the most help in the city? Do you think that prioritization means the same thing as excluding anyone over a particular AMI because that's certainly not what I am advocating for?

MR. LAWRENCE: But before you say something, I just want to make it clear that I think we've stated that income is not a reflection of what the need is. You can be at very different income bands, but it does not necessarily reflect what the actual need for repairs are.

We want to make sure that everybody that needs access to the repair resources that needs it gets it. So again, increasing the eligibility to a certain requirement doesn't necessarily mean that everybody without those needs will take advantage of those needs. But we don't operate on the indicator that income is the indicator for the need. We operate on the actual repair and scope to reflect what that need is.

COUNCILWOMAN GAUTHIER: I understand --

MS. THURMAN: I think that's where it's important to us that, Councilmember, especially as Chair of Housing that you understand that's where our stance is. And we know that you have been a champion early on of the H.O.M.E.

Plan and of our approach and we appreciate that. I think ongoing conversations have revealed that there is I won't say a disconnect, but further clarification that's needed around what those factors are, as Jesse just clarified.

I think that will then -- not I think. That is the reason why we've been very clear in saying that the focus is in its simplest form is to ensure that those who are experiencing deep need that, yes, they benefit from the plan as well as those that in its most simplistic form, as the Mayor says, those that have just a little bit that they benefit as well, when often times in the way our programs were originally designed those folks have not been able to benefit.

And so, we talked about this in our testimony, but it's our police officers, our homicide detectives, our firefighters. We're looking at our budgeted positions, the number of vacancies that we have, what type of recruiting that we need to happen in order for those folks to work here and to live here and to be able to afford to live here in the city of Philadelphia. So when we're thinking holistically about this plan, that's what we're thinking about, our teachers, our social workers, the therapists. But I'll turn it over to Angela. I think that she had another point to answer your question.

MS. BROOKS: And the short answer to your question is, no, we don't think that prioritizing is any different. We don't think that. But it's the same the other way. Do you think that by expanding income eligibility that we're prioritizing people at higher? And I think the answer is no there either. So I think you're right, we're not in disagreement on that.

But what we're saying is there is a wider need and there are so many people, I live this every single day with my father, who did what he was supposed to do. He retired, but he makes over all of the AMI programs that support him and he's fortunate that I can write a check to help supplement him. And those are the people that we are trying to address. Because when you drive through areas of Philadelphia and see blight and you see the preservation needs, a lot of them are people who just don't qualify for our programs, and our team is seeing that.

I mean, Jesse talked about the numbers of people who were denied BSRP because they were just a little over the income. And so, we want to make sure that we are including everyone, and that's why we're expanding those income bands. And to your point, no, we don't think it's excluding anybody, which is why we're trying to be inclusive.

COUNCILWOMAN GAUTHIER: One last statement, CP, and I'll turn it back -- or, Council President, and I'll turn it back over to you?

COUNCIL PRESIDENT JOHNSON: (Nodded affirmatively).

COUNCILWOMAN GAUTHIER: I don't see what you're saying or proposing as an exclusion necessarily of people, you know, at some of the lowest levels of AMI. But I also don't see in my opinion it being fiscally responsible to open up programs to the middle class without any prioritization of people who but for the city's dollars are going to be on the streets. And we're not talking just about philosophy. We're talking about data.

It is not a philosophical disagreement to say that people at certain levels of income in the second poorest city in the country have more needs than people in the middle class --

MS. THURMAN: I think that --

COUNCILWOMAN GAUTHIER: If I could just finish my statement please. And I also don't believe that it's enough to say we're organically going to help the people who need our help the most. If that is the intention, then we should codify that in the legislation and that's what I'm proposing. Thank you so much.

(Applause.)

MS. THURMAN: So again, we're looking at a number of factors. Yes, we're looking at AMI. Yes, we understand that this is the biggest -- the second biggest poor city in the nation. And when that article came out announcing that we were no longer in last place but we're second to last, I'm quoted in that article as saying that we're not celebrating that.

Why are we not celebrating that? Because even beyond where we stand on being second or the last in terms of poverty, we're also looking at factors that make up economic mobility. And from an economic mobility perspective, we are in last place.

This comprehensive data-driven plan, regardless of how it's framed, it is factual, it is public, it is on our website. This comprehensive data-driven plan focuses on economic mobility as well and that is incredibly important, because we're not just looking at today. We want to ensure that 10 years from now that people that live in Philadelphia that maintain homeownership or become first-time homeowners, that they're not priced out of this market. And so, I'll turn it over now to Angela to respond further.

MS. BROOKS: Thank you, Chief Thurman. I think one of the main points we want to just talk about is a lot of infrastructure is happening within the city to ensure that we are really doing workforce development. And one of the things we historically have seen from policyholders around a lot of our social programs with limits is that as we increase people's ability to achieve more in terms of workforce development, they suddenly are out of programs.

I mean, we can think about -- several people I can think of in my life who really had to deny promotions or they had to not take the next job or wait a while so they could get help or they took that next job and suddenly they don't get the daycare assistance they need, and they're suddenly pitted against, oh, I have this better job but now I make 65% of the AMI and I don't get these resources that I need.

And so, one of the things about expanding AMI is to really allow people to still get assistance they need because middle income when you look at AMI charts, again we're not talking about billionaires and millionaires.

We're talking about a family of four at 80% of the income is $95,000. I'm sure if you guys do quick math, you know four people on $95,000 in this kind of environment where eggs are costing a lot isn't really enough to really sustain that.

And so, if you want to encourage people, if you look back into -- particularly, I worked for a public housing authority for a really long time, the system and the barriers to exiting some of the programs there kept it so people didn't want to get that next job because they wouldn't have housing availability. So we want to make sure that we are supporting people as we grow through a lot of the workforce development and economic development strategies we have that they can still get the support they need to maintain their lifestyle and maintain their families and not slip back in.

And so, when we're talking about why we're expanding AMIs, we're not just thinking about the people already at 80, but we're thinking about the people we are working to get to higher income bands and ensuring that they still have the support they need. And when we talk about the haves versus the have-a-little-bits, I think that sometimes gets missed because we want everybody to move up in the AMI band and we want to support them, and we're doing a lot of work within the city right now to ensure that we're creating programs to support their development and growth as well.

MS. THURMAN: And that's the economic mobility framework that we're talking about. Just to correct the record, the waitlist is not 10,000. It is still 3700. And --

MR. LAWRENCE: 5700.

MS. THURMAN: I'm sorry. Go ahead. 5700.

MR. LAWRENCE: It's 5700. And I just want to establish the fact that we're working through that queue as we speak, you know. It remains a first-come first-serve program, which means we have to make sure that we get through this program queue before any of this is approved as we speak.

COUNCIL PRESIDENT JOHNSON: Thank you. Before I turn it over to my next member, I just had one more question in terms of the roll-out of Turn the Key. I want to get an idea of how we will work in partnership with District Councilmembers, right, and irregardless of what goes through the Land Bank, rather it's approved or not and even if it's approved, without the partnership of the actual District Councilmember in terms of shaping what gets built, project is not going to ever move forward. And so, how do we get to the point where, well, what's the strategy.

And I know early on we were asked to do 1000 units, right, without wanting to do the traditional process, which we agreed to do because we wanted this process to be successful, what's the plan to strategize with that District member before it gets to that Land Bank process, right?

And if the member -- so the member can have input, because I don't think nothing should come out of the Land Bank, just me personally, without the input from the District Councilmember, because at the end of the day it doesn't come back on anybody else regardless if a project is successful or not, it always comes back to that District Councilmember.

So just give me an idea of what that strategy is going to be because we also want to have scenarios where projects do get through the Land Bank and somehow it gets out of Land Bank, and then it's like, well, Council was holding the process up and councilmanic prerogative, but we have a law. There's a law. We have a legal responsibility for the disposition of land. That's our legal right, not that whole councilmanic prerogative that the newspaper tries to make like it's some big boogeyman process. But the reality is that's our legal responsibility, a disposition of land, right.

So what is the strategy to make sure as you do the 1000 units that there's active participation and conversation with that District Councilmember in partnership with anybody else so when it's time for it to move forward we won't have projects stalling?

MS. THURMAN: Yeah. And Jesse is going to take that question. And there was something that Councilmember Gauthier said earlier that of course I'm reflecting on and I appreciate, we don't take enough time to stop and say thank you. So first, I want to say thank you to the body for your support for the H.O.M.E. Plan and I genuinely mean that.

COUNCIL PRESIDENT JOHNSON: Appreciate that.

MS. THURMAN: And especially to the District

Councilmembers, thank you as well for entrusting us and saying yes to this new process. And to your point, right, we understand the legal binding that calls for adhering to councilmanic prerogative. We respect that. And so, thank you for agreeing to this process.

I'm going to turn it over to Jesse now, but wanted to use this as an opportunity to say thank you because it's an innovative approach. It's different in the City of Philadelphia --

COUNCIL PRESIDENT JOHNSON: We support it.

MS. THURMAN: Yes, and we're partnering on that. So thank you.

COUNCIL PRESIDENT JOHNSON: Yeah, we support it.

MR. LAWRENCE: I'll

provide a kind of high level of what we've harnessed from previous years as far as the proven track record of success for Turn the Key. Turn the Key does not rule out specifically in any area without the blessing of a Councilperson. So everything we do is in coordination with the Councilperson on top of very informed research that we do around marketing, making sure that -- not marketing in terms of issuing out the notice, but also just marketing in terms of where the market is sustained, this type of price point, this type of product and this type of development.

Everything we do in Turn the Key is competitive at this point and everything that we would do on the horizon would remain to be competitive as tied to probably the 1000 property effort that we're tying toward. That's supposed to be tied directly to Turn the Key.

Angela can talk about the FUSE fellow that we've onboarded for that specifically. And as she's doing it, I'd call up Angel to --

COUNCIL PRESIDENT JOHNSON: Will they all be competitive? No more direct?

MR. LAWRENCE: Nothing is direct.

COUNCIL PRESIDENT JOHNSON: This won't be direct. Okay.

MR. LAWRENCE: I mean, there's obviously the unsolicited route --

COUNCIL PRESIDENT JOHNSON: The 51% that can be affordable and the rest market rate, so that won't be a part of the 1000?

MR. LAWRENCE: I think

we are -- to fulfill this 1000 unit, 1000 property goal that we're establishing hopefully with Council, we want to make sure we set our guardrails on a competitive route. That way we can ensure that there's coordination between us and the Council body about this, the different districts and the geographic locations where this work is going.

But again, Angela can talk to you about the FUSE fellow that we've onboarded, and Angel can talk about what we've done in the past and how that's mirroring what we're doing in our approach going forward.

MS. BROOKS: Thank you, Jesse. So as you know, Council did approve pre-authorization for the 1000 lots. And so, we hadn't started that process, but last week we onboarded a FUSE fellow who will help us. She's in the room, Christine, will be working with each District Councilmember.

So the whole thought in that is we will work with District Councilmembers to look at the vacant land that they have in their district, and we will select -- they will select with us the land that we will make available for that special disposition process, period. That wouldn't happen -- we can't do it without you. So we are going to work with each District Councilmember to identify what land they want to go in that special disposition process.

They will also identify the community partners we need to meet with, and we're going to do all of that on the front end so when it does come to Council and go to the Land Bank, all of that work will have been done. So I think many of you in the spring saw our special disposition engagement process that we proposed. We plan on following that, but it doesn't happen without each District Councilmember first agreeing to not only which properties we're using, but what we would propose to be developed. Obviously, because of the 1500 square feet limit, it's probably going to be a Turn the Key house specifically, but maybe a District Councilmember wants to see a two-family home. So that will be a conversation we have with each District Councilmember in the coming really weeks, because we have somebody who will be solely focused on that and working with the Land Bank team.

COUNCIL PRESIDENT JOHNSON: I just had one question though, why a fellow and not just bring on an actual --

MS. BROOKS: I mean, we can but --

COUNCIL PRESIDENT JOHNSON: I wanted to ask that before. I didn't get a chance to when I first heard it. But just -- and I think fellows, because we have a whole group of them sitting behind me that does some great work, but I just want us to understand something of such magnitude that we're working on that a fellow was assigned to it as opposed to just hiring a staff member to actually do it?

MS. THURMAN: We have full-time executive and senior staff that are working alongside of the fellow. The fellow has the opportunity to become a full-time employee. And this is an amazing partnership with FUSE. So please do not see this as a lack of urgency or importance.

COUNCIL PRESIDENT JOHNSON: It's cool. Yeah, I just wondered.

MS. THURMAN: Our structure is such that the fellow will work with and report to our senior executive staff.

COUNCIL PRESIDENT JOHNSON: A lot of my fellows been working on H.O.M.E. too, so if they looking at me cockeyed that's not the case. I was just wondering. That's all.

And, Mr. Rodriguez. And then the Chair will recognize Majority Leader Katherine Gilmore Richardson. Mr. Rodriguez, did you want to do a brief response? But I think actually Angela really answered the question. Just making sure that as we move forward to get the 1000 units, which we all really aggressively want to get done, that there's engagement in terms of

District members helping shape what that looks like in terms of development in their districts. That's all.

MR. RODRIGUEZ: Angel Rodriguez. I totally agree with the strategy to go with RFP process. In the past that's worked really well. It's worked well in your district. It's working very well in the 5th District. It's where we get to sit down and really design the request for proposal, make sure the product that's being offered is what the Councilmember wants. And it's been quite successful in the 5th and also in the 2nd to the point that we've done plenty of -- a market number of RFPs and sold those. It's a bulwark of the Turn the Key product as well as in the 5th.

COUNCIL PRESIDENT JOHNSON: All right. Thank you very much.

Majority Leader Katherine Gilmore Richardson.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. Thank you very much, Mr. President. And thank you to all of my Council colleagues for your robust engagement around the H.O.M.E. Plan and to all the members of Mayor Parker's team and the Administration and for all the work that you all have done, even back to the spring. Thank you very much.

I am looking forward to continuing to discuss the signature housing initiative, the H.O.M.E. Plan. Housing, as you know, has emerged as one of our city's most urgent and pressing challenges, as far too many Philadelphians are struggling to find and keep stable and affordable housing. And we know that when you don't feel secure in your housing, it's hard to feel secure in any other area in your life, and that goes from your ability to care for your family, to your confidence in planning for your own future.

And so, I recognize that this is a complicated issue, something that we need to tackle from every angle and I remain grateful to Mayor Parker and her Administration for working to take this holistic approach in solving our city's housing crisis. I want to especially talk about support of the initiatives that I have been proud to champion, which is the Tangled Title Prevention and Resolution program and also the Wills program.

I'm saying the Wills program, Angela, because as we know the most affordable home is the one that you already have. And we also recognize that according to Pew, more than 10,000 Philadelphia homes worth more than $1.1 billion are trapped in tangled titles and deeds. And so, you all know my story. I know firsthand how stressful that process can be and how difficult it can be to navigate those challenging situations.

And so, my goal is to ensure that we are providing Philadelphia residents with the tools to not only prevent tangled titles and deeds in the first place, but also to support those who are going through it. And so, these two programs will help build and preserve generational wealth because when we help families keep their homes, we are not just preserving their properties, we're preserving legacy, stability and the promise of a stronger, more vibrant Philadelphia for generations to come.

And so, with that I leave you with one of my favorite quotes from one of my favorite philosophers, and that's Jay Z. He said, "Generational wealth, that's the key. My parents didn't have much so the shift must start with me." And so, I'm hopeful that the shift starts with us.

And so, with that I appreciate you providing the tangled title funding breakdown. I wanted to go through it on the record to ensure that we are on the same page about the funding and how it will be spent from each source. So I'll start with CDBG.

According to the spreadsheet that you all shared on October 23, 2025, the Tangled Title program receives $100,000 in annual CDBG contributions; is that correct?

MR. DODDS: Good afternoon. Mark Dodds. Yes, that's correct.

COUNCILWOMAN GILMORE RICHARDSON: Okay. Thank you very much for verifying.

And what are those funds spent on?

MR. DODDS: So that money is earmarked for legal services.

COUNCILWOMAN GILMORE RICHARDSON: Okay. And can you just be more specific when you say legal services?

MR. DODDS: So tangled title contains generally speaking a legal aid component. So we partner with CLS, Senior Law, PLA and VIP to implement legal services and also estate planning and will services. So we've broadly couched that as the CDBG funding supporting legal services among those organizations.

COUNCILWOMAN GILMORE RICHARDSON: Okay. Great. And for Housing Trust Fund, according to the spreadsheet that you also shared on October 23, 2025 the Tangled Title program receives 900,000 in annual Housing Trust Fund contributions; is that also correct?

MR. DODDS: So I think the sheet I have in front of me has around 750,000, 755.

COUNCILWOMAN GILMORE RICHARDSON: Okay. So what are those funds being spent on?

MR. DODDS: So legal services, estate planning and some of that money goes directly to the Tangled Title Fund, allowing the homeowners or prospective homeowners to access assistance to secure the home.

COUNCILWOMAN GILMORE RICHARDSON: Okay. And then I see 500,000 for estate planning and legal services; is that correct?

MR. DODDS: For which funding category?

COUNCILWOMAN GILMORE RICHARDSON: Housing Trust Fund.

MR. DODDS: Housing Trust Fund, General Funds, yes.

COUNCILWOMAN GILMORE RICHARDSON: And if there's $900,000 available, why are we only allocating 755,000 total via HTF?

MR. DODDS: So maybe I need clarity. When you say there's 900 -- I think our numbers look a little different.

COUNCILWOMAN GILMORE RICHARDSON: And so, that's why I'm doing this. Because we know we met and I know we have to have additional meetings, but it is very important to me that we get this on the record.

MR. DODDS: Sure.

COUNCILWOMAN GILMORE RICHARDSON: Because the allocations that I have that came directly from the Administration are stating 255,000 for the Tangled Title Fund; 500,000 for estate planning and legal services. But we know that there's 900,000 available. But the allocation is only 755,000.

And I know that that may be a minuscule number to folks and something that we could change, but it's something that we talked about at the briefing. And you know that this issue, tangled titles, is personal to me. It is one of the reasons why so many families, particularly Black and Brown families, are losing their generational wealth and their properties and cannot sustain in the city any longer because they're not able to save these homes.

And again, I know that the additional allocation would be helpful even if it's 145,000 difference that we're talking about, is going to be helpful to many more families.

MR. DODDS: Yeah. So I just want to be clear, there's a lot of figures in front of me on the sheet and I'm happy to work through those. We don't want to leave any money on the table for tangled title services or anything. So if that appears to be the case, we can certainly clear that up.

The number that you just gave me, that 145, that may be indicative of a portion of the new increase in recording fees that allowed us to distribute money in two different ways. One is adding money directly to the Tangled Title

Fund so more households can get tangled title assistance. The other is going to the Department of Records to a partner of ours in these efforts who is going to do some outreach work around that.

COUNCILWOMAN GILMORE RICHARDSON: Right. And I do see that under outreach. And so, my only concern -- and, Mr. President, I'm more than happy to come back around because I have a few numbers that I need to get on the record, because this program in specific for me is extremely important.

And so, I do see the 145,000 for Department of Records for transfer tax increase, but it was supposed to be the 900,000 total that was available. And so, I'll come back on the next round to clarify some of the General Fund dollars that are on the spreadsheet as well as the NPI as well as the transfer tax increase and also some of the other current budget recommendations.

COUNCIL PRESIDENT JOHNSON: Majority Leader, do you want to clarify now?

COUNCILWOMAN GILMORE RICHARDSON: I would love to. Okay.

I'm going to continue to move on. So I'll go back to the General Fund. According to the spreadsheet that you shared on October 23rd, the Tangled Title program received 75,000 in annual General Fund contributions; is that correct? And what is it spent on?

MS. THURMAN: To clarify, Councilmember Gilmore Richardson, I know that we've been working around the clock with Council President and his team. Our latest figures may not match because we recently shared new numbers and new spreadsheet in the negotiation process.

And so, in full transparency if there is a disconnect, we do have the latest numbers sitting with the Council President. We also can respond in writing in short order to clarify any questions you may have regarding the tangled title. And it is very clear to us how important it is.

I know we had a press conference just weeks ago. No, you couldn't make it, but it was because of your ongoing support and champion of that work and the work that's happening with Jim Leonard in partnership with Mayor Parker, under her leadership of course, that we got to where we are. And so, want to just also recognize that and acknowledge that on the record as well.

I'll turn it back over to Mark, but did want to acknowledge that we've had a round of meetings and been in ongoing negotiations and talks with the Council President's office and spreadsheets going back and forth since October 23rd, but I'll turn it back over to Mark.

COUNCILWOMAN GILMORE RICHARDSON: Sure. And I appreciate that work. Don't think that I discount it at all.

MS. THURMAN: Absolutely.

COUNCILWOMAN GILMORE RICHARDSON: And the only reason why I couldn't make it that day was because I had to pick up my son from school. And I just want to put that on the record because my children come first --

MS. THURMAN: Absolutely.

COUNCILWOMAN GILMORE RICHARDSON: -- before any of this.

MS. THURMAN: Yes. Absolutely.

COUNCILWOMAN GILMORE RICHARDSON: But I need to put this on the record because I need to have assurances -- I need to have assurances that what we talk about and what we agree to and that our understanding while we're here on the record in this hearing is what we discussed. And so, it is important to me that I put this on the record, because I've been here long enough to understand that a lot of papers fly back and forth. But if it's not on the record and if it's not in writing, it does not exist.

And so, I need to put all of this on the record. If you would just indulge me please so that I could get all of this out so that we're all on the same page. And I know you all care about this issue just as much as I do. But when I think about where we are as a city and the amount of sort of the middle class, lower middle class families that we are losing to the collar counties based on the census data, even the most recent census data that we have received, it showcases a situation where those folks, the have-nots with the have-a-littles that you talked about, have a little over, that those folks are fleeing to the collar counties because they have a little bit over, okay, and they're trying to get better housing and educational opportunities for their children and do a variety of different things.

And so, then we're left with the situation in Philadelphia where we have those individuals who could potentially benefit from this program. And I'm not talking about just tangled titles. I'm talking about the H.O.M.E. Plan in general, stories that I've even seen in the paper of individuals who have moved to Philadelphia and they've been able to purchase homes with the housing programs that we have, but then we're not helping the folks who are here.

And so, my concern is that we unintentionally create a circumstance where you have more higher-income individuals, individuals who can afford homes that may be over 3, 4, and 5 and 6 and $700,000, based on the data that even I received as Chair of Finance, with the type of residential mortgage lending that's happening across the city, that those folks can afford to stay here, and then we have a ton of folks who are in what we call the very, very low income population who will continue to have to depend on the social service net that we have created in Philadelphia.

But yet we lose our middle class, which is the tax base that we have to depend upon to keep this city going. And so, that's why this issue is so important to me because many of those families who suffer with the tangled titles or deeds are families that can have generational wealth that they're just able to maintain if we just set up the programs in a way that they are allowed to take advantage of these opportunities, maintain their generational wealth, stay in the city of Philadelphia, be positive, contributing individuals to our tech space and help our what we call middle neighborhoods, which is a neighborhood that our former colleague and now Mayor Parker talked about, like in her district and Dr. Phillips' District in the 9th or like the district that I live in that Councilmember Jones represents in the 4th.

And so, that's why this issue is important to me. And I never fully put all of that on the record so you all understand the full thinking about that but I felt the need to share that. So you understand why I need to get this on the record, why I'm committed to continuing to work with you all on this issue. But this is something that I think we have to focus on.

Because you talk about Turn the Key, and I have one staffer that took advantage of Turn the Key. It's a great program. I'm excited for her. She's a first-time homebuyer, I'm thrilled. You talk about the One Philly

Mortgage program and I'm sure I have questions about that later as well. But again, we want to make sure people who are here are able to take advantage of those programs.

MS. THURMAN: Absolutely.

COUNCILWOMAN GILMORE RICHARDSON: Mr. President, I apologize. I needed to really put that on the record so they understood where I was coming from.

Mr. President, if possible, may I ask for additional moments to ask the questions that I have?

COUNCIL PRESIDENT JOHNSON: Sure.

COUNCILWOMAN GILMORE RICHARDSON: Okay. Thank you very, very much, Mr. President. And so --

COUNCIL PRESIDENT

JOHNSON: That's leadership, our leadership team. Go ahead, Majority Leader.

(Applause.)

COUNCILWOMAN GILMORE RICHARDSON: So according to the spreadsheet that you all shared on October 23rd, again, of 2025, the Tangled Title program receives $2,141,491 from NPI; is that correct? And what are the funds spent on?

MR. DODDS: Yeah. So I want to go back just real quick. The 900k, it looks like that is a combination of the two Housing Trust Fund subfunds, recording fee in the General Fund, as well as the 145. We just parsed it out as coming from the Records Department. So I believe all of that money is allocated. And then --

COUNCILWOMAN GILMORE RICHARDSON: The 900,000 is fully allocated?

MR. DODDS: I believe so.

COUNCILWOMAN GILMORE RICHARDSON: Okay. And then for the 75, did you want to go back to the 75,000? Do you have that one or you want me to keep going?

MR. DODDS: Also, that money goes directly to VIP. And I believe that goes directly into the Tangled Title Fund.

COUNCILWOMAN GILMORE RICHARDSON: Right, Tangled Title Fund. Then why wouldn't that money be included on the spreadsheet of all the funds? You see what I mean, it's parsed out.

MR. DODDS: We can certainly clarify that, yeah. We don't --

COUNCILWOMAN GILMORE RICHARDSON: Okay. And then the $2,141,491 from NPI?

MR. DODDS: So traditionally, the NPI budget has contained 1.9 million for tangled title services. The figures that we've seen in contracts that we have with the agencies that I referenced earlier are a bit higher. I can't speak to exactly why they're higher, but I'm assuming that's because of unspent funding from prior years. I was just looking at the most -- we were just looking at the most recent budgets when we came up with that figure. And our intention with the H.O.M.E. bond is, as we discussed this, to make sure that we're not reducing any amount of tangled title funding.

COUNCILWOMAN GILMORE RICHARDSON: So from my understanding, those funds will be spent on legal services, the Tangled Title Fund -- just pulling up everything here -- estate planning, the NAC program -- and also the NAC program?

MR. DODDS: I believe that's correct.

COUNCILWOMAN GILMORE RICHARDSON: Okay. When will the contracts under NPI end? And are there any opportunities for additional renewal?

MR. DODDS: I can't give you the exact date because there are so many contracts that support a number of different organizations. I think some are set to end at the end of the calendar year, but as long as there is funding available through NPI, H.O.M.E. bond we will continue to amend those contracts to extend them for time.

COUNCILWOMAN GILMORE RICHARDSON: So if possible, can we just get a list of all those contract end dates and if there are opportunities for renewals and which NACs are currently receiving the funding for the pilot program. And I know there's one specifically in Councilman Young's District that's doing an excellent job. We've worked with them together as well. And how much you all receive -- I mean, how much they all, the NACs receive?

And then if you all have evaluated the programs and how we could grow the investment there so there's a permanent additional support? And if you're ensuring that each zip code with the highest number of tangled titles has a NAC that is resourced to do the education and the connection to the legal service providers that we're funding?

MR. DODDS: So I can address a couple of those things.

I may be missing some. But we currently fund three NACS to help with intake. They each receive $30,000 a piece through NPI funding. I believe we are, through the H.O.M.E. bond, looking to expand the number of NACs that we support. And I think that could go a couple different ways and we can have that conversation with you that could be bringing on seven or so new NACs. So upping that total from 3 to 10, it could be potentially increasing an allocation to an existing organization like you referenced who's doing a really good job.

COUNCILWOMAN GILMORE RICHARDSON: And I have to interject here and say that the 10, I think in support of my District colleagues, is ensuring that they each have a representative of someone that can help with the tangled titles in their area. Okay.

MR. DODDS: I think we can take that into consideration, but we'll also need to look at where those organizations that might do that work are located and things like that.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. And I'll come back on the next round.

Thank you very, very much, Council President.

COUNCIL PRESIDENT JOHNSON: Good. Thank you. Just for rather a point of information. I know we discussed this before behind the scenes in terms of going through this process. I think also it would be prudent to just provide the Majority Leader with like what the plan is going to be, the key NACs from your perspective that you think are probably the most qualified to carry out this initiative and then maybe we can go from there to kind of sign off on how best to move forward. But I know we did have a conversation in the past regarding how you will roll out what NACs you think has the capability, which ones you want to invest in.

And so, if you could provide the Majority Leader with what you actually think the actual strategy is going to be. So it won't be this is what we think we want to do, but at least do a little extra homework and say from my analysis in doing this work in the past these are the key organizations that we're looking to invest in moving forward. At least that's how I would approach it, I think.

MR. DODDS: That sounds fair. One of the things we discussed is kind of train the trainer model where some of the higher-performing NACs could onboard some of the newer organizations that may not have experience. So things like that, we can spell that out in more detail.

COUNCIL PRESIDENT JOHNSON: Okay.

MS. THURMAN: Our Mayor is community-based from the ground up, grassroots. That's our style. That's the style that we've employed. So we absolutely are committed to providing a NAC strategy for you all.

COUNCIL PRESIDENT JOHNSON: Thank you. Thank you very much.

Chair recognizes Councilmember Rue Landau.

COUNCILWOMAN LANDAU: Thank you, Council President.

Thank you to the City for being here on what is such an incredibly important issue. I think you know I've been an advocate for the full 800 million since the beginning. I am so excited for Philadelphia. I am so excited for this investment that we are going to have in our neighborhoods, in our families. I really think we're at a transformative moment in Philadelphia with this amount of money that we've approved and that we will approve and how it will be invested.

So I wanted to talk a little bit about tiers of funding. We have such great programs in Philadelphia already, between Basic Systems Repair, Built to Last, Adaptive Modifications, certainly the investment we're doing in Tangled Title, it is all essential work and I'm so proud of us that we've been doing it, that we want to continue doing it.

But I think as we have this moment in time, this moment in time that really will jet Philadelphia into a place where we have every neighborhood, every household thriving, that we should prioritize where we are putting the money, at the minimum starting with our first allocation.

I am not talking about the entire 800 million at this moment. I want to talk about this first 200 million, the first chance we have to make change here in Philadelphia; the first chance we have where we are just barely still the poorest large city in America; the first chance we have to make sure that we can cut other costs in the city of Philadelphia by making sure that people have housing and are not in our shelter systems, that have housing and are not in our prisons, that we can keep children with their families so they are not evicted, so we no longer have to use DHS resources to go through a very arduous process of family reunification. We are on the cusp of this. We can do this and I am all in to help.

But I wanted to talk about your thoughts again on the prioritization of who will get these benefits in the beginning, in the very, very beginning. I heard Jesse Lawrence say income is not a reflection of the need. And Chief Staff Thurman, you said prioritizing or limiting to lower AMI requires infrastructure we don't have. I wanted to dig down on that a little bit more.

I know that folks who are applying for these programs are assessed based on their income of what they have, are they eligible or are they not. In the short period of time that we have to spend our first 200-plus million, let's do it with the infrastructure that we do have. We have systems that work. Let's make it happen. Let's meet the need where it is.

We know we have waiting lists. We know that demand has exceeded these waiting lists. And when this press comes out of what this amazing investment will do, lifting the Mayor and her Administration, uplifting all of us up, when the word gets out, I can guarantee that people in those income brackets that didn't know the help was there, they will be able to come in for Eviction Prevention money, for Fresh Start money, they will line up. We can do this.

I wanted to talk more about the infrastructure in capabilities that we might have and why if this is a city subsidy, there indeed is throughout the city we are going to have a city subsidy funded by the taxpayers, why can't we at least now have the focus on the lowest income people and codify that in this resolution?

(Applause.)

MS. THURMAN: We are not going to remain the second poorest city in this nation in the next decade in the years to come. We're also not going to remain in last place from an economic mobility perspective and we're thinking about that holistically. So we're thinking about those who are very low income.

To just correct the record, really quick I did want to say that we did not say that income is not a factor. We said income is not the sole factor. So we're thinking about everyone, not just -- we're thinking about the people, unlike Angela's father, who doesn't have a daughter that can write a check. That's who we're thinking about and that's what this plan is built on.

So I'll turn it over to Jesse now. But I did want to correct that as well as before I turn it over to Jesse, while we do have significant limitations in our infrastructure, not just with regards to H.O.M.E. but across the board, our systems are significantly outdated and they've been outdated long before we got here.

COUNCILWOMAN LANDAU: Absolutely.

MS. THURMAN: And of course as the former head of Human

Relations you have experienced, Councilmember Landau, what those significant challenges are. What we're not going to do is to allow the constraints that we have with our infrastructure to prevent us from moving forward. And so, we are, you know, going back to something that the Council President said, we can walk and chew gum at the same time. We will fix our infrastructure but we're not going to allow that to inhibit us from moving forward. I'll turn it now to Jesse.

MR. LAWRENCE: Chief of Staff stole a little bit of my thunder, but it's okay. I just want to be clear about the fact that, you know, she's absolutely right. We are not saying that income is the only. It's just a limiting indicator, right. Just because you make over a certain amount doesn't necessarily reflect what your debt-to-income ratio is, what your disposable income above that number that you make is.

And I think that we've been very clear about the fact that we want this to be as comprehensive as possible. This investment alone will be historically bigger than anything that this city has ever seen before. So even the 40% of those that would be -- the 40% of these funds that will be serving those at 30% and below, that's still more than any dedication of funds that we've ever had in the past. And even then, we have a significant amount of people, 63 -- excuse me, 68% of beneficiaries will be those between 0 to 50% of AMI.

So the majority, a majority, more than 50% of those in these populations will be served by this plan. So I just want to make sure that's very clear. We might not be prioritizing the 30% but we certainly are serving that income band in ways that I think historically they have not been served in the past.

COUNCILWOMAN LANDAU: A couple of follow-up questions, if that's okay. Just to get a couple of other things on the record too, can you confirm that the Philadelphia Eviction Prevention Program, Right to Counsel and Rowhouse Prevention Project are fully funded for FY26 by the General Fund and therefore do not require any FY26 funding from H.O.M.E.?

And if that's the case, can you confirm this funding will also be in the Administration's proposed FY27 General Fund budget to keep these essential programs going?

MR. DODDS: So I can confirm. So for PEPP, the Philadelphia Eviction Prevention Project, it's not just General Fund, but General Fund makes up the bulk of that program. There's some NPI funding as well as a little bit of CDBG money. That program is all in place and set, you know, allocated for FY26.

Rowhouse Protection Project is currently funded with Housing Trust Funds and that is also continuing for FY26. We anticipate -- not only, I'll go back to PEPP. That program actually has a little bit more money than it did in FY25.

So hopefully, we can expand again as we have been doing to provide right to counsel services in an additional zip code or two. We anticipate both of those programs being fully operational in FY27 as well.

COUNCILWOMAN LANDAU: Thank you.

MR. DODDS: Yep.

COUNCILWOMAN LANDAU: Taking this opportunity, can you state for the record how many applications for the Fresh Start program you received this year once the budget was increased as a result of unused emergency rental assistance funding? How much was distributed and how much need remains?

MR. DODDS: So we'll have to get the exact figures on the amount of households that benefited from that program. But about $15 million was allocated in reallocated emergency rental assistance dollars. Fresh Start was the -- how should I put this -- driving force for that. However, due to the need to spend quickly, the vision for the Fresh Start program is to provide move-in cost, one-time payment of $1,000 plus three months of assistance to give someone a fresh start.

Due to the requirements with the ERAP funding, we were able to actually take care of tenants arrears as well and it was a need to spend down so we did that at that time. The figures I have show that about 15 million in emergency rental assistance, because some of the money went to admin, some went to a different program, is Fresh Start-related, but about half of that is for move-in costs and about the other half went to arrears.

When we go forward with the H.O.M.E. Plan as we're conceiving it and from lessons learned, we intend for Fresh Start to focus fully on move-in costs and somebody moving into a new unit.

COUNCILWOMAN LANDAU:
That's great. Thank you so much.

COUNCIL PRESIDENT
JOHNSON: Thank you very much.

The Chair recognizes
Councilmember Cindy Bass.

COUNCILWOMAN BASS:
Thank you, Mr. President.

Good morning, almost
afternoon. So just a couple of
things I wanted to ask and I want
to just go in a slightly different
direction. And I wanted to ask
about the 765 closings for Turn the
Key that have happened thus far in
2025 that you mentioned earlier.

Can you give us an idea
of where they are broken down by
Council District? Can you give us
some idea? You know, is it
happening all over? Are there some
neighborhoods that are seeing more
investment in Turn the Key versus

others?

MR. LAWRENCE: Well, we would certainly like to see it happen river to river, top to bottom in the city, but that's not the case right now. We are open to making sure that that happens. But historically and where we're presently seeing that activity are in South Philadelphia, the 1st and 2nd District specifically, Northern Liberties, kind of that area which is the 1st District.

We're seeing some activity uptick in the 5th District as well. I do believe we have some approvals on deck and in the queue for the 8th District or at least some applications that we're processing. Specifically, there aren't any to a certain extent in the 3rd or maybe there are a few in the 3rd, but at this point there are concentrations of pockets. And obviously that really just follows where the inventory of land is. The bulk of our land, publicly-owned land, are in the 3rd, the 5th and the 7th Districts.

COUNCILWOMAN BASS:

Okay. And so, I ask that because it seems as though -- well, let me just put it this way: It's very important to me as a District member that funds are equally divided by district, that these projects are equally divided by district.

And so, I understand that in some areas there has been an ability to move faster maybe. And because there's been an ability to move faster, that's where the investment has been made, whether it's the 1st or the 2nd or, you know, in certain neighborhoods, Northern Liberties.

But I think that it is

incredibly important I think to all District members that we see an equal amount of investment throughout the entire city of Philadelphia. There is not one part of the city that I can think of that doesn't need a high level of investment. And so, we're counting on this project to make sure that that happens. And I don't know if we need to somehow codify that or amend that into law. But I think that it's very, very important that these investments are made throughout the entire city of Philadelphia.

MR. LAWRENCE: Angel's sitting up here. You can speak to some of the things that have led us to where we are now.

MR. RODRIGUEZ: So Angel Rodriguez. Just to clarify, we have RFPs and projects completed and in construction in the 1st

District, the 2nd District, the 3rd District, the 4th District, the 5th District and we have approved applications in your District as well.

COUNCILWOMAN BASS: So the 6th, 7th, 9th or 10th?

MR. RODRIGUEZ: The 6th I think -- so just to talk about inventory, the Turn the Key program is predicated on having city-owned land. The 10th District I believe has two parcels and then the 6th District has very little. And by the way, that would be amenable to bundling it into an RFP.

COUNCILWOMAN BASS: And I would say that those two districts probably haven't -- and Councilmember Driscoll could correct me if I'm incorrect. I believe that those two districts have been heavily invested in by the City of Philadelphia during previous administrations. Historically, the Northeast has received larger amounts of investment by the City of Philadelphia. And so, I think that that's why you probably can take them off the table.

But let's say if you take them off the table, for the others that don't see this level of investment that haven't had it, I think it's just incredibly important to make sure that we have an equal distribution of those projects throughout the entire city of Philadelphia. It can't just be in South Philly. It can't just be in Northern Liberties.

It's got to be in Germantown. It's got to be in West Philadelphia. It's got to be in Councilmember Quetcy Lozada's District. It's got to be all over. So again, I don't know if that's something that we need to think about codifying in some way or legislating, amending the legislation to ensure that there is somewhat of a balance in terms of distribution.

I'm going to move quickly because I heard the bell ring and I was just on my first question. But one thing I just want to mention is that it's incredibly frustrating as a member of Council that we fund sort of like these OIT and infrastructure programs that help us be able to manage and do the things that we need to do administratively. And then when we hear that we need a better waitlist management system so that we can overcome the operational challenges that are in front of us, it's a little bit frustrating because I've been hearing that for a very long time now. And the idea that we still don't have any sort of system that has any sort of flexibility to be able to navigate changes or programs that we want to do, it's incredibly frustrating and it feels like we've wasted a lot of money over the years.

MS. THURMAN: It's equally as frustrating for us, Councilmember Bass. We are astounded by how outdated the technology and infrastructure is that we inherited just last year, which is why we are super charging and speeding up solutions like OPAL and ensuring that that solution is integrated into our systems in record time.

We also have additional technological enhancements that are coming down the pipeline. We are not going to allow for bureaucracy to get in the way. I have sat at this table many of times and made promises, including with Philly Stat 360. And you said, well, who do I need to hold accountable. I said, the buck stops with me and that still stands today. So OIT is in my portfolio. CIO Melissa Scott Walker is doing a really good job --

COUNCILWOMAN BASS: She is.

MS. THURMAN: -- with her team. We're moving as fast as we can. We're also thinking strategically about how we can move even faster with solutions and support from our procurement team looking at things like strategic sourcing. So we're thinking about it comprehensively. But just for the record, I want to be very clear we share your frustration, but we're not allowing that to be an excuse for why we cannot move forward.

COUNCILWOMAN BASS:

Well, thank you. I appreciate that. Looking forward to these changes. And I should not put the blame solely in your lap because this has been administration after administration that has come and said we're going to fix the IT situation so that we can do this, that and the third and it just never happens. We waste a lot of money and I just don't understand why. But I don't want to get sidetracked on that point, but I just really wanted to make mention of that.

But I really wanted to talk about minority development participation in Turn the Key, because we're spending an unprecedented amount of money. These are taxpayer dollars and we're spending it here on housing in Philadelphia.

And this initiative, which was spearheaded by our Mayor, is the largest investment ever in housing. Am I correct in that?

MS. THURMAN: (Nodded affirmatively).

COUNCILWOMAN BASS: Okay. And so, people ask me -- when I see folks and they ask me for help in my office, they're generally asking for two things. They're either asking for housing help or they're looking for employment. And housing is usually first, especially right now.

So as we're rising to meet this moment and give people what they want, which I believe every member in this chamber wants to do, it's important to me that as we stabilize families, as we build up neighborhoods and at the same time we're investing in our communities, we're investing in small businesses, and particularly Black and Brown builders and developers. And I feel very passionate about this. And I'd like for you to give us some details. And we've talked about these kinds of things before.

But I'd like for you to give us some details on what's been built and what the participation has looked like. And I know that there are some developers who have done great partnerships, you know, majority and minority developers working together.

But specifically on minority development, I'm talking about Black and Brown development, can you give us an idea as to how those projects have been distributed? Because I referred Black and Brown developers to Turn the Key, and they've been turned away. And they have been told -- well, Angel, I saw that face. But let me just be clear, what they have been told is you don't qualify, you're not ready yet, you have to go through this program, you have to go through that program.

And so, the startup to get involved in Turn the Key -- and of course, we don't want anyone who's not qualified and is not a builder, but people who have done considerable building in the city find themselves unable to get into the Turn the Key program and they feel like they've been going through hoops.

And I've seen this before in the City of Philadelphia when we do development projects. I've seen this before so I know it's not something that is not possible. And I hear the bell.

But I guess my question is how will we ensure that the inclusion of Black and Brown builders is finally a priority in the city with this project?

Because as much as we're building community, we also have to build businesses. And Black and Brown people cannot continuously be on the outside as economic bystanders in their own communities. We want these new houses and we want to build them in our neighborhoods and we shouldn't be spending this amount of money without ensuring that that is going to happen.

This can be transformative. I'm going to use the word that my colleague Rue Landau just mentioned. This is transformative. And so, how do we also make sure that we're including people who have historically been left out of these projects?

And I get criticized all the time. I get criticized all the time because people say, just build, it doesn't matter who builds it. Oh, yes, it does. Oh, yes it does. It does matter to make sure that Black and Brown people have an opportunity to do the building in their own neighborhoods and have a say economically. So I'd like for you to just respond to that.

(Applause.)

MS. THURMAN: So Angel Rodriguez is going to take that question. There's a word that you used that I think is timely and befitting and it's transformation. And often times when we focus on equity, we stop right there. But true equity should, in its purest form, lead to transformation. And that's what we're looking at with this comprehensive plan.

Angel is going to answer that question. But back to the question that you asked earlier around an equal distribution or even distribution across Council districts, that would further and deepen inequity, and that's what we want to move away from. And so, whether it's looking at Black and Brown developers that are working on these projects in realtime or looking at where the distribution of funds happen, we're applying an equity framework that will lead to true transformation, so that from an economic mobility perspective we're moving significantly from last place.

But more specifically, Angel will talk about the real work that we're doing to ensure that Black and Brown contractors and developers are working on these projects across the city.

COUNCILWOMAN BASS: And I would like to follow up with you later. I don't want to take up all the time, but I would like to follow up with you later to get a sense of why you feel that having an equal distribution of projects throughout the city is somehow going to be inequitable, that this is not going to be, because I don't understand the logic behind it. So maybe you can help us understand because that doesn't resonate I don't think in my opinion.

COUNCIL PRESIDENT JOHNSON: Could we address it now on the record?

COUNCILWOMAN BASS: Oh, absolutely. Sure.

MS. THURMAN: I'll call on Angela Brooks to talk about the framework and why we are not looking at an equal distribution across Council Districts and why we're applying the equity framework.

MS. BROOKS: Good afternoon or is it almost afternoon. So I think we talked about this a little when we met and just kind of talked through that. You know, I think one of the things when we talked about the equal distribution -- I'm not going to say technologically challenging given our last conversation.

But the reality of it is particularly around Turn the Key, while it specifically -- it's where our public land is, other programs are going to be deployed. So when we're reaching out to you to talk through the 1000 disposition, we'll also be talking about our outreach plan. The Mayor has requested from us a robust marketing and outreach plan for H.O.M.E. specifically that will be deployed in every Council

District.

So I do want to stress that we do plan for citywide deployment of all of the programs to ensure people know about them, because too often we're hearing, oh, I didn't know about this program. PHDC already does a pretty amazing job with community engagement, but we're going to put it on steroids. So the housing fair we just had last month was really big and great, but we're going to continue to do that and expand our community outreach.

And if ever you have any suggestions of people in your district that you feel like we're not touching, let us know. I mean, that is my sole job is kind of to be the face of H.O.M.E., the outreach person. So if you have people that you want us to talk to, I'm on a whole road show. I've been presenting all over, so feel free to reach out or have your staff reach out and we can do that, but the plan is to have a robust deployment of all kind of marketing throughout the city.

COUNCILWOMAN BASS: But how is that --

MS. THURMAN: Need isn't evenly distributed across Council Districts. Poverty isn't equally distributed across Council Districts.

COUNCILWOMAN BASS: I beg to differ. I pretty much think every District Councilperson can point to a pocket of their district that needs a whole lot of help. So how does that connect to, you know, somehow being unfair to Black and Brown developers if --

MS. THURMAN: No, that was not --

COUNCILWOMAN BASS: Is

that what you were saying?

MS. THURMAN: No, absolutely not. In no way am I saying that that is unfair to Black and Brown developers. I was answering the question that you had asked earlier regarding the Council District.

COUNCILWOMAN BASS: Oh, yes.

MS. THURMAN: But I'll turn it back over to Angela Brooks, who will answer the question specifically regarding Black and Brown developers.

MR. LAWRENCE: But if I may add just kind of hearing what my Chief is saying here and what you're saying as well. A lot of what our work and momentum does is it follows where the land is, and a lot of where our inventory is, is a reflection of condemnations eminent domain from years and years and years ago. So I think that it is kind of a ripple effect. I do recognize what you're saying in making sure that every single district does merit some sort of intervention, for sure.

COUNCILWOMAN BASS: I hear you and I think that before decisions are made in terms of where land will be used for this program, that there has to be some conversation to say, you know, Councilwoman Bass, we've been to your district, there's no more land left, and then we release any expectation that you all are going to be doing Turn the Key in our program.

But short of that, I don't think that there's anything wrong with the equal distribution of these projects. So there has to be some sort of a sign-off, if you will, that says, okay, there's nothing in this Council District so that's why we're not going to be operating here and the District Councilperson has to be in agreement. But for the remaining districts, there should be an equal distribution of this project, of the resources.

COUNCIL PRESIDENT JOHNSON: Thank you very much.

MS. THURMAN: So Angel has a --

COUNCIL PRESIDENT JOHNSON: You want to respond, Angel, briefly to the Councilmember.

MR. RODRIGUEZ: Certainly. I think I can provide a little bit more detail and technical issues on the distribution of Turn the Key. So when Turn the Key started, it's really a partnership between city and city agencies that have land developers who can actually get construction financing and banks, right.

So a couple of issues. I want you to imagine a donut where development has happened around city-owned land. So you have comps, comparatives, so banks like to secure their loans, right. So the unique nature of Turn the Key is that you could have a donut where houses are selling for about 300,000 which is the average housing sales price in Philadelphia. We're capping that price at 280. We're requiring three bedrooms, two bath. And then with Turn the Key, we're buying that property down to 180. That secures the bank investment. That ensures the ability of the developer to get that loan but also ensures that, as we're approving buyers, they can go in there. So those are really market forces.

So there have been times where we've been very successful, like, say, in the 2nd District where we've done a lot of RFPs and it's been very successful. And then there are certain parts of the district where the market hasn't caught up. The same with the 5th District, also in the 4th District. So part of it is really looking comprehensively at the district and where those comps are. So where you have comps, Turn the Key will succeed. If that isn't the case, then we need to look at a different type of model, right.

So if I could answer on the minority developers. Just so we're aware, approximately 330 properties or project units have been awarded to minority developers. PHDC, when we started Turn the Key, started a minority developer program. We've had two cohorts. They've been very successful. We partner with UDA, the Urban Developers Association. They have a great partnership in the 3rd District where we have 10 developers working through that.

A lot of those developers are getting through the entitlement project issue, which is separate and apart from approving the land, and then it's how do you get your entitlements. The other thing we did at the same time when we started Turn the Key was we beefed up the Accelerator Fund.

So the Accelerator Fund dealt with the pain point with minority developers where they couldn't come up with the equity portion, and they've done a great job of really underwriting those projects. So I wouldn't say that we haven't been working with minority developers. Actually -- and the public can see this in the next Land Bank board meeting we've actually diversified our -- because of the success and we just had a ribbon-cutting, I know Dawud Bey is in the audience, seeing that kind of success -- and he's a MDP graduate -- seeing that kind of success, a lot of other people have joined in.

So you have to understand there are minority developers who want to do it but they are nervous about risk, because what people are missing about the Turn the Key program is that it is a leverage program. You have to be able to be creditworthy with banks to get construction financing.

Where we're providing the subsidy is to the homebuyer. The homebuyer is getting that opportunity to buy their home. So we are doing a lot. Could we do more, yes. But I think having 330 of the 870, that's pretty good in terms of a percentage.

COUNCILWOMAN BASS: So I hear you and I know I'm over my time. And I saw Mr. Bey somewhere just come in a few minutes ago. And actually, he's the only single minority developer that I know of in the Turn the Key. And maybe I just don't know, but he's the only one -- I see you, Mo. I'm not counting you. Black and Brown --

COUNCIL PRESIDENT JOHNSON: You're trying to say Mo isn't --

COUNCILWOMAN BASS: But I say that to say when I see these projects, for the most part when you go onsite and you see the projects being built, you don't see Black and Brown people, period, and it's happening. And, Angel, listen, you can come out with me and we can go around and we can take a look around at some of these projects. So don't take my word for it.

But let me go back and do my due diligence and I would like to provide in writing the documentation from the parties that have tried and reached out and I would like to bring them to the table with you all.

MR. RODRIGUEZ: Sure. If I could respond. There are approximately 15 minority Black and Brown developers that are working with us, and I would differentiate around 15. And these are companies. These are --

COUNCILWOMAN LANDAU: (Inaudible).

MR. RODRIGUEZ: I'm saying about 15 developers. These are companies.

COUNCIL PRESIDENT JOHNSON: Excuse me, Member Landau. Do you want to be acknowledged and then ask the question as a point of information under her time?

COUNCILWOMAN LANDAU: No.

MR. RODRIGUEZ: So there are about 15 developers that have successfully gotten an application, right. I would also differentiate ownership, owning the company and actually working through the contracting and financing and then looking at the job force that's on the site. So what the Turn the Key program is focusing on is ownership, and it's really about the minority owners of the construction and development companies.

COUNCIL PRESIDENT JOHNSON: Excuse me. For a point of information, the Chair recognizes Rue Landau for a question she wanted to ask following up on Member Bass' line of questioning.

COUNCILWOMAN LANDAU: 15 out of how many?

MR. RODRIGUEZ: I would have to get that to you. I think we have about like 20, but I'd have to follow up with you.

MS. THURMAN: So I think it's also important for us to recognize, right, Councilmember, that those Black and Brown firms that you're referencing that for whatever reason were denied, there are provisions within this plan to ensure that whatever those denials were that we can work with them, from bond you want to --

MR. LAWRENCE: Bond, contracting, things like that. Things that have historically been barriers before.

COUNCILWOMAN BASS:
We're going to circle back in writing.

MS. THURMAN: We will definitely circle back in writing, but we do want to reflect here that we're thinking strategically about what those historic barriers have been and how this plan could help to address those barriers as well.

COUNCIL PRESIDENT JOHNSON: Yeah. Just to balance in terms of this approach, just say for the record the gap financing that's available for developers who historically haven't had an opportunity to participate and also talk about what's the dollar amount of investment in the minority developers program as well as the Accelerator Fund that goes to helping developers, so just state that for the record so folks will know.

MR. LAWRENCE: I think we'll get the number on the actual MDP program itself, but I would like to call up David Langley to speak specifically about those numbers in the past, because what I do know is that 90% of the funds that have come through the Accelerator Fund have gone to Black and Brown developers. David.

MR. LANGLEY: Thanks, Jeff. I'm pleased to provide some of that information for you. While I can't speak for anything the Accelerator Fund does not touch within our portfolio, we have closed and committed $14.2 million worth of loans. 26 of those 29 are to Black- or Brown-owned firms. We have a couple nonprofits in the portfolio as well.

That covers over 100 units of Turn the Key development.

14 of those transactions that I was talking about are specifically committed Turn the Key projects that have not gone through the full disposition process yet, but we have derisked those transactions for a senior lender to come in and make those loans and build those units. And as soon as the purchase development agreements come through for that, all of those units will be under construction.

So it's been a long while building the pipeline and everything, we work very closely with both MDP as well as the Philly Rise, Black Squirrel Collective, the UDA cohort, all of these fantastic technical assistance programs that get Black- and Brown-owned businesses ready to do this kind of development work. And that's what we're focused on.

COUNCILWOMAN BASS: So

it's 14.1 million?

MR. LANGLEY: 14.2 million in overall committed or closed financing. We don't exclusively do Turn the Key. So some of those are affordable rental projects, predev into low-income housing tax credit projects. We run the gamut, because our view is the city needs all kinds of quality affordable housing.

COUNCILWOMAN BASS: And 26 out of 29 were minority?

MR. LANGLEY: Minority-owned development firms, that's correct.

COUNCILWOMAN BASS: And what percentage of that 14.2 went to that 26?

MR. LANGLEY: The overwhelming majority. I don't have -- the nonprofit to be financed --

COUNCILWOMAN BASS:

Let's say you got $100 million right. And you'll say, okay, well, there are 10 applicants, 8 of which were minority, 80% were minority and got funding. But it's $100 million and they got 10 million and the other 90 million went to, you know.

MR. LANGLEY: I can assure you it's nothing like that. We have a $330,000 pre dev loan into a low-income housing tax credit project that just got its tax credits. That's Pathways to Housing, which does excellent work. I would also encourage you, Councilwoman, if you have a developer who has spoken with you about this and has a project, whether it's Turn the Key or not, because we do affordable rental, we do affordable homeownership that's not Turn the Key subsidized, dlangley@phlfund.com, send them my way. I respond always within 24 hours. We do our best to be responsive in that.

COUNCILWOMAN BASS: Thank you.

COUNCIL PRESIDENT JOHNSON: Thank you.

The Chair recognizes Councilman Nicolas O'Rourke.

COUNCILMAN O'ROURKE: Thank you, Mr. President. And thank you to the Administration for being here today --

COUNCIL PRESIDENT JOHNSON: Member O'Rourke, speak into mic.

COUNCILMAN O'ROURKE: Yes, sir, I will do just that. Thank you, sir. Kind of picking up where other members have already spoken to or left off. I just want to state that the current H.O.M.E. Plan allocations I think in my and other members' opinions try to do too many things and I know that that means it won't do any of them well enough to actually meet the moment.

I think that you're contending that the spread equals wide impact, and I guess what we're wanting, at least myself, is that it will be wide but it won't be deep enough. And then we'll look back on the work after so many years, see that we spent a lot and then won't have the intended effect that I think that we all agree that we want. With the federal and state governments reining crisis after crisis on us, I do think that we need to rethink our strategy and we need to focus more attention on the most urgent need, the programs that keep homeowners and renters safe, healthy and in affordable homes.

(Applause.)

COUNCILMAN O'ROURKE:

Now, that does not mean that we're leaving anyone out to dry. It does mean addressing our housing shortage, where as Member Gauthier said, it most clearly exists at the deeply affordable level, and that includes both the have-nots and have-a-little-bits, and working to ensure that it is not a burden to remain housed in the city of Philadelphia.

Maintaining home ownership levels is a worthwhile goal. Helping out as many kinds of Philadelphians as possible is always the task. But I look at the list of priorities prior to last night, and we see a plan in my opinion that's in need of a grounding orientation, a grounding orientation that is informed by those who are fighting to stay in their homes, organized to do so, those fighting for a community where their neighbor isn't priced out. Many of them are sitting in the chamber here today and I believe that they provide that orientation in spades.

I think that theirs is the right hand to play at this time and I hope this hearing will actually help make that case to this body and the public that we probably represent. To that end, I'm actually concerned that we're on track to lose, I think we've already spoken at this, at least 12,000 deeply affordable units permanently in the next decade, probably twice that in 20 years as contracts with the federal government expire without renewal. This is deeply affordable housing that will permanently vanish forever. And I want that to sink in for those who don't already know it until they process what that means.

Talking about 3000 units in your district, Member Gauthier. 4000 units in yours, Member Young. 1600 in your district, Member Bass. 1700 in your district, Member Jones. Even in yours, Brother Squilla, we're looking at 1400 units on track to disappear before we're even halfway through paying off those bonds.

So my first question is this and I heard the bill: What is the specific plan to preserve the roughly 12,000 units of affordable housing that are set to expire over the next decade? How much of the H.O.M.E. initiative is directly targeted toward preserving these 12,000 units of affordable housing that are set to expire over the next decade?

(Applause.)

MR. DODDS: Good afternoon again. Mark Dodds. I just want to address the 12,000 count. It's a staggering number, no question about it. Many members know, in case you don't, we're planning to release an affordable housing directory, which will outline where those properties are, when their expiration dates come up. We're also adding features to that. It's an online web-based mapping application.

There'll also be features to understand the market conditions of those properties so we can get a sense of the likelihood of them going market rate or remaining affordable. I think one thing -- not to discount your concerns, but I don't think we anticipate all of them to come offline. I think that we're trying to be proactive. We're actively engaging with the community. LISC convenes a preservation network. The city is an active participant in those meetings. And we are trying to be creative and strategic about where we put our resources. So much of this H.O.M.E. Plan is dedicated to preserving affordable units.

But just to get back to that 12,000 figure, while it is alarming, while it is staggering, I don't anticipate all of those to come offline. We still need to dedicate resources towards it, but we need to be strategic about how we do that.

COUNCILMAN O'ROURKE: So the plan is to produce a report that analyzes the status of those houses. But there's not a particular plan as it stands right now. You're asking for the money right now to actually preserve those specific 12,000 units.

MR. DODDS: Yeah. The plan is to produce a tool that will allow us to get a better understanding of where those units are and their likelihood to go market rate and lose affordability. But the H.O.M.E. Plan itself --

COUNCILMAN O'ROURKE: When did you say -- I apologize. When did you say that that plan or that tool was going to be produced?

MR. DODDS: We're planning on a soft launch before the end of the year, meaning giving experts a chance to dig in, see that it matches what they're seeing on the ground and then a more formal launch at the beginning of the calendar year.

COUNCILMAN O'ROURKE: But we would have had to release the money to you prior to you actually producing that tool?

MR. DODDS: No.

COUNCILMAN O'ROURKE: I heard the bell. I got another question. Is that all right, Mr. President?

COUNCIL PRESIDENT JOHNSON: (Nodded affirmatively).

MS. THURMAN: Councilmember --

COUNCILMAN O'ROURKE: Yes, ma'am.

MS. THURMAN: I think -- we also wanted to respond to your comment around the plan will have a sprinkling, will not go deep enough.

COUNCILMAN O'ROURKE: I said that I think that -- and I acknowledge that it is wide. I want to acknowledge that it is a widespread. I think what I am understanding you ought to believe is that that wide will mean equal, like strong impact. And I'm suggesting that based off of how wide the spread is, I think the point that we're making is that it's not going to have a deep enough impact where the real issue, the crux of the issue really sits, which is that deeply affordable. And that's the reason why we're raising the point.

It's not like we're not trying to argue about the have-nots and have-a-littles. The Mayor has made this point with emphasis from the beginning to yesterday. Got it. What we're suggesting is they both exist at the bottom of the ladder. And so, if we can focus a significant portion of funds towards there, I do think that we'll actually have a deep enough impact that we'll be proud of when the work is done.

COUNCIL PRESIDENT JOHNSON: I have a point of information. Councilmember Jamie Gauthier.

COUNCILWOMAN GAUTHIER:

Thank you, Council President. And thank you to my colleague for bringing up this important issue.

I just wanted to interject quickly. I appreciate knowing that the 12,000 housing units that are set to come out of compliance or lose their affordability over the next decade or so is high on your radar. As you all know, this is something I've championed in Council over the last several years.

In fact, I brought you an opportunity recently to save 1000 of these units through the Neighborhood Restoration portfolio that is in my district and Councilmember Jones', and we partner together on the directory, which comes straight out of my legislation, the People's Preservation Package.

So just quick, point of information. One, when I last talked to you about the Neighborhood Restorations portfolio, you suggested that before you could jump in with a strategy on these 1000 units you would need to complete the preservation plan that you're in the midst of. But I thought I heard you say just now that there is no plan. So, one, can you clarify whether there's a citywide plan to save these expiring units?

And then secondly, if this is a high priority of the Administration, why was the Affordable Housing Preservation line item in your proposal significantly reduced between transmission and introduction when this is the main way that we would save these units?

(Applause.)

MS. BROOKS: There were lots of questions, so I'll start with Councilman O'Rourke. I think there's going to be some philosophical differences on the impact and how we're thinking about a housing continuum. And, you know, we can debate back and forth on whether or not focusing in gives bigger impact or if we're thinking about it as a leverage. And I continue to say that the H.O.M.E. Plan and any public investment is a tool to leverage for private investment.

And so, what we are hoping is that with the investment of the H.O.M.E. Plan and the expanding of some of the other relationships we have, we can leverage some of them to address that as well as Cheryl Hill is here as well. There's significant work that the Office of Homeless Services is doing that will continue to support and be a complementary plan that will address some of that as well as well as what the Philadelphia Housing Authority is doing as well.

And going to Councilmember Gauthier, and I think I was probably not in the meeting so I can't speak to the plan, but what I will say is --

COUNCILWOMAN GAUTHIER: That was for Jesse. I'm sorry.

MS. BROOKS: Yeah. We'll bring Jesse up for that one. But I do want to just say that some of the expiring tax credits are going to go beyond the four years of this bond. And so, when we're thinking about that, I want to make sure we're putting the proper context on that because that'll be outside of the time of which we are spending this fund so -- oh, here's Jesse.

COUNCILWOMAN GAUTHIER: So you might be able to answer the other question. If this is a high priority of the Administration and the main tool that we're using to address the issue is the Affordable Housing Preservation line item, why was it significantly reduced?

MR. LAWRENCE: Well, I mean, the number was reduced to the extent that it was because we had to make sure that we left room for some other requests, simple and plain. This comprehensive strategy, you know, we've been back and forth negotiating about where the demand -- excuse me, not the demand, but the certain numbers have been for certain programs. You already know this has been a very dynamic conversation.

So for something that has historically been, you know, allocated as such but then had the most flexibility in terms of being able to provide funding for, you know, gap financing, whatever the case may be but then also, you know, there's also an acquisition fund specifically for being able to save these opportunities.

But I think to your point earlier about maybe a lack of response specifically to the portfolio at hand, that is one portfolio in one location of the city. We did not want to make any preemptive decisions about committing funds to that when we know that that is a citywide need. So my position and our position was that it's too soon. We may not have a plan to roll out, but we certainly are strategizing to the point that we've shared earlier and that is why we are, you know, to the point that Mark made earlier.

Yeah, and again I want to reiterate that H Prez and H Pro, those are the biggest line items. So for us to figure out where we need to move money and renegotiate those certain line items to be able to accommodate certain requests, we went to the biggest line items.

COUNCILWOMAN GAUTHIER: Okay. So there's no citywide plan for the preservation of expiring units?

MS. BROOKS: I just want to add to the reduction. We also reduced based on the projected plan, LIHTC plans for 2026. So that was based off of a real number that we got in this process.

COUNCILWOMAN GAUTHIER: Thank you.

COUNCIL PRESIDENT JOHNSON: Thank you, Member

Gauthier.

I'll relax the time back to Councilman O'Rourke.

COUNCILMAN O'ROURKE: Thank you, Mr. President. Thank you, Chair Gauthier, for your emphasis on that.

Let me just get my other question because I know there are other members that have some questions to ask. We do know that the greatest --

COUNCIL PRESIDENT JOHNSON: Can you speak to that microphone, that big voice you have, young man?

COUNCILMAN O'ROURKE: My apologies, good brother. Yes, indeed.

We know that the greatest housing shortage is the 65,000 unit gap is for families making less than roughly $30,000 per year and only 2% of this plan goes exclusively to them. The Administration claims that 40% of this plan will go to those families. But frankly, the numbers that we've seen don't really show that, which is the reason why Member Gauthier, Member Landau, I think somebody else as well have been asking about why we can't simply codify it into law.

If the intention is to serve those families, what's the problem with codifying it into law? I love and agree with the spirit of the prioritization, but projections are not actually protections. That's what the letter of the law is for. So are you opposed to codifying in law that 40% of the funds serve 30% of AMI? And if not -- I mean, if you are, why?

(Applause.)

MS. THURMAN: I want to be very clear. We are not in support of codifying it into law. That does not mean that we're not in support of deeply affordable and that is the position of the Administration and that won't change. Additionally, we're working very closely with PHA and that won't change either. We'll continue to work closely with PHA Kelvin Jeremiah as well as our counterparts in the state as well. To that end, I'll now turn it over to Angela to answer the second half of the question.

COUNCILMAN O'ROURKE:

But why, Madam Chair -- I mean, Madam Chief, why? I understand what your position is. You're ten toes down on it. Copy. Why? It seems to me that if it is the intention, that is the spirit, there should be no barrier that would stop you from making that the law of the land. That's the whole point here was to be able to make these things real.

And so, as opposed to -- and I think actually the Majority Leader mentioned earlier that if it ain't written, it ain't real. And so, I think it's worth getting on the record --

(Applause.)

COUNCILMAN O'ROURKE: You know, if you have a good reason on why other than because I said so, say that.

MS. THURMAN: We never said because we said so.

COUNCILMAN O'ROURKE: Well, why.

MS. BROOKS: Okay. So first of all, I'm not really sure where the numbers are because I keep hearing 20% for the projection, so I think there's a discredit. So we're acknowledging that 41% of the projections are going to 0 to 30 or we've not -- because that there's been a misnomer out there that only 20 or whatever number you guys have been quoting, so I just want to make sure we're all agreeing that 41% of our projections are going to 0 to 30. That's kind of where we are now. I had a question about that as well.

COUNCILMAN O'ROURKE: Yeah. What I'm saying is I believe there's this -- there's a 65,000 unit gap and it's for families making less than $30,000 per year, and that only 2% of this plan goes to them exclusively and that you're claiming that 40% of the plan actually goes to those families?

MS. BROOKS: Yes. So when you look at our production and preservation projection numbers, specifically we've got for 0 to 30 under production, we've got a total of 17,870 going to 0 and 30 exclusively over the four-year period. So that would be 41% of 30,000. So that is the number that we are working with based on the projections that we have for the H.O.M.E. Plan.

We've got a projected 16,293 going to 30% to 50% affordable. We've got -- and these are going to total over 30,000. One of the things the Mayor has always said that 30,000 is what we are specifically focused on, but we project that there will be more impact.

Workforce housing will be 7285. Workforce plus, which would be the 80 to 120 that many people are commenting on, is only 1600. So those are the numbers that we are projecting and that will be impacted by the H.O.M.E. Plan.

COUNCILMAN O'ROURKE: I did not hear a -- can someone talk to me about the why respectfully?

MS. THURMAN: Again, from the very beginning we've said that we're not going to move into a trap where we have an argument regarding deeply affordable versus affordable and not even -- our commitment is to 41% for -- according to this plan here, which we're not deviating from, deeply affordable 41%, affordable 38%, workforce housing 17%.

Why? Because when we're on the elevator with a Councilmember staffer who said to us, thank you for the plan that you have in place so now I can accept a promotion, that is only -- we're not talking about thousands and thousands of dollars, but they can accept the promotion and still qualify for the plan.

And so, that's why.

Because we have those people in mind, because we have our workforce in mind, because we're thinking about the teachers, the therapists, the police officers as well as folks like my grandfather who was in that that deeply affordable that would benefit from this as well because we're thinking -- why, because we're thinking about everyone and we refuse to be pulled into a trap or we're having an argument that really is moot to what we're talking about here today. We just won't do it.

COUNCILMAN O'ROURKE: In conclusion, Mr. President, the claims that the majority of program funding already prioritized under 50% AMI is based as I understand it on programs that are currently --

COUNCIL PRESIDENT JOHNSON: Member O'Rourke, speak into that microphone with your great voice you have.

COUNCILMAN O'ROURKE: I be thinking I'm talking --

COUNCIL PRESIDENT JOHNSON: Can I get the Pastor O'Rourke voice?

COUNCILMAN O'ROURKE: You're right. Now, let me -- now --

COUNCIL PRESIDENT JOHNSON: Let me get that Pastor O'Rourke voice. Go ahead, bro.

MS. THURMAN: Yeah, and the numbers don't lie --

COUNCILMAN O'ROURKE: Let me just finish.

MS. THURMAN: Sure.

COUNCILMAN O'ROURKE: The claim that the majority of program funding already prioritizes under 50% AMI is based on programs, as I understand it, that are currently kept around 60% AMI and which you're raising to 100% or 120%. And so, the question I have is why should we expect those numbers to remain constant?

MS. BROOKS: I think Jesse mentioned it earlier when he referenced when BSRP went to 50 to 60, we only saw a small percentage gap. So we're basing our thoughts based off of past experience. But I think to your original question on why we don't want to codify it would just simply be because historically the numbers have shown that we meet those numbers regardless and at the end of the day, we want to have some level of flexibility as the need shifts and changes. And it's really that simple.

It's not some nefarious thing that seems to be implied in this room. It's just a matter of this is how the programs work and we can work with the robust housing counseling agencies that we have --

COUNCIL PRESIDENT JOHNSON: Can I get a point of information, Angela.

MS. BROOKS: Yes.

COUNCIL PRESIDENT JOHNSON: Just respectfully, I don't think there's a nefarious approach --

COUNCILMAN O'ROURKE: Thank you, sir.

MS. BROOKS: I'm not necessarily talking about this side. But I think there's some thought that --

COUNCIL PRESIDENT JOHNSON: No, you just said in general in this room there's a nefarious approach --

MS. BROOKS: Thank you for clarifying.

COUNCIL PRESIDENT JOHNSON: I don't think it's people being nefarious respectfully. I just think they have a position like you. I've got a position.

MS. BROOKS: No, I think people think we have a nefarious approach and just I'm saying we do not.

COUNCIL PRESIDENT JOHNSON: So my point is I don't think a member in this room thinks that the Administration has a nefarious --

MS. BROOKS: Thank you.

COUNCIL PRESIDENT JOHNSON: -- perspective, which you are proposing. I just think that they have a right and an opinion on how they think this should be shaped --

MS. BROOKS: Absolutely.

COUNCIL PRESIDENT JOHNSON: -- based upon them voting for this piece of legislation that will allow the $800 million initiative to move forward. It's expressing --

(Applause.)

COUNCIL PRESIDENT JOHNSON: And I'm not saying that for, you know, to clap and all that. We're working in partnership so I'm not even getting into that part. But I do when I hear -- that's not where my members are coming from. No one here is thinking nefarious about the Administration's approach. They're just as passionate about H.O.M.E. as you are. We need to figure out what's the meeting of the minds.

And then also when you say this is our approach and there's no other way to address this issue and this is our approach at this point, I just want to just say --

MS. BROOKS: No --

COUNCIL PRESIDENT

JOHNSON: Hear me out respectfully. It was several members that did not want to relinquish their councilmanic prerogative for a thousand units to move forward. But yet in talking to them and talking about the bigger picture, members said, for the sake of the greater good, we want to relinquish that level of councilmanic prerogative for the greater good of making sure this program, which is a very historical investment, and obviously it's going to be a win-win for everyone. We just have to deal with the process.

Because the people will win in the event that this moves forward because at the end of the day, we're addressing housing inequality here in the city of Philadelphia. So I just wanted to touch base on that part.

Member O'Rourke and then

we're going to take a five-minute break.

COUNCILMAN O'ROURKE:

Thank you, Mr. President.

I could not say it any better. There is not a nefarious intent. I mentioned in my opening line that I appreciate the spirit and agree with it. There is the spirit of the law and then there is the letter of the law. And as you come before the body that makes the law, we want to get into the law, the actual letter that says we're prioritizing XYZ people so that way we can be sure that it happens or at least for our due diligence, to the Council President's point, we can see our positions reflected and however this thing turns out in the long run, we can say we at least contended for this and this is what happened.

If it's not in there,

people will ask, well, why didn't y'all make sure that was in the writing. It's a thing that we've learned. So thank you, Mr. President, for clarifying that. Please do not read me as trying to be agitational for the sake of agitation or be reading you as nefarious. I do think that the project, it is exciting. I think I mentioned at the beginning we need to make the major investment.

Ms. Thurman, you've mentioned several times that it's a housing crisis. That's why we're trying to meet this moment. I'm just asking the questions that I think are important to this body.

MS. THURMAN: They are important. And we've seen how, you know, roughly 5% to 7% of those who have applied have been denied on BSRP and AMP alone. And so, what we want to ensure is that while this plan, as you described it is why, the word that we use is comprehensive.

And I believe that when you say why, you mean comprehensive. Please correct me if I'm wrong. We want to make sure that we also can measure impact to the best degree possible. But to the comment around nefarious, we certainly understand and respect the body here and, Councilmember, in no way are we taking the intent of your question to be anything but you asking on behalf of the people that you serve.

COUNCILMAN O'ROURKE: Thank you very, very, very much.

MS. THURMAN: Absolutely.

COUNCILMAN O'ROURKE: I appreciate it. Thank you for the time that's been allotted, Mr. President.

COUNCIL PRESIDENT JOHNSON: Thank you very much. We're going to do a very, very quick five-minute recess. We still have another hearing that's coming on after this and I still have several members who didn't have a chance to ask the line of questioning.

And so, can we do the five-minute recess and then come right back, Member Bass; is that okay?

COUNCILWOMAN BASS: (Nodded affirmatively).

(Brief recess.)

COUNCIL PRESIDENT JOHNSON: Chair recognizes Councilmember Quetcy Lozada.

COUNCILWOMAN LOZADA: Thank you, Council President.

Thank you so much for being with us today. I want to follow up on the line of questioning that Council President had as well as Councilmember Cindy Bass. I don't know when the word councilmanic prerogative became a dirty word or became a negative word, but I think that councilmanic prerogative, especially in districts like mine, are extremely important because if you know the district, you know that as a result of past development we have allowed for development by private developers that quickly displaced hundreds of families that called the 7th Council District home for generations. And so, I think that it's extremely important for Councilmembers to play a vital role in this entire process.

You mentioned in nine of -- I have nine wards, nine political wards in the 7th Council District. Of those nine wards, five of them are home to residents who live with a 30% to 40% AMI. And to me, the H.O.M.E. initiative doesn't directly respond to them the way that I needed to respond to them.

And so, I want for the record to -- and I've had this conversation with many of you before, I want to for the record state that Councilmember Lozada and the community-based organizations in my district are not against or opposed to the H.O.M.E. initiative or to the Turn the Key program. We need development that responds to the need of the people that live in our district, not just what private developers want to put in our district.

And so, my question to you is if we know that private developers can't build what we need and we have very responsible, reliable, capable, community-based development organizations in districts like mine, why are we not identifying additional funds to be able to partner with them so that they give us what we need so that the development that they do doesn't take five to six, seven years but can be done as quickly as a private developer can do it if we support them with that funding? And it will ensure that communities or that development will be infinitely affordable.

(Applause.)

MR. LAWRENCE: So thank you for that question, Councilmember. I think that it's important to recognize that, one, I think you hit the nail on the head. We certainly recognize that as an ongoing conversation, a very important conversation too. The RCOs in your particular district have been folks that we have been aware of for a while on the land side, understanding that there are specific hurdles in their ability to develop, what you've just described.

When it comes to the public sector and being able to access that land and those opportunities, we recognize that there are barriers within the application process, not because they are things that can't be understood. It's just hurdles that they can't quite clear, right.

So I think that we're looking at the affordable housing preservation and production line items to be able to speak specifically to that, right, being able to minimize our reliance on everything I think you just described, on the federal side, the CDBG, because there's a level of uncertainty around that which I think heightens the need and the responsibility for us to be able to roll out what we're rolling out here.

But I think that to do what you've just described requires the activation of that land, right. And that land that is held by the City of Philadelphia Land Bank and the respective entities that hold that land. There's a series of qualified app -- there's a series of requirements that allow them or require them to get to a threshold review, and that has been the biggest hurdle to your point about why it takes them so long to get through a process.

Simply put, we have a process that basically says you have to have clear documentation of committed funds and that's not always the case. So I do recognize that that is a barrier. But I also recognize in your district that there is a dynamic where certain parts of your district or where the vacant land or where the market is and where the vacant holdings exist, a little bit more than others.

So I think that we need to be very coordinated in how that goes, which is why I think that we certainly have been not necessarily standing by, but cognizant of the fact that there is a collective of our CEOs in your particular district that are all looking to do the same thing but in different ways, in different locations.

So I recognize what you're saying, is that there needs to be some support but also want to recognize that there needs to be some support on the end user. And so, whether that's tenants or homeownership as well, we recognize that that's something that's needed there. So that's why we're trying to roll out this plan to be able to respond to everybody, whether it's homeowners or actual renters.

In terms of developers, it takes a lot for them to achieve what they -- it takes a lot for them to do what they can do as far as responding to anything that's deeply affordable. And I think that there is a bit of -- I don't want to use the word incongruence, but I think that there needs to be some sort of compromise between what the product is that we're delivering or the ones that we've kind of modeled ourselves or prepared ourselves to deliver and what your constituency actually needs.

I'm not debating that what you just described is not an issue, particularly in your district, because we recognize that. But we also want to make sure that we're doing it on a coordinated basis. So it's not just, you know, the residents themselves, but it's also making sure that the developers know what they're responding to and what they have to provide as a need. And that's the complicated part of this.

I know that we've talked a lot about homeownership opportunities and Turn the Key and knowing that there's a lot of land in your district, but again it has to work. People are not going to build things to lose money, right. So I think understanding that we've developed a model that's at a particular price point for particular constituents, which honestly Turn the Key is allowing for those that are anywhere between

50% to 60% of AMI, they're the ones -- I mean, we cap it at 100% and 80%, but the homebuyers are coming in at 56%, 57%, 58% of AMI. So there are people below that 60% mark that are homeowners. But I think in your particular district there's an even deeper need and I think that's where we need to get to.

So I've recognized that. Happy to have continued conversation about that. You have a lot of land to activate and we're looking forward to doing that in a very coordinated effort.

COUNCILWOMAN LOZADA: I do have a lot of land to activate, and that is why it is important for me to continue the conversation with you all in leadership positions because I think that the conversations that are sometimes had with the staff level, with the people that actually do the work day-to-day, the information doesn't get to where it needs to get to as clearly and as effectively as it should, right.

I think that -- in my opinion I don't think that the Land Bank works the way that it needs to work, right. I don't think that the follow-up in Land Bank is the way that it needs to be. And if we're looking to build 30,000 units, is Land Bank prepared to respond to this type of a project, right, with the staffing that they have, with the process that they have.

Because my experience, and I think everybody has different experiences, right, you heard Councilmember Bass' earlier, my experience is that when you're dealing with Land Bank, it depends on who the developer is, right, where the applicant is and how quickly they move through a process. And when it is convenient, they follow the ordinance. And when it is not, they find loopholes in the ordinance to be able to continue certain projects forward.

And so, it is because of that, that councilmanic prerogative is so important because I have a responsibility to protect the culture, the history and the identity of neighborhoods like mine who have seen a displacement as a result of development that was not intentionally thought out.

And so, I need to know what are you all doing differently in the Land Bank to be able to ensure that there is a fair playing ground, right, and that those that can develop and respond to the need in certain districts are actually responded to?

MS. THURMAN: So the timing of your question could not be better. When we were here last time we talked about the Land Bank assessment. We made a promise to the Council President that not only will we deliver that Land Bank assessment, but that it would be action oriented. And sometimes government makes promises and for a myriad of reasons, they're not able to keep it.

And I'm honored to say here today that we've kept that promise. So we have an assessment that is finished. We have briefed the Mayor on it and we are adopting those recommendations. However, we also want to present that information to this body as well. And so, we are working closely with the Council President and his staff. And then beyond that, we will then roll it out to you all.

Before we make any announcements on what we're doing and moving forward, we're going to be accountable to this body as we said. So we've already taken the first step with working closely and directly with Council President and his team in that assessment. We recognize and acknowledge exactly what you said about the real barriers and challenges with the Land Bank in its current form and that's why we did the assessment. And we have some real changes coming in short order, not down the pike, not six months from now or even three months from now, this year with the 50-plus days remaining in this year, probably less than 50 at this point.

I'm going to ask Angel Rodriguez, the Executive Director of the Land Bank, to come up to talk a little bit about some of the findings and the legis -- not the legislation, but the assessment, some of the things we already knew. There were some revelatory moments in the assessment, the outcome of the assessment. In fact, some of the Council staff were engaged and surveyed in that assessment process.

So Angel can walk through a little bit of that ahead of the briefing that we will formally provide to every member of this body.

MR. RODRIGUEZ: Angel Rodriguez. So I'll just go right to the pain points. The plan I thought really to give kudos to Guidehouse. They did an excellent job in a brief period of time. I think Council and the Administration will find it to be a very helpful document. I thought it was very helpful to go to this process.

I think the first pain point obviously were Land Bank's been level funded so that's been a recommendation. We started immediately addressing that predominantly. The second pain point was staffing. So prior to any net new fiscal year, money has been allocated. We have been hiring. I have been hiring senior development specialists. I did hire a new real estate director. They will be on board on December 15th.

We've already been working to orient that person and bring them on board, so there you start with the ground running. I have two staff that have already started. We are hiring more clerks. We have posted for attorneys, one a senior attorney, and then a regular attorney has been posted. We have also posted for paralegals, because another pain point that was identified was deed transfers between agencies from the city to PRA to the Land Bank. That adds extra time even though you may have -- the board may have approved the project, Council may have approved the project, does not allow the project to move forward to get to settlement because title has not consolidated into the Land Bank.

The other issue is our website. So that was identified. I'm happy to say that we have executed an agreement under PHDC to continue with our subcontractor, which did a great job on Turn the Key for the housing counseling. That's already committed and augmented, so we're going to be looking at a point of service issue.

I've already met with OIT to assist us with also document retention and helping us actually create a system that's much more interactive. Our hope and goal is to mirror what we do with Turn the Key. So if a homebuyer comes in, starts the application, they can see where their application is. They can see what's missing with the application, how far they are from approval. So we will mirror that system and we've already started that work.

MS. THURMAN: Additionally, we have a member of Guidehouse here to talk a little bit more about the Land Bank assessment.

MS. MOONEY: Hi, everyone. Ali Mooney from Guidehouse. I'll just echo what Angel and Tiffany have said. We were able to complete the Land Bank assessment, which was brought up in these chambers by the Council President, and we worked very closely with the Land Bank and the Administration.

We did a number of interviews to identify key pain points. In the process, we mapped out every single acquisition and disposition process in detail to be able to identify pain points and then make concrete recommendations. We have a list of short-term and long-term recommendations. The short-term recommendations or quick wins we believe can be accomplished within just a few weeks, from three to six weeks, and we are working with the Administration to move those forward.

MS. THURMAN: And just to correct the record, we want to make sure there is, you know, that transmental between the two entities, or the three entities that Angel mentioned it does require support and legislation from this body. And so, we'll be talking about that further as we continue conversations with Council President and of course with members of Council. Thank you.

COUNCILWOMAN LOZADA: Thank you.

COUNCIL PRESIDENT JOHNSON: Thank you.

COUNCILWOMAN LOZADA: Can I --

COUNCIL PRESIDENT JOHNSON: Real brief.

COUNCILWOMAN LOZADA: Okay. You mentioned a robust outreach plan for housing counseling. Can you talk a little bit more about the housing counseling plan and how it will respond to residents that are limited English proficient?

MR. RODRIGUEZ: Apologies. Just point of clarification -- Angel Rodriguez. Is that PHDC's housing counseling or the housing counseling partners you're asking questions?

COUNCILWOMAN LOZADA: Housing counseling in general, right.

COUNCIL PRESIDENT JOHNSON: I think she's specifically referring to under the H.O.M.E. initiative and the rollout, how are we addressing housing counseling.

MR. DODDS: Sure. So currently we have approximately 24, 25 housing counseling agencies spread across the city. That gives us a lot of coverage. I believe we're one of the national leaders in how much we focus on housing counseling. In terms of the

H.O.M.E. Plan, there's $2.85 million additional dollars allocated for housing counseling services. In large part, that money is meant to replace some federal funds that are drying up. But we are also thinking about programs such as One Philly Mortgage that will require more robust counseling services. And we --

COUNCILWOMAN LOZADA: What does mean? What are they going to do different than what they're doing now?

MR. DODDS: In that particular case, we will be implementing post purchase counseling, and that is something that only a few organizations currently do based on need and some other parameters, but that's one major change with One Philly Mortgage. And we also understand that with the magnitude of programs that we're rolling out, there will be a greater need for housing counseling services and we intend to meet that need.

COUNCILWOMAN LOZADA: Thank you.

COUNCIL PRESIDENT JOHNSON: Thank you, Member Lozada.

COUNCILWOMAN LOZADA: I'm good. Thank you.

COUNCIL PRESIDENT JOHNSON: You're welcome.

Chair recognizes Councilmember Jones, then Councilmember Brooks and Councilmember Phillips.

COUNCILMAN JONES: Thank you very much, Mr. President.

I've been around long enough to listen to the various debates that we have in these chambers. Sometimes we debate because we have too little, too little revenue, too little money, too little programs to address a need. And then every now and then, like now, we argue because we have a surplus or a lot or an abundance of resources. We just like to debate and I guess that's a part of why we are elected.

But what I want to emphasize is this is a good problem to have, that we're talking about resources that we haven't seen since NTI, that we actually are going to be able to solve some problems related to housing. And who goes first in line is the debate but let me make my case.

I think that AMI in its formula is a flawed formula, that we are lumped in with Bucks, Montgomery, Delco to average the median incomes of people in Philadelphia which have to be adjusted one way or another. So I think at some point this Administration, along with this Council, need to ask Congress to make adjustments for cities of the first class. You can come up with all kinds of reasons, but to adjust it so that it makes sense for Philadelphia. So that's number one.

Number two, yesterday was Veterans Day and I spent time at a memorial in Wynnefield in Kathy Gilmore's neighborhood. And one of the veterans was a postman. Another one was I think a school teacher and other different middle class activities but they all served our country.

What I'm saying to you is that they would not be eligible under the current circumstances for home improvement programs. And you know I love Basic Systems Repair. My guy Dave Thomas works miracles every year. So they can't participate. I will go on further and say 74% of my district would not be eligible under the current levels of evaluation.

I was there when the Mayor went door-to-door in the 34th Ward, which the part that we were in was Overbrook Park. And we knocked on the door. Couple came to the door and it was like the Price is Right. They were excited that the Mayor -- not me, they were surprised. They were surprised that the Mayor came to the door and they said, we're going to vote for you. We're going to vote for you in the election. However, we're getting ready to move. We're getting ready to move because we're not eligible for the home improvement programs that you offer. And it made me and the Mayor sad.

And I don't want to claim that this is the reason why we are here at this point, but it's one of the reasons we are here. 74% of my district can't get help. 30,000 people moved to the suburbs, middle class, working class people. This goes back about four years, moved out of the city because they said I can get a better deal for school. I can rent this house. I can rent this house and not have that burden of having to fix everything all the time. I can get revenues in here.

So we got to figure this out and we got to figure it out fairly, because I do not believe that the have-a-littles have to be in opposition to the have-nots. It's not or. It has to be and. So therefore, I'm asking you this: You're talking about increasing the application load, and I've sat on that side of the table before. How many inspectors does the city have for housing right now? How many estimators does the city have for housing right now? You're talking about more applications with less capacity?

COUNCIL PRESIDENT JOHNSON: Can we just clarify a point of information?

COUNCILMAN JONES: Yes, sir.

COUNCIL PRESIDENT JOHNSON: L&I inspectors, correct?

COUNCILMAN JONES: No. For housing units, you have to go out and see what the condition of the house is. You have to --

COUNCIL PRESIDENT JOHNSON: Who would do that?

COUNCILMAN JONES: PHDC and also --

MS. THURMAN: PHDC, yes.

COUNCIL PRESIDENT

JOHNSON: Okay.

COUNCILMAN JONES: How many do we employ?

MR. LAWRENCE: There are 19 inspectors on staff right now.

COUNCILMAN JONES: What is the length of our backlog?

MR. LAWRENCE: Our backlog -- are you talking about in time or how many people? I'm just trying to figure out --

COUNCILMAN JONES: Backlog on time.

MR. LAWRENCE: Well, it's anywhere between six to nine months to get the work done. On average it's about it's 6 to 12 months to get the work done. The average turnaround time is nine months.

COUNCILMAN JONES: All right. My guy Dave Thomas does more with less than he should. I'm saying is there a plan to increase his capacity in anticipation of the increased demand for these programs?

MR. LAWRENCE: Yes, there is a plan.

COUNCILMAN JONES: Tell me what the plan is.

MR. LAWRENCE: The plan is to staff up some more and include more people to do that.

COUNCILMAN JONES: How many?

MR. LAWRENCE: Dave would be able to give you those numbers, but we definitely recognize that there needs to be more than 19. We've dedicated a certain amount of funds for him to staff up to be able to respond to this, not just on the inspection side but on the intake side as well.

But I think we are at a point where he has at least 10 positions to be able to fill at this point, but that is a good amount of what the dedication of funds for PHDC to do the work that they need to do is going to go specifically to be able to address what you've just described, inspection side, but also on the intake side for potential influx of applications.

MS. THURMAN: And I do know that that was what we asked for in the FY26 budget, which was approved here. But you want to know the specific number. We will definitely get that to you in writing. Unfortunately, Dave is not here today. He could not make it today, but we definitely will get that information to you.

COUNCIL PRESIDENT JOHNSON: We have a point of information. Jamie Gauthier.

COUNCILWOMAN GAUTHIER:

Thank you, Council President.

I just want to interject because I think we keep losing the thread. When we're talking about a prioritization of people at 30% of AMI or 60% of AMI, one, we're talking about programs that already essentially restrict themselves to people at these levels of income. Secondly, there's a lot of space between someone at 30% or 60% and 120% of AMI.

At that point we're not talking about excluding the have-a-littles. We're talking about having a preference because we want to open the doors to the middle class. So I think that we have to be more pointed maybe in this discussion. One, a prioritization is not an exclusion of other people. It's a focus. And secondly, there's a huge gap between the income levels that we are talking about going up to. 100% of AMI, for example, I believe is $112,000 for a family, and the AMI levels that these programs currently serve. Thank you.

(Applause.)

COUNCIL PRESIDENT JOHNSON: Chair recognizes Councilmember Jones.

COUNCILMEMBER JONES: So like I said, being in these chambers a lot you hear a lot of things. Six months ago we were arguing for sanitation workers being able to afford their lifestyle in the city of Philadelphia. How do we now say that they should not be eligible for programs that we put forth as a city?

UNIDENTIFIED SPEAKER: No, I think they are.

COUNCILMAN JONES: No, but I'm saying they need to be eligible. We need to assure, assure that if we're going to argue for them not getting food stamps, that we should argue for them being able to live in the city of Philadelphia that they serve. And I don't know if without adjustment they would be eligible.

COUNCIL PRESIDENT JOHNSON: Chair recognizes Councilmember Jamie Gauthier.

COUNCILWOMAN GAUTHIER: I made a mistake. AMI at 100% used to be 112,000. It is now 120,000. And also just to the last conversation, I was on the picket line with the sanitation workers arguing for them to receive more. I definitely want them to make it into our housing programs, if they're not already.

COUNCILMAN JONES: So we agree that people that work for our staff should be able to afford to live in Philadelphia and should benefit from these programs.

COUNCILWOMAN LANDAU: (Inaudible).

COUNCILMAN JONES: Not all of them. And I'm telling you --

COUNCIL PRESIDENT JOHNSON: Chair -- wait. Chair recognizes -- let him do his time. Do your time and then I will recognize Councilmember Rue Landau.

COUNCILMAN JONES: Say it again, Prez.

COUNCIL PRESIDENT JOHNSON: Member Jones, go ahead.

COUNCILWOMAN LANDAU: (Inaudible).

COUNCILMAN JONES: No, it's okay. What I would then offer is an analysis of the city's workforce to see who would be eligible for the programs that we offer and who would not.

COUNCIL PRESIDENT JOHNSON: Can I get a point of information though, right, as we kind of shape this debate? I don't think nobody's excluding anyone who makes a certain amount of money to participate in this program. Just want to be clear on it. I think this is a comprehensive approach that the Administration has put forth.

However, I think members of the body, certain members of the body, right, not everybody, but particularly a portion of members are saying, could we target a specific AMI number. That doesn't mean 100 to 120 don't participate. Am I correct when I say that? I just want to get clarity because --

COUNCILMAN JONES: No, I actully --

COUNCIL PRESIDENT JOHNSON: And I don't want the narrative to be that the proposal on the Council side to exclude individuals who make a certain amount of money from these programs. Just for clarity --

COUNCILMAN JONES: No, I agree, Mr. President. I didn't hear that from any member.

COUNCIL PRESIDENT JOHNSON: Okay.

COUNCILMAN JONES: What I do hear though is that you put them at the bottom of the list and don't prioritize their needs. There are people that are moving out of this city. They're packing their bags as we speak because they can't find their way to programs like this and they deserve to be represented too.

COUNCIL PRESIDENT JOHNSON: I agree. I do think if you have the money to move, that means they're kind of doing all right.

COUNCILMAN JONES: Say it again.

COUNCIL PRESIDENT JOHNSON: I said if they have the money to move, I think they're kind of doing all right.

(Applause.)

COUNCILMAN JONES: So what I --

COUNCIL PRESIDENT JOHNSON: Hear me out --

COUNCILMAN JONES: The question is if --

COUNCIL PRESIDENT JOHNSON: If you can move and rent out a house to somebody else --

COUNCILMAN JONES: But that's why they argue in the contracts to be able to move out of the city, but those are the same people that we should keep in the city because they --

COUNCIL PRESIDENT

JOHNSON: I agree.

COUNCILMAN JONES: They become the college coaches. They become the high school track team folk that work for the city. And they aren't the examples. Instead of role models, they're real models that live in our community. When kids want to know who they can grow up to be, they need to be able to see those people, not in Bala Cynwyd.

Thank you, Mr. President.

COUNCIL PRESIDENT JOHNSON: Member Jones, more time, sir? You good?

COUNCILMAN JONES: Yeah, I'm good.

COUNCIL PRESIDENT JOHNSON: All right. Thank you, sir.

MS. BROOKS: Council President, can I just jump in real quick and just indicate --

COUNCIL PRESIDENT JOHNSON: Sure.

MS. BROOKS: -- that of all the programs, 120% AMI is not the level we're expanding to. It's to 100. There's only two that go over the 120 so I just want to clarify.

COUNCIL PRESIDENT JOHNSON: Cool.

MR. LAWRENCE: And just really quick to codify a statement I made earlier. I don't want to imply that we have to hire our way out of everything, right, and staff up our way. We're thinking about different ways of doing different things. A month ago, Council President, you and I sat next to each other at a groundbreaking where we unveiled L&I's virtual inspections, right.

COUNCIL PRESIDENT

JOHNSON: Yes, virtual.

MR. LAWRENCE: I want to be clear about the fact that that's one of the complex things that we're thinking about at PHDC, following suit with that, because we understand that that's a very hard position to fill, but we also understand that there's some advantages to automation as well. So I just want to be clear about that's something that we're exploring as well.

COUNCIL PRESIDENT JOHNSON: Okay. Thank you very much.

Chair recognizes Minority Leader Kendra Brooks. Then next we have Councilmember Dr. Anthony Phillips and then Councilmember Jim Harrity.

Member Brooks.

COUNCILWOMAN BROOKS: Thank you. Thank you, Council

President.

So I'm going to frame this a little bit. So I ran on a campaign as housing is a human right and rent control and I fought to transform those systems with the Renters Access Act, which banned discrimination and rental applications, with the Angel Davis Eviction Accountability Act, with ending for profit evictions. The Eviction Diversion program would make Philadelphia a leader in preventing eviction.

And my office has also championed the Turn the Key program, with two of my staffers going through the process and helping other staffers within City Hall get through their process. And I know that we must build on that success to make housing a human right.

But with the investment

this large with the H.O.M.E. Plan, I need to see the details. You know, there's been a lot of conversations about pitting the haves with the have-a-little-bits. That's not what I'm talking about. Because I've been a have and I've been a have-a-little-bit or have nothing, and every time I reach back to help somebody else.

I would like this conversation to be shifted towards wealth tax and making sure that we're making people who have more money pay more money, but that's a separate thing. Still didn't get a hearing on that.

(Applause.)

COUNCILWOMAN BROOKS: So right now there are two concerns that I have with the H.O.M.E. Plan. First, we need to make sure that we are investing in programs for housing repairs that already have a multi-year waiting list. These are proven ways to keep families in their homes. And the Administration must explain how it plans to deal with the backlogs and not just make promises to do so. To Majority Leader, if it's not in writing, it didn't happen.

Second, this plan does not invest enough in building new housing immediately. I have long supported social housing and we have a real opportunity to come closer to that vision with the Revolving Loan Fund. This has been done successfully in Montgomery County, in Chicago and it's currently being discussed in Bethlehem, PA. Why are we rushing to rubber stamp a plan that could be transformative but has some shortfalls.

We could have a real partnership on this issue, but that's not what we have here. The behind-doors negotiations that have been the hallmark of City Hall have failed Philadelphia. That's why I voted against the budget before we started allocating the money --

COUNCIL PRESIDENT JOHNSON: Point of information, Minority Leader Brooks. I just want to state for the record when you say behind-the-scenes conversations rather it be the budget, rather it be homes, just to be quite frank to everybody that's out there, rather it's the budget process or the H.O.M.E. process, members of City Council have been briefed on both parts, on both processes as well as provided opportunities to submit questions, their issues and their concerns.

And we've always asked the Administration or required the Administration to get back with us or any member in this body with issues, questions and concerns. So I do respect your advocacy, but when you start saying behind-the-scenes and backdoor deals, that has never been the case in this particular body. It is a transparent process with any member that has a specific issue and or concern. I have an open door policy. My leadership team has an open door policy. And if you have objections to that process, then you come forward and say, well, here's our alternative, here's our perspective.

And so, I appreciate the advocacy. But in terms of whatever your speaking points are, that particular part in terms of back door or no one knows what's going on, that's totally not the case. Because we've had at least briefings from our tech team to every member of City Council as well as then we asked the Administration to do a briefing with every member of City Council.

And then recently when I met with the Administration, we talked about making sure that we have a process, that if any member has questions, issues and concerns to let's get that back to members in a timely fashion. So I just wanted to state that for the record because some people may run with those type of words, those type of terminology to make it something more than it is. So I have to just state that for the record.

Member Brooks, the floor is yours.

COUNCILWOMAN BROOKS:
All right. Thank you so much, Council President. And I will not debate you on that. I'm just going to leave that where it is.

So my lens for the questioning right now is clearly, as I mentioned in my remarks, that Montgomery County, Maryland has a $50 million Revolving Loan Funds that allows the county to build social housing that is permanently affordable and unlocks millions of more grant funding. Chicago, Nashville and many others have followed suit. Even Bethlehem is looking for this approach.

Can you talk about how the H.O.M.E. Plan is both similar and different to other cities that have been using the Revolving Loan Fund? And we included the Revolving Loan Fund as part of passing the H.O.M.E. initiative. When are we planning to allocate funding to it? And will you commit to working with Council to ensure that the upcoming city budget, whether through bonds or otherwise?

MS. THURMAN:
Councilmember Brooks, thank you for the questions. We were having a hard time hearing all of the questions. Would you mind reading them again so that we can answer them specifically?

COUNCILWOMAN BROOKS:
Can you talk about how the H.O.M.E. Plan is both similar and different to other cities that have used the Revolving Loan Fund? That's the first question. And the second one was, we included the Revolving Loan Fund as part of passing the H.O.M.E. initiative. When are you planning to allocate funding to it, and will you commit to working with Council to ensure that that is in the upcoming city budget whether through bonds or otherwise?

MR. LANGLEY: So Dave Langley, Philadelphia Accelerator Fund. Councilwoman, I'm happy to talk a little more about what we do. We function essentially like a Revolving Loan Fund. We are a certified CDFI with the federal government as well as a 501(c)(3). What we do is fairly similar to what other cities have done with their Revolving Loan Fund.

We are still fairly young. We're still fairly small. I've been the full time Executive Director of the fund for about three years. My goal and I think the goal of this Administration and everybody within the civic leadership of the city who wants to do something about affordable housing is to help us expand and help us grow and to do it in an equitable way.

My hope is that the funding that is in the H.O.M.E. bill for us here is able to leverage private debt at a

4-to-6-to-1 ratio, depending on whether we're doing multi-family or Turn the Key. So our syndicate of investors has put over $15 million of private investment into the Philadelphia Accelerator Fund already. That was from the money that was originally appropriated through a forgivable loan from the PRA that served as a loan loss reserve. That attracted that first round of private capital.

And what this does is, you know, once this funding -- assuming this funding is able to be accessed by us, we think we can leverage that money both in terms of raising new investment at that ratio from private lenders and also from private lenders who are willing to put money into projects themselves. That's how we leverage it both ways.

So there was some

discussion on Turn the Key earlier in terms of how our borrowers who largely don't have significant personal net worth are able to participate in that program. We derisk it for the senior lender. So we come in with the toughest money, the pre-development money, that 20% to 25% of the money. That derisks it sufficiently for a bank to make that loan at a 70% loan to value, a 75% loan to value, something like that.

COUNCILWOMAN BROOKS: Thank you so much. My next question is so I support kind of Turn the Key, but I would like to know where did the last-minute request for the $40 million come from and why didn't we see that until this morning?

MR. LAWRENCE: So as I stated earlier --

COUNCIL PRESIDENT

JOHNSON: Could you say that again, Member Brooks? I'm sorry. I missed that. What was the question?

COUNCILWOMAN BROOKS: I just want to know where did the last-minute request for the $40 million come from for Turn the Key? And why did we just see it this morning?

MS. THURMAN: Want to be clear it wasn't last minute. Not sure why you're just seeing it this morning, but we've been in ongoing negotiations. In fact, just yesterday on Veterans Day when the city was closed we were all working and we had received information from Council that we just received yesterday. I believe we got it at 12:39 p.m. And then at 3:09 p.m. we were asked for a response, to which we said we're still working on it.

So it's just a -- I only use that to say it's a process that we're in, but the process is open, it's transparent and it's collaborative. So we're working with Council President who is working on your behalf.

COUNCIL PRESIDENT JOHNSON: Could you also as a point of information, Chief Thurman, I think she's really getting to, not so much the timing in which she received it, but just clarify just for the record the same way you answered it earlier, if we've been working on it since July 11th, right, since this has been proposed to us, I think what she's really getting at is where did the $43 million request come from for Turn the Key, although we were working on this since this summer.

Do you want me to clarify is that actually what you're getting it, correct?

COUNCILWOMAN BROOKS:

Yes.

COUNCIL PRESIDENT JOHNSON: And I know y'all answered that earlier, but still for the record answer the member's question please.

MR. LAWRENCE: To answer your question, as stated earlier the year 1 shifted. Year 1's budget is shifting from a fiscal year to a calendar year so it's adding another six months onto the -- well, it's shifting the timeline by six months. What we also have learned and understood is that there is a certain appropriation from NPI to get through that pipeline that is not as high as it was when we originally started this conversation in July. So to make sure that we have the coverage and that a program that is important to many members on this body. We want to make sure that that had money.

And knowing that that timeline has shifted from July 2026 to the end of 2026, the window of need to bridge that has shifted from -- it basically has shifted. So we are not going to have this -- we don't have the money by now, which is what original case was. We really thought we would have the bond by now. That's not the case. And knowing that that shift is now going on another six months, we don't want to find ourselves in a place where we don't necessarily have the right amount of funds to get through what's in the Turn the Key pipeline and commit to the mortgages. So again simply put, the timeline, the year bond has shifted from the end of Fiscal Year 2026 to Calendar Year 2026.

COUNCILWOMAN BROOKS: I have like two more questions. Can I ask --

COUNCIL PRESIDENT JOHNSON: Yes.

MR. LAWRENCE: And I just also want to state for the record when we began this, $32 million of NPI funds were available for that, and that would have been able to get us to the point of where we originally thought this calendar year was going to end. That's not the case anymore --

COUNCIL PRESIDENT JOHNSON: Can I get a point of information though and maybe you and my staff can get together. So according to my team, we got 14 million of combined CDBG and HTF funds, which is Housing Trust Funds, are currently available to fill the funding gaps. And we can also borrow from on the preservation projects that we have, correct, that's funding that's just sitting there. That's the money that Rob said we need to always spend down because it's just sitting preservation funds; is that correct?

MR. LAWRENCE: The preservation --

COUNCIL PRESIDENT JOHNSON: If we had to use this money for emergency to address NPI; is that correct?

MR. LAWRENCE: That's not what we originally anticipated. What we are counting on that particular line item is specifically for the preservation, literally just preservation, everything outside of NPI -- I'm sorry, Turn the Key.

But, Angel, you want to talk about where we landed on the most recent calculation? I mean, the number that we understand for NPI funds that are committed to Turn the Key is 8.2 million at this moment.

COUNCIL PRESIDENT JOHNSON: Okay.

MR. RODRIGUEZ: So the original plan in July would be that we would have a truncated first year of H.O.M.E. funding that would follow the fiscal year calendar at that time. Under NPI funding, the third tranche of money that was allocated for Turn the Key was $32 million. I believe 10 million of that was reallocated to backstop BSRP and certain other programs. So we had 22 since July to I would say about a month ago, we had a remaining 8.9.

We were just -- Turn the Key is closing on a weekly basis. So we had spent down that 22 to 8.9 million. That 8.9 would have gotten us about 109 closings, which would have gotten us to the end of June, which would be the fiscal year.

When we found out that we were moving from a fiscal year to a calendar year, and I understood that we would not be able to replenish funds in July, if I did not ask for more money, I would have to wait until 2027. I made a request for the 43 million because I then looked at our projections for the calendar year or Fiscal Year '26 --

COUNCIL PRESIDENT JOHNSON: I should have started you off saying you brought up requesting --

MR. RODRIGUEZ: Correct.

COUNCIL PRESIDENT JOHNSON: -- as to why you're running out.

All right. I will

relinquish the time back to Member Brooks and we're going to briefly wrap up before I have to recess for a moment for the Chair of Rules to recess her hearing for an hour later so we can have some of her time.

COUNCILWOMAN BROOKS: All right. So I have two more questions I'm just asking that you guys can fill in. One is what is meant by homeless prevention and where is the $3.8 million going specifically? And the other question is, is the Eviction Diversion program going to be expanded through the H.O.M.E. budget?

MS. BROOKS: We're going to ask Cheryl Hill, Executive Director of the Office of Homeless Services, to come up at this time.

MS. HILL: Good afternoon. Cheryl Hill, Executive

Director of Office of Homeless Services. This particular funding is an expansion of a program that was in partnership with PHA. It was part of the NPI program. It previously was referred to as shared housing, but since then we have transitioned to some because what we found that housing for larger families was harder to get. So this funding is used to renovate housing for the larger families that's then subsidized by PHA.

MR. DODDS: And just to answer the second part of your question around eviction diversion, the money budgeted as part of the H.O.M.E. Plan is meant to keep the program stable and level as it currently operates.

COUNCILWOMAN BROOKS: (Inaudible).

MR. DODDS: That's correct.

COUNCIL PRESIDENT JOHNSON: And I have a point of information for the Majority Leader Katherine Gilmore Richardson regarding the work that she has been doing around the Office of Homeless Services. And so, how does additional funding play a role in terms of the policies that you have put in place not being sufficient enough to even advocate?

Obviously, everyone supports addressing homelessness here, but we also talk about being fiscally responsible and transparent in terms of how we're doing things. So where are we at in terms of working with your office and the Office of Homeless Services in terms of how we move forward with your policy?

COUNCILWOMAN GILMORE RICHARDSON: Thank you very much, Council President. Thank you for bringing that up.

We are seeking to get a meeting scheduled. I did ask that question at our briefing in the Caucus room. I have additional questions obviously around how the H.O.M.E. Plan will fully address homelessness and which specific programs will be funded. And I was jotting down your response to Councilmember Brooks regarding subsidizing of housing from PHA.

But, Council President, to answer your question more fully, it is not entirely clear to me how the H.O.M.E. Plan will sort of work with the Office of Homeless Services around addressing some of the programs that we see. And it's more so I guess the collaboration with OHS on the H.O.M.E. Plan, like what does that mean and what does it look like for permanent supportive housing.

But as it relates to the other challenges that I think we all have continued to work towards, I am encouraged by the continued opportunities that we've had to continue to go through line-by-line specific contracts and items where we have additional questions, but I just want to make sure we get additional information on the record about the H.O.M.E. Plan as it relates to homelessness prevention and permanent supportive housing assistance.

COUNCIL PRESIDENT JOHNSON: Thank you very much.

Angela, if you and your team could just follow up with the Majority Leader particularly around the homelessness issue --

MS. BROOKS: We've already reached out to set up that meeting.

COUNCIL PRESIDENT

JOHNSON: Thank you. I just want to take a moment to say Council will be at ease as I allow the Chair of Rules to gavel in.

(Council at ease.)

COUNCILWOMAN BASS:
Thank you, Mr. President.

The City Council Committee on Rules is hereby recessed until 2:30 this afternoon. Thank you.

COUNCIL PRESIDENT
JOHNSON: Thank you very much.

The Chair recognizes Councilmember Dr. Anthony Phillips and Councilmember Jim Harrity and then Councilmember Jeffrey Jay Young, and that's a full first round.

COUNCILMAN PHILLIPS:
Thank you so much, Council President --

COUNCIL PRESIDENT
JOHNSON: Squilla, I'm sorry.

COUNCILMAN PHILLIPS: I recognize our Majority Leader, she got out the queue.

COUNCIL PRESIDENT JOHNSON: Could you speak into the microphone please?

COUNCILMAN PHILLIPS: Yes, it's kind of -- the mics are kind of low today. I'm not sure. So just want to briefly say that just like the rest of the members I just want to be on record letting you know that I do support the Administration's H.O.M.E. initiative led by Mayor Parker. It's definitely a bold step to addressing Philadelphia's housing crisis, but it urges a careful, equity-centered rollout that prioritizes every Philadelphian.

I will say that what's clear to me that is really important in the H.O.M.E. brand in terms of from what I've reviewed and in terms of what we need to work on to make sure that it's successful, we do need to clear the backlogs and serve those waiting first. That is a huge priority for me.

Number two, we do need to protect our seniors and fixed-income homeowners, which (inaudible) supports. And then also, we do need to support our middle neighborhoods, right, so I agree with all of that and more. But one of the things, a question that I want to raise which I think is particularly important for me, is how do we ensure that the members of Philadelphia City Council are not receiving tons of calls and emails about where they are with the application for any one of these H.O.M.E. programs?

And so, I just want to emphasize and learn more about what is the coordinated effort that you're going to have with our offices as well as residents to figure out how can we be a part of your messaging when it comes to the application process going forward for these programs?

MR. LAWRENCE: So I think that it's important to recognize kind of the governance that comes out of H.O.M.E. With this there'll be a centralized kind of approach, right. So this is why we have Angela here who is our Chief Housing and Urban Development Officer. I think I got that title right. But she is our central -- she's central to everything, right.

So being able to understand our progress on retrofitting our processes and structures and ways that will allow us to do the evaluation process much more swiftly is going to be important. We also are going to be very upfront about these types of things in our tracking, leaning a lot heavily on Philly Stat 360, making sure that that dashboard is reflective of everything you just described so that folks don't necessarily have to call you but they can see where they are in the realm of everybody else kind of applying for the same thing.

I think that it's important to recognize that there is a clear distinction between expressions of interest in actual cases. That expression of interest is kind of the front line and I think that we can do very -- we can do really good work on attacking that much more swiftly than we are right now.

I talked earlier about leaning and kind of following leads when it comes to L&I and their automation effort, there's opportunity there. So once we do get past the expression of interest phase and we're moving kind of case management, we're a bit more flexible and we can kind of expand ourselves in ways to do things a little bit more, again not recognizing that staffing our way out of this is the way to do it. But I do want to recognize that we will be doing that just to increase the bandwidth.

I think that understanding a way to look at what the immediate needs are and being able to align our resources to respond to these types of things, because different emergencies are at different levels, right. I think that we can make sure that not necessarily prioritizing applicants, but prioritizing what the needs are.

And then I think that we're also expanding our opportunities to do this good work in looping in Built to Last, right. So Built to Last is a supplement to this as well. There is going to be a ton of overlap. I would imagine there will be a significant amount of overlap between what the Basic Systems Repair applications would come through to describe as the need and that need also being met in partnership with Built to Last. So I think that we're expanding our opportunities for different processes, use different programs to respond to a collective of needs at this point.

COUNCILMAN PHILLIPS: The concern that I have is I think, Jesse, and raising this and to me, you know, as comfortable I am with the H.O.M.E. initiative in theory, is that I am not comfortable and confident yet in the process in terms of -- what I was hoping to hear is that, hey, we're going to make sure that there's a training available for all staff members who are part of Philadelphia City Council, we're going to, you know, give tips and strategies on what to say, how to say it but also making people aware even on our teams of how the application process works.

But also the biggest thing that to me is one of the things that I struggle with in city government is that there's no timelines, there's no deadlines. And so for me, we need to know if a person applies for a Basic Systems Repair application, there should be a sense to our team members that we can say, if you apply on this day, you should hear back in two weeks initial response. After the two weeks, you should then maybe get a call and there's execution in four weeks. It's just the process part that is just not clear to me and I just want to make sure that this time around we're going to be better at that.

MR. LAWRENCE: I do want to restate something that our Chief of Staff stated earlier. We will not be crippled by the ineptness of bureaucracy, you know, and we share that same concern. We understand that some of this bit of a struggle has come before us. But we want to make sure that we're clear about our opportunity to make sure that we're maximizing operations however possible.

With that staffing up and with that onboarding, there will be components that allow us to do the training that you just described. And then also making sure again that, you know, for purposes of informing Councilmembers such as yourself, that centralized kind of conversation that will come through Angela to be able to facilitate that, that's important to us. It's important that we're on the same page about what your concerns are and maybe even what your kind of voids and knowledge are when it comes to the process and we're prepared to work very closely with that.

MS. THURMAN: And I know that there have been, you know, opportunities where the Mayor's partnered with you, Councilmember Phillips, and gone to different communities within your district to hear directly from your constituents most recently. We welcome those ongoing opportunities. I think that's important.

We do host town halls in every district and we do not pick the same location each time. So whether it's advocating for our priorities and our regular fiscal year budget or with H.O.M.E. or other initiatives, we go to different communities, we've done that consistently over the last two years and we'll continue to do that.

And so, coupled with working with members directly, District Councilmembers in particular, and going to those community meetings and speaking directly to the people, that's important. So that's the transparency part. What I hear you talking about is also customer service. Yes, we understand and we agree.

COUNCILMAN PHILLIPS: Thank you. And I have a really important question I got to get off. We have contractors in the city of Philadelphia that are going to be really interested in part of the H.O.M.E. program. I just want to know what are the current challenges that exist with becoming a contractor in the city of Philadelphia for the H.O.M.E. program and then how can we make sure that we are not having a contractor issue, you know, in general?

And then also, I just wanted -- for the eviction diversion person, I am hearing a lot from the landlords that the money is not going to them. And honestly, if there's going to be an eviction diversion program, there needs to be money that goes back to the landlords for the renters who cannot actually afford the rent. So we need to be able to do both for the renters and the landlords, that that's being addressed in the H.O.M.E. program as well.

MR. DODDS: So quickly on the eviction diversion side, all of the payments that go out as part of the Eviction Diversion program go directly to landlords. So maybe there's a timing issue or other nuances that we'd be happy to discuss with you and get feedback that you're hearing from your constituents.

An exception to that would be programs like the Fresh Start Program, which we talked about a little bit earlier where money would go to either tenants or landlords potentially when they're moving into a new apartment. But as far as eviction diversion goes, all payments are meant or will and do go to landlords.

COUNCILMAN PHILLIPS:

Thank you. And I'm still waiting for my question about the contractors answer. But as you get that response together, as a member on City Council who championed a long story history of our driveway programs from, you know, starting with Marian Tasco, then Councilwoman Parker, I just want to make sure that we in this particular budget put on record that it is important that we continue to invest in our driveways to complete the rest of the ones that we need to get done.

I do know we have a bond that we're waiting for working with Rob Dubow in his office to get the $50 million so that we can allocate around $15 million, $20 million towards the driveway programs. However, I think that we need to do -- if we can work closely together to do an assessment of how many driveways are left in the city of Philadelphia that are going to be needed for repairs and then finally close that loophole so that we can really just finish that as that could be a big win for our city and mirrors our H.O.M.E. initiative.

MR. LAWRENCE: We appreciate that. We share that same commitment because it's not about just production and preservation. It's also about stabilization as well and a good amount of what we're putting forward as far as our programming is not just to build and preserve. It's also to make sure that our communities are fully supported however they can.

So we're supplementing the new development, the production, making sure that everything you just described, these dilapidated driveways, are also servicing the people and just minimizing the ability for people to say you just build new housing but not supporting the neighborhood itself. But I think that comprehensive approach is what we're standing very firm with. I think it sounds like we're very aligned and we definitely welcome that ongoing conversation.

COUNCILMAN PHILLIPS: And is there a reason why we can't add retaining walls into this as part of stabilization?

MR. LAWRENCE: I think that we want to make sure that we're clear about what exactly that scope is, because as we understand retaining walls it's a dynamic kind of scope. It really does involve a lot of very deep estimating and what we need to do there. But I think our first step in infrastructure is just the driveways at this moment. Retaining walls is something that we would welcome in discussion further down, but we don't negate the fact that that is something that could be pursued and explored.

COUNCILMAN PHILLIPS: Thank you. I have no further questions at this moment. But I do want to just continue to emphasize that we want to be able to focus on retaining walls as much as we can. Because if we complete the ones that we have, we won't have these issues years and years down the line. I think there's ones across the city, just not in the 9th District, that I think we all can agree to work on together.

MR. LAWRENCE: We have neighborhood infrastructure improvements as a line item and I think that is encompassing in a way that allows us to have that conversation.

COUNCILWOMAN BASS: Thank you. Thank you, Chairwoman.

Thank you, Councilman. Chair recognizes Councilman Harrity.

COUNCILMAN HARRITY: Hello, Chairwoman.

Hello everybody. I guess it's afternoon now. My concerns are -- again, I'm a fan of the H.O.M.E. program but that does not mean that I don't have questions still, especially when it comes to the Turn the Key program because I don't know -- because Councilman Curtis Jones isn't here so I don't know -- but I think what he was trying to say was when the strike was going on and we as -- and myself, I noticed this for myself. When I talked to the District Council 33 members, I was actually pretty proud of the fact that we had this Turn the Key program and that we were going to be able to get city employees into these houses and was actually shocked when the D.C. 33 members told me that they don't qualify. They still can't afford the houses in the Turn the Key.

That being said, that's not to be faulted. But from what I'm going by, what was said earlier which is that the bulk of the Turn the Key stuff has been done in the 1st, the 2nd and the 5th, if that's correct, that would make sense because those districts are some of the most expensive areas in the city.

But I know people even where you're saying it was 380 and you're able to get it down to 180 for the sale price, I guess because we don't have to make money, we're a city, we're not out here to make money, we're just trying to house people. I get that. But still, people who work for the city and live in my neighborhood, that's still a little way out of their price range.

Houses in my neighborhood while they're going up, I mean, top of the market, there's about $100,000, 110 maybe, if the house is really nice -- are we okay? There was a little distraction going on.

Okay. So what I'm getting at is are there going to be changes done to the program in general so that more of our actual employees can afford to live in these to afford to buy these properties?

Again, the most public land, as you said, was in the 3rd, the 5th and the 7th. I know at least in my neighborhood the housing would be more affordable because that's what the property value or the rest of the neighborhood calls for. What I'm trying to get at is I can understand while some of our employees still can't afford this because of the neighborhoods they're going into, I would like to know when we're actually going to start branching out into those other districts that actually may be more affordable for our employees?

But not only that, we all know that when you have not only police but also city employees living in neighborhoods, neighborhoods tend to get a little better because the city employees have a route to report stuff that the normal citizen really doesn't have which helps the neighborhood come up.

I just want to know what changes are we thinking of to make the Turn the Key more affordable for our actual employees that are making that money? Because while some of our average salary District Council 33, I think it was like $40-something a year, some of them are only one salary so they they can't afford even the Turn the Key program and the subsidies to actually afford to pay for that house.

MR. RODRIGUEZ: Name's Angel Rodriguez. Thank you for the question. I think it's a real -- I'd like to clarify what the real issue is. We were shocked ourselves. So it's important to note that the average homebuyer for Turn the Key makes $45,000 a year, so it's about 59% of AMI.

What's going on is and

what people need to understand is that Turn the Key is a soft second mortgage. So it's 75,000 that buys the project down and then you get the Philly First Home. That's another 10,000. We have 15 partner banks that provide another 10,000. So you're looking at $95,000. The buyer still has to qualify for the senior debt which is the commercial loan.

So we provide, you know, we stack about $95,000. We buy it down. So the city employees are qualified for Turn the Key. The issue is, is the commercial bank under their underwriting guidelines allowing them to do that. And sometimes what we're seeing is that credit and certain, you know --

COUNCILMAN HARRITY: Well, that actually goes right into what I was saying which was if we --

MR. RODRIGUEZ: So if I could finish --

COUNCILMAN HARRITY: -- start in those other areas that's more affordable, the bank loan and the bank note --

MR. RODRIGUEZ: If I could just --

COUNCILMAN HARRITY: -- will be affordable for our employees.

MR. RODRIGUEZ: Councilmember, if I could just finish the point. It comes into a cash flow issue. Sometimes what we'll see with certain city employees they have certain debt on their credit rating that makes it difficult for them to meet the underwriting criteria. So we do have great areas where people can, you know, have moved in at 45,000, 40,000. We do have partner banks, but the issue here is will they meet the underwriting criteria of the senior debt. That's the commercial bank.

So sometimes -- and we do have banks that don't look at credit, but a lot of times what we're seeing is that they can't get the bulk of the mortgage, that primary mortgage, from the commercial bank and we're trying to work with them on that underwriting. But it's not really a location issue. It's more of a financial underwriting issue.

COUNCILMAN HARRITY: Yeah, that's why I was trying -- so you just gave my point. What I'm saying is the areas that we have Turn the Key in now the bulk of them, which was what you guys testified to, which was the 1st, 2nd and the 5th, those areas are very nice areas of the city for the most part but there are some areas that are a little bit lower than the rest of the areas. But for the most part, those districts that housing is pretty expensive to begin with.

So with the subsidies, what I'm saying is if we had those subsidies in an area where the property value isn't as much, the actual mortgage would then not be that much and then they would actually be able to afford that. That's all I'm saying. I'm just asking -- the question is really when are we going to start in those areas like Germantown and stuff like that where there are still affordable properties where our people could afford it, could move in and actually could make a difference? That's all I was trying to say.

MS. THURMAN:
Councilmember --

COUNCILMAN HARRITY:
That just explained my point, which is why we started, you know, in those areas. I get it. They're desirable areas, but they're also more expensive areas.

MS. BROOKS: And I think the key point in what we talked about earlier and why it's on those districts it's where we own public land. And so, there's a direct correlation between where the public land exists and where Turn the Key is being deployed. So as you see in the year 1 budget, there are allocations for the Land Bank acquisition fund. And we certainly can work with Council to determine some of those areas that you are identifying that we look to acquire land. But Turn the Key is being deployed where we own land and those are the three districts we have the most publicly-owned land.

COUNCILMAN HARRITY:
Well, your testimony, again because I wrote it down, the three most public land is the 3rd, the 5th and the 7th, by what you told me I would imagine it's because you already developed the public land that was in the 1st, the 2nd and the 5th -- well, 5th is in the thing. There's some more land in the 5th you're saying for development.

But those other districts there's not any more. And what I'm saying is they were the areas. All I wanted to know is how are we going to change the program so it's more affordable? When are we going to start going into the areas that our actual city employees can afford?

MS. BROOKS: And that's where the acquisition --

COUNCILMAN HARRITY:

Before those areas are bought up by the developers and then they're not affordable anymore?

MS. THURMAN: That's exactly what this plan does.

COUNCILMAN HARRITY: Right, that's what I'm trying to get at.

MS. THURMAN: The H.O.M.E. Plan addresses that very issue even beyond Turn the Key. I'll turn it back over to my colleague Angela. Thank you, Councilmember.

MS. BROOKS: Yes. And so, I think as we start thinking about our acquisition strategy, we can think about that. But then there's also the myriad of other programs, not just Turn the Key. So there's existing down payment assistance that exists, but what you just said also is a good argument for the One Philly

Mortgage program that we're looking to deploy as a part of this plan, that we are going to look at different underwriting criteria that will help meet some of the issues that Angel was addressing, that gives people the opportunity to buy property in any of those areas.

And certainly, we're looking forward to deploying that and working with city employees because we do want to make sure that we are not setting up our employees not to be able to create the generational wealth we've been talking about. So there are other companion programs, not just Turn the Key that will really open up homeownership opportunities to city employees and residents in general.

MS. THURMAN: Yeah, and there's a --

COUNCILMAN HARRITY: So

that's what I was getting at. So there are programs available that city employees will -- in the new H.O.M.E. program that the city employees might not necessarily be Turn the Key.

MS. BROOKS: Correct.

COUNCILMAN HARRITY: It may be one of the other programs that they qualify for that will make it and then also so they can afford it?

MS. BROOKS: Yes.

COUNCILMAN HARRITY: Okay. That's what I was trying to get at. I just want to know what we're doing to change things because the other way wasn't working. We know that because we couldn't, you know, our people are telling us they can't afford it.

MS. THURMAN: Yeah. So there's a --

COUNCILMAN HARRITY: I'm

all for bundling services.

MS. THURMAN: Right. And as you very well know this, there's mortgage qualification which is a number of factors to be considered there and then there's affordability and there's a number of factors to be considered there, and I hear a comingling. We are addressing both through a myriad of programs that are within this statement. So I appreciate your question.

COUNCILMAN HARRITY: And our city employees qualify for our --

MS. THURMAN: Yeah, absolutely. And workforce housing is vitally important. We said that during the period earlier in the year in July when we were at the table, sitting with sanitation workers, sitting with labor. We've been saying that even before then.

That's always been a priority. Didn't just become a priority because of the strike. That was always a priority. It will continue to be a priority. Sanitation workers, teachers, therapists, social workers, and on and on. We are thinking about our workforce. We thought about our workforce when we devised this plan. So absolutely. That's why we appreciate your question.

COUNCILMAN HARRITY: I appreciate it. We need to take in effect of how do we keep our workforce.

MS. THURMAN: Absolutely.

COUNCILMAN HARRITY: And keeping them here in the city is one of those ways.

MS. THURMAN: Absolutely, sir. And that's a commitment that we made to the workforce as well.

COUNCILMAN HARRITY:
Thank you. And any other questions I'll submit in writing. Thank you.

MS. THURMAN: Thank you so much.

COUNCILWOMAN BASS:
Thank you, Councilman.

Chair recognizes Councilmember Young.

COUNCILMAN YOUNG: Thank you so much. Good afternoon, everyone. And I know we had a lot of conversation about Turn the Key. But folks were asking about or talking about what's a different model. Turn the Key is essentially a market-driven product, right. The Councilman mentioned in his neighborhood if it is going for $110,000, you wouldn't be smart to buy a home for 280 if the market is at 110 at this current moment, right.

So what do we do in those situations when the market just isn't there? But one idea is to increase the subsidy from the city from 75,000 to $100,000 right. And that will create that opportunity where those buyers will feel more comfortable buying in the area where the market just isn't there yet, right. And we can help create that market in those neighborhoods, like particularly I'm just thinking about neighborhoods in North Philadelphia like 19th and Cumberland or 11th and Cumberland.

If folks know Philly, you know the Badlands are where I was at on Clearfield earlier. You're not paying 280 for a house. You're not even going to pay 200 for a house in those neighborhoods, right. But if the city were to allow the subsidy to increase from

75,000 to 100,000 on that end, then those buyers, the ones that we are really paying attention to, then those buyers are like, you know what, I may take this risk to invest in this neighborhood because the city is providing me the opportunity to invest in this neighborhood, right.

And so, I just think that's something that we really, really have to consider if our focus is the end buyer in this project, right. If the developer is going to make their spread, they're going to make their spread. But we need to be able to ensure that Philadelphians who work for the City of Philadelphia, right, if I'm a sanitation worker and I make 42,000, I may be a little hesitant to go into this program. But if I can get a brand new house that for essentially you add the additional

$20,000 on, so you're telling me I can buy a brand new house for 170, I might jump at the opportunity, right.

So I think that's how we have to think a little bit more creatively if we want to create markets in some of these neighborhoods where Turn the Key doesn't exist, because right now Turn the Key is the only product that we have. That's it. So we really have to figure out how to adjust that product to the communities that need the housing, right.

I mean, Francisville is a great neighborhood. They fly like hot cakes in Francisville. But then we go up to, like I said, 12th and Cumberland, right, not so much, it's not happening, right. So what are we going to do in those neighborhoods that need that additional investment in this new housing product or are we going to create a new product for these communities, right. Because right now under the H.O.M.E. Plan, I don't see anything that exists for -- I don't see something for those communities.

As Councilmember Lozada and I share a border in those areas where there is really, really low-income folks. And again, Turn the Key is not the model for that neighborhood, but we have people who want to be homeowners. One idea that I have is essentially allowing the soft mortgage on privately-held lots, right. Because if you think about it, these lots are creating the blight in our communities for a lot of speculators because they can buy -- I mean, I've known folks who bought lots for $5,000 in these neighborhoods, right, just to sit on it and just wait and wait and wait because they can, because they can afford to do that.

But if we give them an incentive to say, hey, look, we have an end buyer for you who we know is going to have, what is it, $100,000, potentially $125,000 in subsidies or soft mortgages for you, we might entice you to then start developing on these lots, right, because you bought these lots for next to nothing.

And so, that can be an idea to help spur development that's affordable in some of these neighborhoods where we have speculators just sitting on it, right. So it's just something to just ponder on. I really think that we have to focus on creating the market in neighborhoods where there is no market right now.

I mean, parts of the 5th, people mentioned the 5th district. Yes, we throw out RFPs it seems like weekly but that's because those neighbors are gentrifying, right. There are markets that are being created. But again, the other parts of that area, 11th and Cumberland, 19th and Cumberland, it's just not there. So I just want to think creatively on those areas.

COUNCIL PRESIDENT JOHNSON: Can I get a point of information though and, Jesse, I don't know if you want to address it this way or not but at least for the 1000 units with H.O.M.E., this is how I envision this. You would sit down with Jeffrey Jay Young and Jeffrey would say, listen, I did an overview of my district, here's where I see we should be developing, right. And then obviously you guys are the experts would say we did a review, right, and here's our recommendation. And you would come to some level of a meeting of the mind.

If he's saying 12th and Cumberland, right, because I know it was North Philly, now it's Brewerytown, so he may want to build Jeffrey Jay Young Town, right, or Cecil B. Moore Town --

COUNCILMAN YOUNG: That's crazy.

COUNCIL PRESIDENT JOHNSON: No, seriously, in areas that's far away from the gentrified area, right, because he wants to spur development where it's most in need, wouldn't it be a meeting of the minds with himself, you, before you go to the Land Bank and say, this is the targeted area and y'all would kind of work out a package like that?

MR. LAWRENCE: That is exactly how we work, sir. It's a combination of empowering Turn the Key. But I mean, I just want to be clear about the program itself. It's much more comprehensive than that. It might not always be Turn the Key as the solution to get folks into the home.

We have conduits to homeownership by way of Philly First Home. We also are funding things like employer-assisted housing. So there are other interventions that we are making sure that we incorporate into this. And in terms of just kind of being able to simply increase the subsidy, it's taken a lot of conversations, very deep and expanded conversations with the banks and the lending community that have signed on to Turn the Key and being able to provide the amount of subsidy that they have.

There is conversations about what price points are, what it takes to actually get a developer to sign on to build that type of thing, but it's also a conversation about risk aversion as well. So it's a much more comprehensive conversation and I think we've recognized and I think Angel behind me, he recognizes that there is, you know, it's a lot more to it than just increasing the subsidy to $100,000 and getting price points down to where I think certain constituencies might be able to sign on.

But you enter into a world where there are different variables and things of concern when you come to that particular buyer in that constituency. But again, maybe not necessarily, you know, achieved through Turn the

Key, so to speak, but it does present itself as an opportunity and empowering things like Philly First Home and so on and so forth.

COUNCILMAN YOUNG:

Mr. President, yes, it is about risk, right, because we're using the market to drive the thing so everything is about risk. And the legislation right now does say we can go up to $100,000, like it's already codified. So I think that's something that we should take into consideration.

And also because it's about risk, I think the city should take more of that risk on. I mean, we're $800 million -- I looked at some of the programs again -- a public bank would essentially be able to take on that risk, right. We're putting $25 million into one program where to start a public bank we'll need like 10 million to start that program, right. So I really think if we think creatively, again we have the opportunity to work for the residents that need the help, right, the constituents in our districts that need this $800 million to be able to live in the current communities that they live in today, right.

And so, if we just think creatively, we can get there. I really think this is a great program, but I really think again the devil is always in the details on how we are reaching the people that we need to reach for this program. And I have one more question, Mr. President, regarding this is around the body itself --

MS. THURMAN: May we respond to that?

COUNCIL PRESIDENT JOHNSON: Councilmember Young --

MS. THURMAN: Councilmember, may we respond to your question and comment?

COUNCIL PRESIDENT JOHNSON: Sure.

MR. LAWRENCE: Well, no, I mean, just very quick. I just wanted to come reassert that it's not just meeting the people, but it's also making sure that the developer can do that work. It costs money to finance and actually do this work. So when a price point is where it is and the margin is where it is, when it comes to the ability for a developer not to lose money, it's hard to have that conversation.

But again, I think those are also the risks that we're talking about and the things that we have to navigate through that. But it's twofold. It's being able to meet the need of the buyer or the enduser, lease, tenant, whatever the case may be, but it's also making sure that we have the pipeline of people that can actually do that work.

COUNCILMAN YOUNG: I mean, when we put our RFPs, we get enough to respond, right. So I do think that the developers, right, I mean, this is a conversation that Councilmember Bass had. The pipeline of developers I think is there to do the program.

I mean, when we have a market-based approach, the developer, you know, folks, they want to make their money on the end as well so we can increase the subsidy. That increases the pool of buyers. Developers, they just want somebody to buy it. They don't care who. They want somebody to buy. They want to know at the end of the day this product is going to be sold. And if we are able to provide them that additional subsidy to open the pool up for people, then that gives them the confidence that their product is going to sell and that gives the banks the confidence that their product is going to sell.

One thing that Chicago does in their middle income program, whatever it is, but the housing program is they allow the developers to even rent the units out for a year, right, then that can give more folks opportunities to be ready to be buyers. If I can rent this Turn the Key house out for a year, right, then get me ready to become the purchaser, the homeowner of this particular product.

And so, I just think that we have to just be real creative in what we're going to do to allow people in these homes because we don't want these homes sitting, but we also want the homes to go to people who are in those neighborhoods right now. And we really need to think about how we are going to provide for the people.

Developers are going to get theirs on the back end. If the home is going to sell for 280, they wouldn't apply for the program if they think they couldn't make money on it. They wouldn't be in it, right. Every developer is not in Turn the Key for certain reasons, but the ones that are believe that it is a good product where they can make their money and provide housing for our community. So if we are able to provide them, the end user, with additional subsidies, it's only going to create more confidence in the market as we move forward so --

(Applause.)

MS. THURMAN:
Councilmember --

COUNCILMAN YOUNG: --
thank you, Mr. President.

But I do have one question on the bond that I would like to get to on the bond itself. I really would like to know what's the timeline, if you can provide us with timelines on the bonds when it goes to market, what investors have been offered the opportunity to purchase the bonds, has the outside finance team been selected, i.e., financial advisors, bond counsel, underwriter, trustees? And also, what's the sales price of the bonds?

MS. THURMAN: Sure. As there was a question that we didn't get the opportunity to answer in addition, so if we can answer that question as Angel's preparing to answer that question and Rob is sitting down to answer the questions on the financing piece, I want to be really clear that this is a people's first plan.

And so, yes, we're thinking about developers. We're thinking about access to more Black and Brown developers, absolutely. And even beyond thought, this plan integrates that. We're also thinking about making sure that things like mortgage eligibility is considered as well, which is why we're looking at those eligibility requirements.

I really appreciate you mentioning the city of Chicago. We've looked at the city of Chicago. We actually recruited someone from the city of Chicago to help us devise this plan. But in addition to that, we've also looked at what other cities are doing. And so, while we know what's working well in Chicago, we also know what's not working. We know what's working well in other cities. We also know what's not working and we've been able to build a plan that we believe is comprehensive and even beyond what we believe. We do have validators external to this work that have also looked at the plan and said there's a lot here that can really help to move the city forward from an economic mobility perspective.

But to answer your question, I'm going to turn it over to you, to Angel.

MR. RODRIGUEZ: Thank you. Angel Rodriguez. I agree with you, Councilman. We are looking at that issue of what the impact of raising the subsidy would be to 100,000. In our analysis of looking at it what we're identifying, and I think this is important to put on the record, when we sell the property to the developer, we're kind of a third party, we put a declaration restricted covenant, we ensure who the home buyer is, we supply the home buyer.

But during the construction phase, that developer has to qualify and be creditworthy for a bank to provide construction financing. One of the tools we've used is the Accelerator Fund, but ultimately we have to work with commercial banks. So that's where -- and I had mentioned in earlier testimony this is where the comps come in, where you see how what's allowed Turn the Key to be ideal and work well in certain areas, because we have comps in the area of previous development that secures the bank's risk during the construction phase. That's the riskiest portion for the bank.

And unfortunately, we've had to work with the banks and our declaration if there is a default, they have a cure period but should there be a significant default, that declaration burns off and then we lose that affordability period. So what we have to work on and what we need to look at is how do we in those areas that you're talking about, like up on Clearfield Avenue or above Tioga, moving a little closer where you're not quite getting the comps or maybe in your district, Council President, around Upland Street where they're hovering around 177, not really at 200, 300 to secure that construction financing, how do we figure out how to overcome that underwriting criteria for a comp.

You know, in the past -- and I might be dating myself -- PHA had done a master appraisal and that's how we got to Lucian Blackwell homes. There were no comps.

COUNCILMAN YOUNG: I think we do that by having the city take on that risk and creating the public bank so then the city will take that risk on and shows the market, right, creates that market there. That's how we do that, right. That's how we can take the commercial banks out of it because the commercial banks are only looking at the numbers. And as a city, we have to look at the people. We can't just look at the numbers.

COUNCIL PRESIDENT JOHNSON: Thank you, sir.

Rob Dubow.

MR. DUBOW: Yeah. Rob Dubow, Finance Director. You asked about the timing of the bond issue. If the resolution is passed by next week, then we will be able to go to market in December and then proceeds will be available. If the resolution is passed later than that, the bond issuance will likely slide into January at the earliest.

COUNCILMAN YOUNG: And has the city or finance talked to any potential investors of the bond?

MR. DUBOW: So we will start that process after the resolution is finalized because then we'll know exactly what it is we're selling.

COUNCILMAN YOUNG: And has the city engaged in the selection of the finance team regarding the bonding, financial advisors, bond counsel, underwriter, trustee, et cetera?

MR. DUBOW: I'm going to

ask Jackie Dunn, the City Treasurer, to answer that question.

CITY TREASURER DUNN: Sure. Good afternoon. Jackie Dunn, City Treasurer. Co-bond counsel are Cozen and Ahmad Zaffarese. The financial advisors, co-advisors are PFM and AK and Phoenix Capital, and the underwriters, the book runner is RBC and the co-senior manager is Siebert Williams Shank.

COUNCILMAN YOUNG: And how were any of those entities selected?

CITY TREASURER DUNN: We completed a competitive process for the selections for the syndicate members and the advisors that support us.

COUNCILMAN YOUNG: Thank you.

Thank you, Mr. President.

COUNCIL PRESIDENT JOHNSON: Just for the record, how many of those bond underwriters -- I know you mentioned one but I still want to know for the record -- how many diverse and inclusive, Black, Brown, women that have an opportunity to participate in this historical investment?

CITY TREASURER DUNN: Sure. So for the underwriting team, Seibert Williams Shank is a Black and woman-owned firm and they're the co-senior so they're co-leading on the transaction. For the legal and the financial advisor firms that support us, we follow the co-counsel or co-advisor model. And so, that's a 50-50 split. So Phoenix Capital is a Black-owned firm. And for bond counsel, Ahmad Zaffarese is a Black-owned firm.

COUNCIL PRESIDENT JOHNSON: Thank you very much.

Chair recognizes Majority Leader Gilmore Richardson.

COUNCILWOMAN GILMORE RICHARDSON: Apologize, Council President. I just didn't hear the last part of what Treasurer Dunn stated.

CITY TREASURER DUNN: For the financial advisors and for the co-bond counsel roles, we follow a co-counsel or co-advisor model so the work is shared 50-50. And so, Phoenix Capital is Black-owned firm and that is a co-financial advisor to PFM, which is a local firm as well. And then for bond counsel, Ahmad Zaffarese is a Black-owned firm and their co-counsel with Cozen O'Connor.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. Thank you, Mr. President.

COUNCIL PRESIDENT JOHNSON: Thank you, Madam Leader.

Chair recognizes Councilmember Mark Squilla and then we will go into public comment.

COUNCILMAN SQUILLA: Thank you, Mr. President.

My question is sort of piggybacking on the Turn the Key program, but I know there's programs for first-time homebuyers and the programs that I saw was Philly First Home and the Philly Mortgage. And I saw that there was $25 million. Now, I know that it is not a fiscal year, but calendar year, so the 25 million will be spent over the calendar year. But are those funds also eligible and available to piggyback on Turn the Key program and other programs for first-time homebuyers?

MR. LAWRENCE: The answer is yes. If you want detail, we have folks.

COUNCILMAN SQUILLA:

Yeah, can I just get a little detail on how the Philly First Mortgage works?

MR. MONDLAK: Good afternoon. John Mondlak from the Department of Planning and Development. So Philly First is a $10,000 grant. Were you asking about One Philly Mortgage. So One Philly Mortgage is a program where we partner with lenders, banks that make the loan, but we contribute to buying down the interest rates and also paying into a loan loss reserve so that the bank got protection from defaults.

But the philosophy and the reason why it's been so successful in Massachusetts is the act of buying down the rate to give them the same rate that everybody else has so they're not in the subprime market and the act of not having to pay private mortgage insurance lowers their monthly cost and allows the default rate to not be any different than somebody with sort of the ideal credit score and the ideal market that the bank is trying to get like a risk-free mortgage. And so, the subsidy allows them to get something that is much more affordable, reduces the default rate and therefore allows more people to get into a mortgage that otherwise wouldn't.

COUNCILMAN SQUILLA: And I think that goes back to Councilmember Young's question, right, can you combine these programs. So you can combine the program?

MR. MONDLAK: Yes.

COUNCILMAN SQUILLA: So if Turn the Key program doesn't satisfy even Councilmember Harrity said for, say, a sanitation worker or streets worker, they then can

combine these other programs to
then be eligible by the rate down
so then their mortgage payment
would be -- they would be eligible
to make that mortgage payment?

MR. MONDLAK: That's
correct.

COUNCILMAN SQUILLA: All
right. That wasn't explained
earlier though when we were saying
Turn the Key, you're going to adapt
new programs, these new programs
that are put in place are going to
be able to add the subsidy, sort of
like what Councilmember Young said,
in order to make those people
eligible.

MR. MONDLAK: Yeah. I
don't know if it's going to achieve
exactly what Councilman Young has
said, but I think that's something
that would require further
discussion. I think he was
suggesting a different solution and

it's something that we can look at. The challenge there is getting the value to support the appraisal for the buyer, the builder, to be able to get the mortgage to build the house. So --

COUNCILMAN SQUILLA: But it also sounds like you're going to eliminate PMI?

MR. MONDLAK: Correct, That's what the loan loss reserve does.

COUNCILMAN SQUILLA: Right. So again, that's another way to make it affordable and you get to the $100,000 that you were speaking about.

MS. THURMAN: Thank you, Councilmember. Yes.

COUNCILMAN SQUILLA: All right. I just wasn't clear on that. Now, we know the $25 million -- is there any, and I'm sorry, Councilman, I know you want to -- is there any way that as this goes through the year and we see that either the money is not spent, how that would be used, how does Council then -- how do you guys work with us in saying, all right, we didn't use all 25 million for this, we didn't use 37 million here, how does that thing get reallocated to other programs that are short-funding, that we feel are short-funding?

MS. BROOKS: Absolutely. So as part of the original resolution, Council implemented a Home Advisory Group. That's two members of Council, two members from the Administration that will evaluate any changes in the budget that needs to happen throughout the year as well as quarterly reports to Council that will indicate where money is being spent, and that would be the group that would handle the reallocation and under a certain percentage, that would be either handled by that smaller group or come back to Council if it's over 10%.

COUNCILMAN SQUILLA: So if it's over 10%, then Council would have to reallocate those funds and agree to reallocate those funds?

MS. BROOKS: Absolutely. But there's that smaller group that can evaluate smaller changes. But either way every quarter you guys will be getting a report of spending that we've done for every program that's allocated H.O.M.E. bond funds.

COUNCILMAN SQUILLA: So we will see that quarterly up to that point?

MS. BROOKS: You'll see that quarterly.

COUNCILMAN SQUILLA: So

then we could then access change or see if money isn't being spent in a certain area and to reallocate it to another?

MS. BROOKS: Yes.

COUNCILMAN SQUILLA: All right. Thank you.

COUNCIL PRESIDENT JOHNSON: So, members, we'll get another chance also to do a follow-up because I know some of you have still some burning questions about this process. But I know we have another hearing that's scheduled, but I also want to, for the sake of the public who took time out of your schedule who've been here since this morning, to also start the process of getting them on the record in terms of public comment.

So I want to thank all of you for being here and I appreciate the opportunity to provide testimony. And so, now we're going to open it up for public comment.

Will Mr. Christmas please call the first panel.

THE CLERK: Would Reverend Gregory Holsten, Mr. Shawmarr Pitts, Mr. Dawud Bey and Mr. Vincent Raina, please come up to the front and take a seat at the desk.

(Witnesses approached witness table.)

THE CLERK: Gentlemen, thank you all for being here today. And Mr. Vincent Raina we would ask you to go first. Please state your -- if one of you gentlemen could allow Mr. Raina to sit at the microphone.

Mr. Raina, please state your name for the record and begin with your testimony.

MR. RAINA: Sure. Vincent Raina. Go for it?

THE CLERK: Please begin with your testimony.

MR. RAINA: All right. Hi, everyone. My name is Vincent Raina. I'm a professor at the University of Pennsylvania. I teach Housing Economics and Policy and Public Finance. I have the privilege of partnering with the city on some of the most innovative work in the country, so I really appreciate the opportunity to do that work.

My research has shown the positive impact on BSRP, reducing crime at the block and city level, the positive impact of rental assistance on reducing forced moves and homelessness, amongst other works. I'm also engaging in practice as well. Got to work with LISC on the 2018 housing plan. Have worked on housing plans across the country.

And finally, I served as the Senior Advisor for Housing and Urban Policy at the White House Domestic Policy Council. So I understand the many challenges of both creating a budget, negotiating it and implementing it across several different domains.

I'm a huge long standing fan of Angela Brooks, Mark Dodds, and I've had the real privilege of getting to know many of the other people at the city over the past couple of years and I'm excited to be a resource going forward. I'm here because, as a professor of planning, I'm trying to practice what I preach, which is to use your expertise to engage in public conversations. And I hope here to be productive and additive, not in any way raising any challenges along the way.

Wanted to raise three

main points, right. So, one, I really like the point about AMI because I think AMI is confusing, right. As many people in this room know, AMI is set on a metro area which includes wealthier suburbs. So when we're talking about things like 30% and 50% of AMI, it's actually a vast share, a large share, of the city of Philadelphia.

So before, I know there was a conversation about sanitation workers. To give a sense, sanitation workers, according to an Inquirer article, made about $46,000 on average which is 38% of AMI, right. And so, when we're talking about these targets, right, we're talking about sanitation workers, we're talking about teachers, right, who their base income is $59,000 and the median is about 75k so they're roughly between 50% and 60% of AMI. And I think that's a really important thing to talk about because these numbers kind of take on different forms, right.

So the second point here is we have a housing supply problem. Importantly though, the housing supply problem is being driven by the lack of low-cost housing for the lowest-income individuals in Philadelphia. So when we look at this, the 65,000 unit shortage is largely for people below 30% of AMI in the city of Philadelphia. And what that does is it jams up everyone else.

And I think this is really important for the theory of change here and for not showing these things as an either or, right. So what happens when someone at 30% of AMI can't afford their housing, they spend all of their money to consume a unit that someone at 50% or 60% or even 70% of AMI is actually consuming. So it might not seem like we have that unit at 70%, but we have another person who's spending all their money to avoid homelessness to actually consume that unit.

So what this means is that when we talk about solutions, when you serve someone at that 70% of AMI or 80% of AMI, you're helping that household, right, but that person who's at 30% of AMI is still housing cost-burdened. Now, if you help someone at 30% of AMI, you're actually creating an affordable unit for them, but then you're also freeing up that unit that is now affordable for someone at 70% of AMI. This is a housing market. This isn't an either-or.

And so, what we have to do is essentially use a filtering up model, right. Because what happens is we haven't built enough housing for enough time that essentially pushed up the price of all housing units and it's causing this jam-up along the way. So I think that's one really important thing.

Another thing we've heard a lot about is the home repair needs here in Philadelphia and those are staggering, right. Importantly though, think about programs like the BSRP and who they're serving. They're not meant to serve everyone, right. So if we look at the lowest-income households, very few of them actually apply for home repair loans. Fewer than 20% of those who apply actually receive their home repair loan. Their biggest reason for not getting it is debt, right.

They are too poor to pay off their own debt and they need some form of government transfer usually in the form of grant to actually help them to be able to make the repair for their loan. People in the upper income spectrum are more likely to apply for loans, say, at 100% of AMI, and they have a higher share of approvals. Say it's roughly at 50%, right, which is still not great, right, but the reason why they're rejected is also structurally different.

They're often rejected because of their credit scores and because of collateral that's not solved with a grant, right. Here we have things like credit counseling, financial counseling, but also things like the amazing work that Ira Goldstein has been working with the Mayor on about home appraisals and allowing people to actually see the true value of their homes and rooting out discrimination that's been driving those.

So all to say here is I think there's an important kind of theory of change or what we're trying to work towards. And I don't actually think it's an either-or. I actually think we have a both scenario. And this is really wonderful. And I guess maybe someone who's not in the thick of things on the day-to-day here is kind of losing where the kind of argument is or the threat is along the way. But actually think we could do both.

Based on what the data actually shows where the demand is and a theory of change, I think we can and should do deep affordable housing. But I also then think we could go wide, broad. I think there were a couple different words used, comprehensive, to leverage the market to ensure that everyone could have a safe, stable, affordable home in Philadelphia.

So in sum, I think this is a really historic and important moment for the city, and thank the Mayor, the Council and the great public servants here. Your work is not easy. I know everyone at the city is working day and night tirelessly to pass this plan and to do the best thing for the residents. I look forward to being a partner with you all as you implement this work and evaluate it going forward. Thank you for giving me time.

COUNCIL PRESIDENT JOHNSON: Thank you.

(Applause.)

COUNCIL PRESIDENT JOHNSON: Chair recognizes Member O'Rourke for a brief response.

COUNCILMAN O'ROURKE:

Thank you, Mr. President.
I wanted to catch Mr. Raina while we had the opportunity to do it, and I know we're in public comment and we want to move quickly so I will be brief, so I'm going to stack them real quick. You didn't mention it here, but I want to get on the record. I've seen different data points. So I want to be clear. Can you confirm for us the number of units of subsidized housing we're set to lose permanently over the next 10 years? Can you break that down by district?
Will building more luxury housing help us solve the gap of 65,000 units in the under 30% AMI range? Why not? And if you were in charge of this $800 million bond measure what, given your housing expertise, would you do with it and why? We got to get

the experts while they're in the house, Mr. President.

MR. RAINA: Those are big questions.

COUNCIL PRESIDENT JOHNSON: You can summarize and --

MR. RAINA: Fortunately, I've gotten this question in the White House itself where someone was like how are we going to solve our nation's housing affordability problems. I've thought a bit about this at the national and local level. So we'll just say on the subsidized housing stuff, I want to say to the point we have this really big challenge going forward, which is that the federal government made historic investments in urban areas in the '60s and '70s, particularly with deeply affordable rental subsidies that essentially were set to expire at a certain period of time.

To Mark's point earlier, right, just because something is expiring doesn't mean it will expire, the owner will leave the program. But it often means an owner can leave these programs. And my own research shows owners in areas with high price appreciation, you see those owners exiting those programs left and right, right, across the country. This isn't Philadelphia specific, so it is a real threat, right. And the numbers are large.

There's over 10,000 units over the next 10 years that essentially are in this kind of expiration bucket and potentially at risk. To give you a sense of that, that's at least a third more than we produce on any given year through all our kind of subsidized housing programs, right. So we're at a point where without action and kind of intent, we could be losing more affordable units than we're actually being able to produce.

That's particularly important because things like the project-based Section 8 program, once you lose it, you don't have it anymore. It's gone, right. Once it's not renewed, you can't do anything about it. Those convert to vouchers, and those don't even increase the pool of vouchers to the Public Housing Authority. The Public Housing Authority just has to use their existing vouchers, essentially in a different form, to help those households. So that's a really important asset that's potentially lost.

I want to just highlight, this is actually a week ago, we had a small roundtable highlighting a report we have coming out next week. The city has done an absolutely amazing job building a database where one of the people helping them kick the tires on that to ensure the data is correct. This is not an easy endeavor. I think Mark and his whole team for that huge work, because in many ways it's thankless because it's huge work to get the numbers out there and then everyone's like so what are we doing about it right now, right, which is an important next step, right, but all to say is this is really important work.

But what you see is a really kind of staggering distribution of these units across 9 of the 10 Council Districts we found and in kind of unusual spots as well because of where these units were built historically. So there are 64 Section 8 properties set to expire over the next 10 years, with roughly 5300 units.

The highest number of properties are in Councilmember Young's District with over 1000 units, followed closely by Councilmember Bass which is 11 properties -- 11 properties, yes. The most units at risk are in Councilmember Jones' District with roughly over 1000 units and 10 properties.

This is a new challenge for some districts as well. It looks like -- and sorry if I think I might be messing up numbers and names along the way. But Council District 10, there are currently 91 units of housing that are going through some kind of preservation program, including BSRP. But in the next 10 years, there are 5 properties with 904 units where Section 8 contracts will be up for renewal.

And, Council President, the median number of units for the whole city actually sits in your district which is 537 units over 4 properties. These numbers are staggering. Again, to Mark's point not all these owners will exit these programs, but it really poses a whole new challenge about the need for preservation. Sorry, I think I answered one of your three questions.

COUNCIL PRESIDENT JOHNSON: You did. Thank you very much. And also, we have a Part 2 so you can be more than welcome to come back for Part 2 when we have additional time allotted as well if you want to still put on the record those particular follow-up questions and also any other information you think is pertinent to members. But I do think that you should provide the report to members of Council whose districts will be impacted regarding houses that will be going off.

MR. RAINA: Appreciate that. Fortunately, I had all the tabs open here so I could read the report as I'm in realtime here. So thank you. Appreciate that.

COUNCIL PRESIDENT JOHNSON: No, thank you for your time.

THE CLERK: Reverend Holsten, please state your name for the record and begin with your testimony.

REVEREND HOLSTEN: My name is Reverend Gregory Holsten. I'm the Executive Director of Just Nation, a racial justice organization here in the city of Philadelphia, and I'm a member of the Coalition to Defend Democracy here in the city. Housing is an emergency and it's a crisis in this city. We've said it over over for the last four hours.

But the reality is that I only heard once and that was from Councilmember O'Rourke the figure that the person just gave public comment said. We have 65,000 housing shortage unit, deeply affordable housing shortage unit in this city. 65,000 right now according to University of Pennsylvania, right now.

We're not talking about units that are going to disappear. We're talking about units that aren't here and therefore people, some are living on couches, some are living in shelters. Some are paying 70% of their salaries for the place that they're in. This is the core of the crisis.

I know I heard a lot about middle income and properties that need to be preserved. I agree with all of that. We need to do all of that. I do believe that's a both and, but the crisis starts where the crisis is and it is with the poorest people in this city.

(Applause.)

REVEREND HOLSTEN: I'm proud to say that I have one of my daughters who actually is an emergency doctor doing her residency at Temple University. And so, she's often faced when people come into the hospital with a crisis of several things happening in the body at the same time, and she has to make the choice each and every time what do I do first, what demands my attention now to save that person's life.

The life of our city is like that right now. These 65,000 deeply affordable housing unit shortage is that crisis for our city. It affects everything else, from the gun violence in our community, from the lack of education going on in our schools, from the disasters are happening at our rec centers. All of it is coming back to income and coming back to housing. And so, we do not measure that first. Not saying we don't do the other things, but we don't measure it first and look at the crisis that way first. And that is probably the fundamental flaw with the Mayor's program because it doesn't do that. And I heard that for four hours, that it does not do that.

So what does that mean? That means the program that has been put in place, the $800 million that we're championing as the most and biggest and the largest amount of money ever put into housing is simply inadequate to the challenge of the crisis. It is. It is inadequate.

First of all, we don't even need to go into debt for the $800 million. We have a $1.2 billion surplus. We've had a surplus 19 out of the last 21 years. We can fund the entire 800 million, $200 million a year out of our own city budget now, and not even go in debt. We can solve all of this, this particular part of those issues in our own city budget. Then make the decision that if we do go in debt, we go in debt big time.

We go in debt to get the problem solved. We go in debt to say we're going to go after those 65,000 deeply affordable housing units and we're going to build them over the next 10 years along with the 11,000 that we're going to lose, and we're going to spend the money to do it. It may take 5 billion, it may take 7 billion, but I'd rather us go in debt and actually solve the problem than to go in debt and still five years from now we're looking around and the problem is still here.

(Applause.)

REVEREND HOLSTEN: So we can do this. And the only way you do that is not by market-driven stuff. It's got to be straight up public or social housing, maybe public-private partnership in some way. But we have to say that we're going to build it. We're going to make sure it stays affordable and we're going to build it because we are a city that believes in brotherly love and sisterly affection and we're going to take care of our people. Thank you so much.

(Applause.)

THE CLERK: Thank you very much for your testimony.

COUNCIL PRESIDENT JOHNSON: Thank you.

THE CLERK: Mr. Bey, would you please state your name for the record and proceed with your testimony.

MR. BEY: Yes, sir. Thank you very much. My name is Dawud Bey and I want to state for the record that I'm not the typical Black guy that's just here to represent the city or whatever the case may be. I worked my ass off to get to where I'm at, bottom line.

COUNCIL PRESIDENT JOHNSON: Excuse me, sir. Just for the record, we do decorum professionally in this building --

MR. BEY: Oh, I'm sorry. But anyway, I did want to make that statement though because I heard my name mentioned earlier --

COUNCIL PRESIDENT JOHNSON: I think my colleague is rubbing off on you, so got to make sure --

MR. BEY: -- as if I was this typical Black guy. I mean, I'm here, you know, because I was a participant in the minority developer program and it was 16 Black and Brown members a part of that cohort that we did, but I was the first one to respond.

You know, I worked my behind off. Been doing construction and development for over 20, 30 years so my track record spoke for itself and that's what gave me the qualifications. So there ain't no hookups here when it comes to Dawud Bey. I went back to school, went back to Temple University and took up construction management classes. So I'm here based on my qualifications and my hard work. I just wanted to put that out there first. Can I get a round of applause, y'all?

(Applause.)

MR. BEY: Thank you. You know what I mean, for the people, right. All right. Okay. Good morning. Well, good afternoon. I had my speech ready for this morning, but good afternoon. I want to first thank Councilman President Kenyatta Johnson and Councilwoman Jamie Gauthier for giving me the opportunity to speak today and the rest of the Councilmembers here.

My name is Dawud Bey, and I'm the founder and president of Fine Print Construction and Fine Print Companies as well as the founder of the Dawud Bey Training Academy, a certified workforce development program that trains returning citizens and young people to become the next generation of skilled tradesmen and women in our city.

Today I come before you with a sense of urgency and purpose because I have seen firsthand what the H.O.M.E. Opportunity Made Easy program represents. Just recently, I stood beside a first-time homebuyer who purchased one of our homes through this initiative. I watched the pride in his eyes, the relief in his smile and the tears and joy, the tears of joy from his parents as he held the keys in his hand. That moment was powerful and it was proof that this mission mattered.

Programs like H.O.M.E. don't just build houses, they build hope. They give working families a foundation. They help stabilize communities that have been overlooked. They create pathways to generational wealth and pride of ownership. But as we move forward, I urge City Council -- sorry. As we move forward, I urge City Council not only to continue to support this program but to look deeply at every component of it.

Let's make sure every piece of this program, every contractor, every developer, every financial partner, every training pipeline is equipped with the system tools and capacity to succeed. We all share the same goal, to make Philadelphia a city where everyone, no matter their background, has a fair chance to own a home and build a future.

But we must also recognize that this work requires more than just ambition. It requires structure, accountability and investment in the people that work on the ground. Let's make sure that as we move boldly with Mayor Parker's vision, we are also building the support systems that make it sustainable.

Because when the systems work, when the builders are prepared, the workforce is trained. And when the finances is accessible, entire neighborhoods can be transformed. So I stand here today in full support of the H.O.M.E. program, and I pledge that Fine Print Construction and the Dawud Bey, Jr. Training Academy will continue to do our part to help build not just homes but a stronger, more equitable Philadelphia for generations to come. Thank you very much.

(Applause.)

THE CLERK: Thank you very much for your testimony.

MR. BEY: Thank you very

much.

THE CLERK: Mr. Pitts, pleasure to have you here today. Please state your name for the record and begin with your testimony.

MR. PITTS: My name is Shawmarr Pitts and I'm a lifelong South Philadelphia resident and I am the Co-managing Director of Philly Thrive, an environmental justice organization and I advocate for my community. And today, a long day, this was a long day, right.

A lot of back and forth and testimony and stuff like that, right. But just the whole time while I'm here what it does is it just makes me remember all of the people in the community and how all of these things are relevant to my community. And my community being a poor community, it does something to my heart when I'm here, you know, in City Council. And we speak about these things because my community is hurting right now, when it comes to housing, it's really tough and it's really tough just all around the board in my community.

And there's a lot of development in my community and I see a lot of opportunity going right by because we're left behind, because in this development it's not of our culture to just involve my community in that development. It's like we're shut out from that development.

And so, just this past week, you know, the Councilman, the Council President was in my neighborhood doing a food giveaway, right, because of SNAP benefits being cut from people in my neighborhood, right. And we saw that line going all the way around the corner, all the way around the corner.

And as we sit here today when we talk about the prioritizing of this H.O.M.E. initiative, these are the people that's going to be affected if we don't do it right. These are the people that's going to keep on suffering if we don't prioritize them right now, because we haven't prioritized them before when the other developments was going on and we speak about it and we speak about it and we speak about it. They keep getting pushed back. They keep getting pushed back.

And so, right now we see it. It is obvious to all of us here that they're not going to be prioritized as the way it stands right now in this plan. Because in my community, guess what, there are also people who are on that other line that's cut out. They go to work every day. They make $45,000 a year and they can't afford to do the home improvements on their roofs and on their basement and the foundations is messed up because the developers is pounding the ground, pounding the ground and now their house it's a crack in their basement and they don't know where to turn and they call me.

They gonna call me. Yo, come around here, I want to show you something, right. So now, it's like all of that's in play so we have to get it right. We just had one of the experts. I'm glad he was here, right, from University of Penn. And he got to come back because we need to talk some more. How we going to get this stuff right, because we got to get it right. We got to get it right so we can stop that suffering.

We don't want our people to keep suffering. And if we don't, the housing crisis is no joke, man. It's no joke. It's people living in the park around the corner from me. They live in the park and they from the neighborhood, grew up there and they don't want to leave.

Yeah, my family moved to Upper Darby, they moved to Yeadon and then they moved -- but this is home that's not home to them and it messes with them mentally and now, they live in the park, they live in the park. We got to get it right. We got to get it right so we can't pass the resolution as it stands. We just can't do that. We got to fix it first, you know what I mean.

We got to fix this resolution so that it prioritizes the people who are always marginalized, because I'm there with them every day. I'm there with them every day and they do enough suffering. They don't need to suffer anymore. And thank you for hearing me out and it's been a long day so I'm giving everybody's day back.

COUNCIL PRESIDENT JOHNSON: Thank you. And so, because we are at the hour of our time and we know there's other individuals who did come down to participate, however, we do have a hearing that we actually pushed back the Rules hearing, so we want to ask for other individuals who do want to come down and testify, to be patient with us.

We will recess this public hearing and public meeting of the Committee of the Whole to reconsider Resolution No. 25 -- not reconsider, but consider Resolution

No. 250955, we will stand in recess until November 17th at 10:00 a.m. in City Hall, Room 400. Thank you, members.

(Committee of the Whole adjourned at 3:05 p.m.)

\- - -

C E R T I F I C A T I O N

I, hereby certify that the proceedings and evidence noted are contained fully and accurately in the stenographic notes taken by me in the foregoing matter, and that this is a correct transcript of the same.

TANEHA CARROLL
Court Reporter - Notary Public

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

O

X

Y