COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON FINANCE

Room 400, City Hall
Philadelphia, Pennsylvania
Monday, March 19, 2018
1:10 p.m.

PRESENT:
COUNCILWOMAN JANNIE L. BLACKWELL, CHAIR
COUNCILWOMAN CINDY BASS
COUNCILMAN ALLAN DOMB
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN BOBBY HENON
COUNCILMAN KENYATTA JOHNSON
COUNCILMAN DAVID OH
COUNCILWOMAN CHERELLE L. PARKER
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN MARK SQUILLA

BILLS 170365, 171110, 171111, 180010, 180096, 180138, 180139, 170901, and 180002

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3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILWOMAN BLACKWELL: Thank you all for coming. We are convening the Finance hearing. We have ten bills on our agenda today.

We will ask the Clerk to read the titles of Bills No. 170365 and 180010, and we will ask our City Treasurer to come forward.

THE CLERK: 170365, an ordinance amending Chapter 19-200 of The Philadelphia Code, entitled "City Funds - Deposits, Investments, Disbursements," by amending Section 19-201, entitled "City Depositories," by authorizing the City Treasurer to deposit funds in Santander Bank, National Association, under certain terms and conditions.

180010, an ordinance amending Chapter 19-200 of The Philadelphia Code, entitled "City Funds - Deposits, Investments, Disbursements," by amending Section 19-201, entitled "City Depositories," by authorizing the City Treasurer to deposit funds in Fulton

Bank, National Association, under certain terms and conditions.

(Witnesses approached witness table.)

COUNCILWOMAN BLACKWELL: Thank you very much.

Good afternoon. Thank you for being here. And if everyone is agreed, we will go directly to our Treasurer for her testimony.

Thank you, Vice Treasurer, for coming here, and thank you --

MS. JOHNSON: Chris Schwartz.

MR. SCHWARTZ: Chris Schwartz, Deputy City Treasurer.

COUNCILWOMAN BLACKWELL: Thank you.

Thank you, Madam Treasurer.

MS. JOHNSON: Good afternoon, Councilwoman Blackwell and members of the Finance Committee. I'm Rasheia Johnson, City Treasurer for the City of Philadelphia. I'm here to testify in support of Bill Nos. 170365 and 180010

3/19/18 - FINANCE - BILL 170365, ETC.

that amends Chapter 19-200 of The Philadelphia Code by amending Section 19-201, entitled "City Depositories." Specifically, to update the list of financial institutions that the City is authorized to deposit funds.

Bill Nos. 170365 and 180010 authorizes the Office of the City Treasurer to deposit funds in Santander and Fulton Bank, under certain terms and conditions. Both Santander Bank and Fulton Bank meet the requirements to become authorized depositories and the Administration supports the bills.

Santander and Fulton Bank have affirmed to the City that they will participate in the annual lending disparity study.

This concludes my written testimony, and I'm available to answer any questions you may have at this time.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much.

3/19/18 - FINANCE - BILL 170365, ETC.

The Chair calls on my colleague who would like to make a statement, Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you, Madam Chair.

Just very quickly, I just want to make particular mention -- I'm certainly in favor of both of these bills, but as far as Fulton Bank goes, I'd be remiss if I didn't mention that after many, many years of not having a bank at all on the West Girard business strip, something that Council President Clarke, Representative Bullock, and I have been trying to get for a long time, Fulton Bank has stepped up and is putting a branch on there, which I think will further enhance a business strip that has been slowly going in a positive direction. I think a bank would really be a positive addition.

So I just want to put that on the record, that they are stepping up in a community that needs a bank and they're

3/19/18 - FINANCE - BILL 170365, ETC.

producing. So I just want to put that on record.

Thank you very much, Madam Chair.

COUNCILWOMAN BLACKWELL: Thank you very much.

We now have another comment, and we're happy certainly to call on Councilwoman Parker.

COUNCILWOMAN PARKER: Thank you, Madam Chair.

I too want to lend my voice to the chorus in support of this effort. I do want to say to those who run Fulton Bank, I am a graduate of Lincoln University, which is in Oxford, Pennsylvania, and I will tell you that Fulton is the or was the -- don't ask me how many years ago because I won't tell, but it is the hometown bank in the small rural community where Lincoln University is housed and it was responsible for supporting much economic development in the region. So as noted in the

3/19/18 - FINANCE - BILL 170365, ETC.

testimony, their willingness to participate in the annual disparity study, I'm looking forward to seeing a robust relationship that will benefit not only the bank but obviously the City of Philadelphia as we move forward. So Fulton is not a household name yet in the City, but we're looking forward to a great partnership.

Thank you.

COUNCILWOMAN BLACKWELL: That's okay. Lincoln is.

Let me note that we do have a quorum. Certainly to my right, Councilman Bill Greenlee. To his right, Councilman Mark Squilla, and to his right, Councilman David Oh. To my left we have Councilwoman Cherelle Parker. To her left, Councilman Bobby Henon, Vice Chair. We have Councilman Allan Domb. So that gives us more than a quorum, and we thank them.

Are there any other questions or comments with regard to Bill Nos.

3/19/18 - FINANCE - BILL 170365, ETC.

170365 or 180010?

(No response.)

COUNCILWOMAN BLACKWELL: Then we will ask the Clerk to read the titles of Bill Nos. 171110 and 171111.

THE CLERK: 171110, an ordinance constituting the Twenty-First Supplemental Ordinance to the Restated General Water and Wastewater Revenue Bond Ordinance of 1989, as amended and supplemented (the "General Ordinance"), providing for certain amendments to the General Ordinance under certain terms and conditions.

And 171111, an ordinance constituting the Twentieth Supplemental Ordinance to the Restated General Water and Wastewater Revenue Bond Ordinance of 1989, as supplemented; authorizing the Bond Committee to issue and sell one or more series or subseries of tax-exempt or taxable water and wastewater revenue bonds and revenue refunding bonds; authorizing agreements to provide credit enhancement or payment or liquidity sources (or any combination of the foregoing) for such Bonds; providing that such Bonds shall bear interest at fixed or variable rates; determining the sufficiency of pledged Project Revenues; authorizing the Director of Finance to take certain actions with regard to the sale of such Bonds, the investment of proceeds thereof and the City's continuing disclosure obligations with respect to such Bonds; setting forth the use of proceeds of such Bonds; covenanting the payment of interest and principal; and supplementing the Restated General Water and Wastewater Revenue Bond Ordinance of 1989.

(Witnesses approached witness table.)

COUNCILWOMAN BLACKWELL: Thank you very much.

We will now certainly call on our Treasurer, ask her to introduce those with her and begin your testimony.

3/19/18 - FINANCE - BILL 170365, ETC.

MS. JOHNSON: Thank you. With me this afternoon is Melissa LaBuda, Deputy Water Commissioner.

MR. BALLENGER: And thank you. My name is Robert Ballenger. I'm here on behalf of Community Legal Services.

COUNCILWOMAN BLACKWELL: Thank you very much.

MS. JOHNSON: Good afternoon, Councilwoman Blackwell again and members of the Finance Committee. I'm Rasheia Johnson, City Treasurer for the City of Philadelphia. With me this afternoon is Melissa LaBuda, Deputy Water Commissioner. I'm here to testify in favor of Bill Nos. 171110 and 171111.

Bill No. 171110 would provide authorization to provide for certain amendments to the Amended and Restated General Water and Wastewater Revenue Bond Ordinance of 1989, under certain terms and conditions.

Bill No. 171110 authorizes amendments to Section 2.01, Section 4.09,

3/19/18 - FINANCE - BILL 170365, ETC.

5.01, and 10.01 of the Amended and Restated General Water and Wastewater Revenue Bond Ordinance. The proposed amendments institutionalize certain already existing bond insurer rate covenants into the ordinance, provide certain flow of funds, modernize definitions for variable rate bonds, and clarify certain definitions.

Bill No. 171111 would provide authorization to issue Water and Wastewater Revenue Bonds in an amount up to $500 million, exclusive of original issue discount, and Water and Wastewater Refunding Bonds in an amount up to $200 million.

Bill No. 171111 authorizes the issuance of Water and Wastewater Revenue Bonds to pay for projects which consist of capital improvements to the wastewater system that are authorized and included in the capital budget of the City. The ordinance also authorizes the refunding and/or defeasance of a portion of the

3/19/18 - FINANCE - BILL 170365, ETC.

outstanding Water and Wastewater Revenue Bonds. Candidates for refunding bonds shall be identified and selected based upon the City's existing debt policy. It is the City policy to issue refunding bonds if such issuance is supported by an analysis that evaluates multiple factors as laid out in the City's debt policy, including present value savings on a maturity by maturity basis and the entire transaction. It is expected that the net debt service after the authorized refundings will lower the existing debt service.

I would like to also offer an amendment to 171110 at this time.

This concludes my written testimony, and I'm happy to answer any questions at this time.

COUNCILWOMAN BLACKWELL: Thank you very much.

DEPUTY COMMISSIONER LaBUDA: Good afternoon, Chairwoman Blackwell and members of the Committee on Finance. I am Melissa LaBuda, Deputy Commissioner, appearing before you this afternoon to testify regarding Bill No. 171110 to authorize certain amendments to the Amended and Restated General Water and Wastewater Revenue Bond Ordinance of 1989 and Bill No. 171111 to authorize the new issuance and potential refunding of Water and Wastewater Revenue Bonds.

Bill No. 171110 authorizes amendments to Section 2.01, 4.09, 5.01, 10.01 of the Amended and Restated General Water and Wastewater Revenue Bond Ordinance.

Bill No. 171111 would provide the Water Department with continued funding authorization for its capital program. This authorization is critical, as the Department does not have full funding for its Fiscal Year '19 capital program.

The Water Department's proposed Six Year Capital Program for Fiscal Year '19 to Fiscal Year '24 emphasizes the

3/19/18 - FINANCE - BILL 170365, ETC.

renewal and replacement of the Water Department's vast infrastructure, which includes approximately 230 million per year on average over the six-year period to rehabilitate 215 miles of water mains, approximately 63 miles of sewers that are approaching the end of their useful life, in order to prevent leaks and minimize unanticipated breaks and for the continuation of combined sewer overflow mitigation as part of the Long Term Control Plan Mandates.

Approximately 120 million annually will be invested to improve our six water and wastewater treatment plants and other installations, to ensure that our drinking water continues to be safe, and that our rivers and streams continue to become cleaner with each passing year.

Additionally, there will be 30 million spent annually to fund our engineering and administrative staff who work exclusively on capital projects and for vehicle replacements.

3/19/18 - FINANCE - BILL 170365, ETC.

In conclusion, I hope that I've been able to adequately outline the necessity of continuing to make funding available for our capital improvement program.

Thank you for your consideration and this opportunity to testify. I'd be happy to address any questions you may have.

COUNCILWOMAN BLACKWELL: Thank you.

The Chair notes that Councilwoman Cindy Bass is present as well. Thank you.

MR. BALLENGER: Good afternoon, Chairwoman Blackwell, members of the Finance Committee of City Council. My name is Robert Ballenger. I'm a Senior Attorney at Community Legal Services in the Energy Unit, where we work to ensure that all Philadelphians have affordable access to home electricity, heating service, and water. I'm also the Co-Director of the Energy Unit at CLS and

I also serve in our firm's role as Public Advocate, representing the interests of all small users -- that's primarily residential customers of the Water Department -- regarding their ongoing request for an increase in rates and charges.

I submitted written testimony in advance today about my primary concern with Bill No. 171110 as introduced, and I believe an amendment may have been offered now which addresses my main concern with Bill No. 171110. And so at this point in time, I would just like to briefly state how important it is that our clients, our low-income families in Philadelphia, have affordable access to utility service and how significant it is that this wise Council determined that an independent Rate Board should be responsible for weighing the interests of the utility and the customers in any proposal to increase rates and charges. And as introduced, Bill 171110 would

3/19/18 - FINANCE - BILL 170365, ETC.

require the Rate Board to determine an increase in rates and it would take away from the Board some of the discretion that Council gave to it. I believe that has been addressed, so I will simply offer myself for any questions that you may have at this point in time.

Thank you.

COUNCILWOMAN BLACKWELL: So all of you are okay with this bill?

MR. BALLENGER: With the change, with the elimination of any change to the capital account deposit, which was our primary concern, yes. We have no other concerns at this time.

COUNCILWOMAN BLACKWELL: Thank you.

Councilman Domb.

COUNCILMAN DOMB: Thank you, Madam Chairwoman.

Just some questions on the financing. Can you tell us the term of the $500 million? Is it 30-year term, 20-year term? And also the potential of

3/19/18 - FINANCE - BILL 170365, ETC.

what the interest rate might look like and the timing of that, because we're in a market right now where interest rates are climbing. They're already predicting two or three increases. And I guess can we somehow lock in a rate now, even though we have to take it later? Because this is a lot of money involved when you're borrowing, and rates go up. It will cost us a lot of money if we can't lock the lowest rate.

MS. JOHNSON: Well, one, the whole 500 million will not be issued all at one time. We plan to go late summer, early fall into the market with approximately --

DEPUTY COMMISSIONER LaBUDA: 285 million.

MS. JOHNSON: -- 285 million of the capital projects, and based upon the projects, then we will take the average useful life there. So it would be anywhere between 30 and the last transaction we did was 35. So between

3/19/18 - FINANCE - BILL 170365, ETC.

the 30, 35 year range for the structure, which has not been finalized at this time.

COUNCILMAN DOMB: Well, I guess my concern is, we know interest rates are going to be going up, and when you look -- I just did a quick calculation. A half a point movement in the rate over 30 years of 500 million is $69 million over the 30 years. So if there's some way that we can work with somebody who can lock in the rate now for us, we'll save money in the long run.

MS. JOHNSON: Well, with that -- I mean, we have our financial advisors here today, but as you know, the municipal bond rate has not been moving in tandem with interest rates rising as well. So when we went to the market last, we were around 3 and a half percent, and we will just continue to monitor rates, because locking in the rate now is a cost as well and you also have to sometimes put a hedge on that.

3/19/18 - FINANCE - BILL 170365, ETC.

So we're not prepared to do that at this time.

COUNCILMAN DOMB: So you're not going to be locking in the rates. We're going to play the market until September?

MS. JOHNSON: Well, the legislation does not authorize to do that at this time.

COUNCILMAN DOMB: Okay. Let me ask you another question. If I'm doing the calculation correctly, over the next year we're going to borrow roughly $500 million in different segments?

MS. JOHNSON: Say that one more time. I'm sorry.

COUNCILMAN DOMB: The total outstanding is going to be $500 million, correct, of what you want to borrow?

MS. JOHNSON: Yes.

COUNCILMAN DOMB: So the payment at 3 percent is 24 million a year and at 4 percent it's 28.6, amortizing it over 30 years. Do we have that kind of money in the Water Department to make

3/19/18 - FINANCE - BILL 170365, ETC.

those payments?

DEPUTY COMMISSIONER LaBUDA: In addition to what we submitted for today's testimony was a consulting engineer's report. It's the mathematical analysis that reviews what are rates and charges today and what are operating expenses.

We are in the middle of a rate case, Councilman. If we don't get the rate increase that we need, we'll have to evaluate very closely our financial plan again and assess whether or not the Department can fully absorb and issue 285 million of debt.

COUNCILMAN DOMB: Okay. All right. Thank you. I'm concerned about us getting the best interest rate.

DEPUTY COMMISSIONER LaBUDA: Understood.

COUNCILMAN DOMB: Thank you very much.

Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: Thank you very much.

3/19/18 - FINANCE - BILL 170365, ETC.

Councilman Greenlee and then Councilman Henon.

COUNCILMAN GREENLEE: Thank you very much, Madam Chair.

Just quickly, Deputy Commissioner, with the amendments that have been talked about and with the improvements that this could result in, in the long run could you say the Water Department could be saving money because they don't have to do some of the other -- the structure will be improved, I guess, is the best way to say it?

DEPUTY COMMISSIONER LaBUDA: Councilman, we are very fortunate by our leadership of Commissioner McCarty and we are always looking for operational efficiencies, and the proactive nature and the thoughtful nature of her leadership will lead us to the proactive replacement of mains and sewers. The hope is that it does prevent some sort of unforeseen expense in the future.

COUNCILMAN GREENLEE: It will

3/19/18 - FINANCE - BILL 170365, ETC.

be down the road.

DEPUTY COMMISSIONER LaBUDA: Down the road, that's correct.

COUNCILMAN GREENLEE: I got you.

Thank you, Madam Chair. Thank you.

COUNCILMAN HENON: Thank you, Madam Chair.

I have a question, and it does kind of dovetail a little bit on the questions that Councilmen Domb and Greenlee had asked. I just want to be clear for the record. So I don't want to conflate the independent Water Rate Board and the bond authorization that's here in front of us. When was the last time we issued a bond for the Water Department?

MS. JOHNSON: Last summer.

COUNCILMAN HENON: Last summer. So we do this on a regular basis; is that correct?

MS. JOHNSON: That's correct.

COUNCILMAN HENON: Has there

3/19/18 - FINANCE - BILL 170365, ETC.

been any kind of restructuring of any of the bonds that we have existing at lower rates?

MS. JOHNSON: We did a refunding last summer as well for debt service savings, yes.

COUNCILMAN HENON: So you reduce your debt service. So I think the savings over the long term -- or would the savings over some of the restructuring of our debt service and the savings that you had just mentioned, would that be sustainable for this bond that's in front of us now?

MS. JOHNSON: To pay the entire debt service?

COUNCILMAN HENON: To pay over --

MS. JOHNSON: No.

COUNCILMAN HENON: Over the length.

MS. JOHNSON: No.

COUNCILMAN HENON: Okay. All right. I have no further questions.

3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILWOMAN BLACKWELL: Thank you.

Councilman Oh.

COUNCILMAN OH: Thank you very much, Chairwoman.

You said that you have a rate case pending currently?

DEPUTY COMMISSIONER LaBUDA: That's correct, yes.

COUNCILMAN OH: And in summary, what is that rate case? What is that about?

DEPUTY COMMISSIONER LaBUDA: The Department has requested of the Water, Sewer and Storm Water Board its ability to increase rates and charges of all of its customer base beginning September 1 of 2018.

COUNCILMAN OH: And that rate increase before the Board would be the 0.5 increase that you're requesting here or is that a different rate increase?

DEPUTY COMMISSIONER LaBUDA: It's a different increase, Councilman.

3/19/18 - FINANCE - BILL 170365, ETC.

It's an increase on the overall system charges to increase water, sewer, and stormwater charges for all of our customers, which is slightly different. The increase today was just looking at our improvements of our -- renewal and replacement costs.

COUNCILMAN OH: Could you explain to me what is the difference? You have -- is it an appeal or just a pending rate request, an increase in the rate before which entity?

DEPUTY COMMISSIONER LaBUDA: The Water, Sewer and Storm Water Board, Councilman.

COUNCILMAN OH: Okay.

DEPUTY COMMISSIONER LaBUDA: We filed the first notice in February. The second formal notice came out, I would like to say, last week. I apologize. I don't recall the exact date. It's approximately a 120-day process. We are in the middle of discovery right now. We've probably answered 300 to 400

3/19/18 - FINANCE - BILL 170365, ETC.

discovery questions. Discovery continues until sometime in May. During that time, there's also technical hearings, something to the akin of cross-examination.

Please correct me if I'm wrong.

And during cross-examination and discovery, we also have a series of public meetings that are scheduled. There's approximately six meetings scheduled. And at the end of all of that, there'll hopefully be a Board decision sometime in July for rates effective September.

COUNCILMAN OH: And that would be approximately $116 million in operating revenues between September 1st, 2018 and September 1st, 2021; is that correct?

DEPUTY COMMISSIONER LaBUDA: That sounds correct, sir, yes, Councilman.

COUNCILMAN OH: Okay. And on top of that, you're looking for an increase approved by City Council?

DEPUTY COMMISSIONER LaBUDA: The increase here before you today is to the critical nature of bidding our capital program for Fiscal Year '19, is for the bond authorization in 171111. And then in 171110, we were seeking and we withdrew from the bill before you the required increase of our capital account deposit from 1 percent to 1 and a half percent, and that shift is to increase the amount we fund for renewal and replacement of our system.

COUNCILMAN OH: Okay. Thank you very much.

DEPUTY COMMISSIONER LaBUDA: You're welcome.

COUNCILWOMAN BLACKWELL: We will also note that the Chair recognizes Councilwoman Blondell Reynolds Brown as being here. So the entire Finance Committee has been present for these bills. Thank you very much.

Councilman Domb.

3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILMAN DOMB: Two comments. Number one, I just want to commend the Water and Sewer Department this past winter. I saw many situations that required them to come out in emergencies, and I thought they did a pretty good job considering the volume of calls that occurred. So I think that's a positive.

And, number two, I have to ask this question, so you'll understand. I'm just curious. I know that when I last looked, you guys had like 300 million of delinquent water and sewer bills. Are we doing anything proactively to try to collect that money?

DEPUTY COMMISSIONER LaBUDA: Our Commissioner Breslin is not here today, but I will do the best that I can. There are various initiatives underway that the Revenue Department and the Water Department undertake to enforce collections on bills, and some of that unfortunately is looking to shut-offs, other that is using outside collection agencies. But I'm sure you're looking for a more robust response and I'll have to get back to you.

(Witness approached witness table.)

COMMISSIONER BRESLIN: Councilman, yes --

COUNCILWOMAN BLACKWELL: Please identify yourself for the record.

COMMISSIONER BRESLIN: Frank Breslin, Revenue Commissioner.

And, yes, those delinquencies are part of our ongoing efforts to collect liabilities. So we use various methods. We start with billing. There's shut-off notices. So we do -- water shut-offs is an effective method of collection. During the winter months, this period of time, we're in a moratorium, so there's no water shut-offs, but that will pick up April 1st and we do that. There's also the potential for foreclosure on properties that have significant water delinquencies.

COUNCILMAN DOMB: And are we still around 300 million in delinquency for water and sewer or is it less or more?

COMMISSIONER BRESLIN: That sounds about right. I don't have the number right in front of me.

COUNCILMAN DOMB: I bring it up because -- you know this, because you've been working with me. I'm a big advocate of trying to collect our back real estate taxes, and in the country, the United States, 51 percent of all tax liens sold are actually utility liens, not real estate. So that if we are successful in collecting the real estate taxes, it might be a program to apply to the utilities also, because other municipalities across the country go in that direction.

COMMISSIONER BRESLIN: Yeah. It's one of the things that we're doing right now. We started a pilot project of

3/19/18 - FINANCE - BILL 170365, ETC.

identifying water properties for foreclosure. Another thing we're doing now that we have our data warehouse, it makes it easier to identify properties that may -- we don't have to look at a single source of delinquency. We can look more holistically. So we can look at a property and see L&I liens, Water liens, as well as real estate tax, and use that as a method of identifying properties and then determining what the proper -- I mean, that's one of the things that we're doing with the data warehouse, is scoring delinquencies, and that's kind of in the early stages right now, but that helps us identify what is the best collection method for a particular delinquency, and that's based on a multitude of factors, but age of the delinquency, lien-to-value ratios and other indicators.

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

Thank you.

3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILWOMAN BLACKWELL: Thank you.

Councilman Oh.

COUNCILMAN OH: I think it's Councilwoman Bass.

COUNCILWOMAN BLACKWELL: Councilwoman Bass. Sorry.

COUNCILWOMAN BASS: That's okay. Thank you, Madam Chair.

I just had a question, Commissioner Breslin, if I could borrow you back. I just wanted to follow up on Councilman Domb's questions, because as we talk about increases, we hear it from our constituents. We hear from folks around the City about the possibility of tax increases and, of course, water increases, and it feels like everything is going up. And so as we talk about what's uncollected, I really would like a little bit more clarity. I'm really just not clear in terms of what our policy is and how some accounts are allowed to go so high and then others it seems like if

3/19/18 - FINANCE - BILL 170365, ETC.

you're five minutes late on your water bill, you get a nasty note in the mail.

So if you could elaborate a little bit further on that in terms of the collection, because I'm just really not clear on what our collection methods are. I was made aware just last week of a half a million dollar water bill, and I'm thinking how does one get a water bill of that size without there being some other collection or enforcement efforts from the Water Department.

COMMISSIONER BRESLIN: Right. I don't know the details on that --

COUNCILWOMAN BASS: I know you don't, but I can give you details later.

COMMISSIONER BRESLIN: But what we do is, we have -- a lot of it is just prescribed billing. So you go through a series of notices. So you'll get at least two notices of delinquency. Then you'll get a shut-off notice, at which time we can do shut-off.

Now, some delinquencies -- some

3/19/18 - FINANCE - BILL 170365, ETC.

taxpayers will come into compliance and they'll get into a payment agreement. So we have payment agreements.

COUNCILWOMAN BASS: What's the timing on your collection period? So if I'm 30 days late, I get a note in the mail. If I'm 60 days late. Like when does it come to a point of a lien or foreclosure? When should that happen? Is it a standardized process within the Revenue Department?

COMMISSIONER BRESLIN: So as I said, we're really -- we really just started piloting Sheriff Sales for water delinquencies. So that is relatively new. So particular properties have been selected to be put into that pilot project. So that may be why you're seeing some inconsistency, if you will, that one property is in there, another isn't, because we haven't really done this as procedurally, but that's the plan to get to.

We're also establishing

3/19/18 - FINANCE - BILL 170365, ETC.

procedures where we're using, as I referenced, with the data warehouse. So that's new. We're about a year into the data warehouse where the data warehouse, we're using it for scoring of delinquencies. So that will help us determine what the appropriate collection method should be, kind of looking at payment patterns and things, things we haven't been able to do in the past. And then the goal of all of this is to roll out consistent enforcement based on criteria. So we want the data warehouse to really -- and this will be a little bit down the road. This isn't something that's going to happen that quickly, but we're working on it now with some of our real estate tax delinquencies and other delinquencies, where the data warehouse will identify certain characteristics of a delinquency and then actually programmatically move that delinquency to the appropriate collection method.

COUNCILWOMAN BASS: And how

long have we been doing that? How long has that been the process?

COMMISSIONER BRESLIN: That just started. So the data warehouse went live a year ago February. And we're using it for a lot of other purposes, not just case management. So that's one of the things, and we're working on it. We've been doing it with our -- more with our tax delinquency right now, using it more for the tax delinquency for that purpose than for water. But that's coming.

COUNCILWOMAN BASS: And I thank you for that. Like I said, because as we talk about increases, people want to know that we're doing everything that we can to avoid increases as much as possible. So I think that we could have further conversation on that, but we'll talk offline about some of the other collection matters and what Revenue is doing and if there's a way that Council can be helpful.

3/19/18 - FINANCE - BILL 170365, ETC.

COMMISSIONER BRESLIN: And I'd be remiss if I didn't talk about the support programs, the assistance programs that we put in, and for Water, that being TAP, which is I think a great program. We're rolling that out now. We're getting increased enrollment there, and I think it's one of the most progressive relief programs in the country.

COUNCILWOMAN BASS: Very good. Thank you.

COUNCILWOMAN BLACKWELL: This is why I love my colleagues.

COMMISSIONER BRESLIN: And the rate increase will not impact TAP.

COUNCILWOMAN BASS: Good.

COUNCILWOMAN BLACKWELL: Councilwoman Reynolds Brown.

COUNCILWOMAN BROWN: Thank you, Mr. Breslin. Clearly, we appreciate your presence here this afternoon.

COMMISSIONER BRESLIN: I keep trying to escape, but I'll be here all afternoon, so...

3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILWOMAN BROWN: And I know we're going to drive deep down during budget hearings. I am curious to know, however, at this time what is our percent -- and my colleague, I'm sure, probably knows this number for sure. The rate of the percentage by which we collect our real estate taxes today as we speak by the City.

COMMISSIONER BRESLIN: Our real estate tax collections, our collections in the year of the levy, meaning what we collect in the first year when the tax is levied, is 95.5 percent.

COUNCILWOMAN BROWN: So we're 6 percent from 100 percent banner?

COMMISSIONER BRESLIN: So we're 4 and a half percent from 100 percent.

COUNCILWOMAN BROWN: 96 percent, you said?

COMMISSIONER BRESLIN: We're at 95.5 percent, yeah. That number is the number in our most recent Consolidated Annual Financial Report, the CAFR.

3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILWOMAN BROWN: All right, then. So as we prepare for budget hearings, what will be useful for me as an at-large member is to break down by Councilmanic district where those water delinquencies are by Councilmanic district and the same with real estate delinquencies.

COMMISSIONER BRESLIN: We can do that. We'll have that ready.

COUNCILWOMAN BROWN: So that we have that additional information, which becomes useful to all of us in how and what we can do better to help constituencies by district.

COMMISSIONER BRESLIN: We'll make that information available before our budget hearings.

COUNCILWOMAN BROWN: And Part B of that will be, of the 96 percent that's collected, divide that up by what the City collects and by what the two outside agencies collect.

COMMISSIONER BRESLIN: Okay.

3/19/18 - FINANCE - BILL 170365, ETC.

We can do that.

COUNCILWOMAN BROWN: Thank you.

COUNCILWOMAN BLACKWELL: Thank you, and we look forward to receiving that information.

Councilman Domb.

COUNCILMAN DOMB: Commissioner, just a quick question. The collection rate of 95.5, that includes December of '17? Was there a large influx of pre-payments due to what's going on in Washington, that people prepaid a lot of their taxes this year?

COMMISSIONER BRESLIN: That is not included -- I don't believe that is included in the 95.5 percent figure, but there was a big influx of payments, because the CAFR I'm referring to is the CAFR period ending June 30th of '17, but you're correct, in December, in reaction to the federal legislation, a lot of taxpayers paid in December, paid their 2018 real estate taxes in order to get a federal tax deduction on their 2017

3/19/18 - FINANCE - BILL 170365, ETC.

federal tax return.

COUNCILMAN DOMB: It looked like you had like a blip of $20 million compared to last year's collections that were higher in '17 versus '16 in the collection.

COMMISSIONER BRESLIN: Yeah. It may -- it actually may be a little bit higher than that. I can get you the exact number, but it's significant.

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

COMMISSIONER BRESLIN: You're welcome.

COUNCILWOMAN BLACKWELL: Thank you very much.

If there are no other questions, then we will ask the Clerk to read the title of Bill No. 180002, and we ask DeWayne Gordon, First Deputy Chief Administrative Officer, to come forward.

(Audience member talking without microphone.)

COUNCILWOMAN BLACKWELL: At the

3/19/18 - FINANCE - BILL 170365, ETC.

end, yes. If you sign up with the Clerk, as soon as she reads this and after the testimony, you will be allowed to ask your question.

Thank you, sir.

Clerk, please read the title of Bill No. 180002.

THE CLERK: 180002, an ordinance amending Title 12 of The Philadelphia Code, entitled "Traffic Code," by providing for the reimbursement of filing fees for parking ticket appeals; all under certain terms and conditions.

(Witness approached witness table.)

COUNCILWOMAN BLACKWELL: Reimbursements, always good.

Thank you. Welcome. Please identify yourself and begin your testimony.

MR. GORDON: I'm DeWayne Gordon, First Deputy CAO.

COUNCILWOMAN BLACKWELL: Thank

you.

MR. GORDON: Good afternoon, Chairperson Blackwell and members of the Finance Committee. My name is DeWayne Gordon and I am the First Deputy Chief Administrative Officer for the City of Philadelphia. I am pleased to provide testimony in support of Bill No. 180002, which provides for the reimbursement of filing fees for parking ticket appeals.

Bill No. 180002 will amend the Traffic Code to allow for the reimbursement of court filing fees to any individual whose parking ticket appeal is upheld by the Court of Common Pleas. Currently, these fees are borne by the appellant even if they are successful in their appeal to the Court of Common Pleas. We support the bill as a matter of policy and are prepared to implement its provisions. We do request one amendment to change the effective date to July 1, 2018. A July 1 start date will provide the Administration with time to properly plan for the implementation of this bill.

This concludes my testimony. I am happy to answer any questions from the Committee.

COUNCILWOMAN BLACKWELL: Thank you very much.

Any questions?

(No response.)

COUNCILWOMAN BLACKWELL: We thank you very much.

We'll now ask the Clerk to read the title of Bill No. 180096 and ask Frank Breslin and Kelvin Jeremiah, President, CEO of PHA, to come forward, as well as Frank Breslin, our Revenue Commissioner.

THE CLERK: 180096, an ordinance amending Chapter 19-1400 of The Philadelphia Code, entitled "Realty Transfer Tax," by excluding from the tax a transfer of property between the Philadelphia Housing Authority and a Pennsylvania Limited Partnership whose

General Partner PHA owns and controls; and a transfer of property from PHA or a PHA-controlled PLP to a wholly owned subsidiary of PHA; all under certain terms and conditions.

(Witnesses approached witness table.)

COUNCILWOMAN BLACKWELL: Thank you.

We ask that -- we know that you're not Kelvin Jeremiah, but we like you still. You didn't come from way overseas. But please identify yourself for the record, both of you, and feel free to make your testimony.

COMMISSIONER BRESLIN: I'm Frank Breslin, Revenue Commissioner.

MR. REDICAN: And I'm Laurence Redican, PHA's General Counsel.

COUNCILWOMAN BLACKWELL: Thank you. You may begin in any order.

COMMISSIONER BRESLIN: Good afternoon, Councilwoman Blackwell and members of the Committee on Finance. My

3/19/18 - FINANCE - BILL 170365, ETC.

name is Frank Breslin, Revenue Commissioner for the City of Philadelphia. I'm here today to present testimony on Bill No. 180096.

Bill 180096 excludes transfers of property between the Philadelphia Housing Authority and a Pennsylvania Limited Partnership whose General Partner PHA owns and controls; and a transfer of property from PHA or a PHA-controlled PLP, Pennsylvania Limited Partnership, to a wholly owned subsidiary of PHA from the real estate transfer tax.

I'd like to take this opportunity to highlight the generous position the Administration has taken on the 1951 Cooperation Agreement that exempts PHA from real estate tax. We have traditionally allowed those associated entities, for-profit partnerships where PHA is the general partner and subsidiaries, to also enjoy the same tax exemption, even though the general rule is that exemptions should be

3/19/18 - FINANCE - BILL 170365, ETC.

read narrowly.

While we support the long-term goal of Bill 180096 to leave more funds available to support affordable housing, it is difficult at this time to quantify the impact of this change without an economic analysis.

Thank you for the opportunity to testify. I'm happy to answer any questions.

COUNCILWOMAN BLACKWELL: Thank you, Mr. Breslin.

MR. REDICAN: Good afternoon, Chairwoman Blackwell and members of the Committee on Finance. I'm Laurence Redican, General Counsel of the Philadelphia Housing Authority. I'm here on behalf of Kelvin Jeremiah, PHA's President and CEO.

Mr. Jeremiah has already submitted written testimony to the Committee, and I'm here to reiterate what he has submitted.

In the way of background, PHA

3/19/18 - FINANCE - BILL 170365, ETC.

serves over 80,000 low-income Philadelphians. PHA owns and manages 13,000 public housing units. In addition, PHA administers over 19,000 HCV, formerly known as Section 8 units.

In addition to operating and maintaining affordable housing, PHA has a pipeline of planned new developments scheduled for completion over the next several years.

As you may know, more than 93 percent of the funding that PHA receives comes from HUD, and the proposed reductions in funding under the new presidential budget would nearly wipe out capital funding and put both new construction and rehabilitation projects in serious jeopardy.

One way that PHA plans to continue to develop and preserve affordable housing is through the federal Low Income Housing Tax Credit Program. However, the use of LIHTCs requires the transfer of property to a limited

3/19/18 - FINANCE - BILL 170365, ETC.

partnership. The limited partnership consists of an investor and a wholly owned subsidiary of PHA, typically a domestic non-profit corporation, to serve as the general partner of the limited partnership. The general partner manages the day-to-day operations of the property even though the technical owner is and has to be a limited partnership for federal tax purposes. This is true both of new construction projects and substantial rehabilitation under LIHTC.

When a LIHTC development completes its 15-year LIHTC compliance period, renovations of the development could result in multiple transfers in order to preserve and protect the affordable housing developments. For instance, Suffolk Manor is a LIHTC development located in the Ogontz section of North Philadelphia that has reached the end of its 15-year LIHTC compliance period. In order to renovate this development, the property must transfer

3/19/18 - FINANCE - BILL 170365, ETC.

back from the limited partnership to PHA, and then it will need to be transferred from PHA to a newly created limited partnership. In this one instance, PHA estimates that these transfers would require the payment of over 300,000 in transfer tax to the City. In doing so, increasing the cost of the project.

This is especially important because when we looked at Suffolk Manor, the development needs about a million dollars in renovations, mostly related to repairs of a roof and the facade where we're having water penetration. So 300,000 would substantially take money away from this project that is needed to be rehabilitated.

One cost reduction strategy for the creation and preservation of affordable housing in Philadelphia by PHA would be through the passage of Councilwoman Blackwell's bill. This passage would eliminate the real estate transfer tax on transactions solely between PHA and PHA's controlled entities that are created, again, solely for the purpose of utilizing tax credits.

I want to thank you for the opportunity of letting me speak on this important topic.

COUNCILWOMAN BLACKWELL: Thank you very much.

Do we have questions?

(No response.)

COUNCILWOMAN BLACKWELL: Thank you very much.

I'd like to note that the last Mayor said an elected official couldn't be on the Board. I was on the Board years ago. So since he said that, I'm not on the Board, but I'm there at every meeting. So what is the difference? And I'm proud to be there. Thank you very much.

All righty. Now we will ask the Clerk to read the title of Bill No. 180138. So we ask Mr. Breslin for you to stay and Montgomery Wilson, CLS Senior

3/19/18 - FINANCE - BILL 170365, ETC.

Attorney, to come forward.

THE CLERK: 180138, an ordinance amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," regarding terms of payment agreements, all under certain terms and conditions.

(Witness approached witness table.)

COUNCILWOMAN BLACKWELL: Thank you very much.

The Chair recognizes Councilwoman Parker.

COUNCILWOMAN PARKER: Thank you, Madam Chair.

My comments are relative to Bill 180138, and I just wanted to note for the record that introduction of this bill for us was very simple, but a very necessary piece of legislation regarding real estate payment agreements and specifically for the homestead properties or primary residence, is what many of our constituents know this as.

3/19/18 - FINANCE - BILL 170365, ETC.

In mid February, new Department of Revenue regulations went into effect, and on Page 15 of these regulations, it clearly stated that a taxpayer who is compliant with a payment agreement shall be deemed not in default, not in default of his or her real estate taxes. This was important, Madam Chair, and necessary to change the regulations, and I want to commend the Department of Revenue for making these adjustments.

Commissioner, thank you very much.

However, I wanted to see a sort of commensurate change made to The Philadelphia Code. As Councilperson for the Ninth District, I and I know all of the District Councilpeople know all too well of the scourge that this product called reverse mortgages have had on certain neighborhoods in the City of Philadelphia.

I just want to be clear for the record that we are not trying to demonize

3/19/18 - FINANCE - BILL 170365, ETC.

this mortgage product that in some instances -- and maybe someone will find me one or two -- have had a positive impact, but in the district that I serve in, there have been a scourge of reverse mortgages, and oftentimes with our senior citizens not knowing the details associated with the fine print that goes along with those reverse mortgages.

So with that being said, it is common for reverse mortgage lenders to sort of swoop in and pay off any remaining real estate tax balance for homeowners even if the homeowners are already in a payment plan, and then they'll use this as an impetus to foreclose on the property of the homeowners.

While the Department of Revenue regulations -- and this is just important for me, Madam Chair, to just get this information on the record -- will now protect against this, I wanted to make sure that there was something even

3/19/18 - FINANCE - BILL 170365, ETC.

stronger.

We need to thank our friends in the housing advocacy world, our folks at Community Legal Services and the SeniorLAW project who represent our individual constituents in court whose homes have been unfairly foreclosed on, and we could not have done this without you. They made the argument, and I agree, that while new regulations are important, putting commensurate language in the Code that will give homeowners a statutory basis to legally state that so long as they are in a payment agreement and compliant with it, their real estate taxes are not delinquent.

I also want to thank the folks from the Administration, the Department of Revenue, and you heard me mention CLS and SeniorLAW, for attending a meeting with my team last Friday to discuss the potential amendments to this legislation. So today, Madam Chair, I'm going to offer up some technical amendments to further clarify the intent of this bill. One amendment is going to make it clear that this legislation just applies to homestead properties, not investment properties. So for anyone in the public who is paying attention who said what does that homestead word means, it just means your primary residence. Whenever you hear "homestead," think of your primary residence.

Another amendment makes clear that the property taxes paid in installments will be considered paid in a timely manner as required by HUD regulations, and it is my hope that this legislation will create another tool in the toolbox that our housing advocacy agencies can use when they are assisting our constituents in dealing with foreclosure due to reverse mortgages.

Thank you, Madam Chair and members of the Committee, for your patience.

COUNCILWOMAN BLACKWELL: Thank

3/19/18 - FINANCE - BILL 170365, ETC.

you very much.

Please feel free to begin your testimony.

(Applause.)

COMMISSIONER BRESLIN: Good afternoon, Councilwoman Blackwell and members of the Committee on Finance. I'm Frank Breslin, Revenue Commissioner for the City of Philadelphia. I'm here today to present testimony in support of Bill No. 180138 with anticipated amendments.

The bill provides protections for homeowners and amends Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," regarding terms of payment agreements, all under certain terms and conditions.

Bill No. 180138 codifies the position that the Department of Revenue has already taken in the real estate tax regulations that taxpayers who make their regularly scheduled payments and otherwise complies with the terms of their Owner-Occupied Payment Agreements are not delinquent on their real estate taxes. The Department notes that those conditions include an equitable owner making a good-faith effort to acquire record ownership within three years of entering into his or her first OOPA.

That concludes my testimony, and I'm happy to answer any questions.

COUNCILWOMAN BLACKWELL: Thank you.

MR. WILSON: Thank you. I'm Monty Wilson. I'm a Senior Attorney at Community Legal Services. And I've learned, having come before this Council before, that it's always dangerous to follow the Councilwoman, and she's pretty much stolen my thunder. So I'm very tempted to just say "what she said" and shut up, but I will give you quickly my testimony.

I am a Senior Attorney at Community Legal Services. I think many of you know us. We provide legal representation and advice to literally

3/19/18 - FINANCE - BILL 170365, ETC.

hundreds, almost a thousand low-income homeowners on homeownership, mortgage, and retention advice every year. And I'm here today to speak in support of this Bill 180138, because this bill will help those homeowners who have both a mortgage, in particular a reverse mortgage, and taxes that they have to pay every year.

The bill adds a level of protection for homeowners who have a conventional mortgage and a reverse mortgage, but who struggle each year to pay their taxes in full by March 31st.

Many low-income homeowners and working-class families simply can't afford to come up with $4,000, $5,000 or $6,000 as a lump sum by March 31st. What this bill does is set forth the commonsense idea that if you pay it in installments, as the Commissioner said, as accepted by the City, you will be considered paying in a timely manner and not in default. That matters, because

3/19/18 - FINANCE - BILL 170365, ETC.

mortgage lenders on their reading, particularly reverse mortgage lenders on their reading of the law, argue that their obligation is to pay the taxes as soon as possible, typically in February or March, and that if they're not paid by that date by the homeowner, they will step in and pay the amount in full, but then immediately credit the delinquency to the account and if not reimbursed quickly, turn around and announce you are now delinquent on your mortgage, we're going to move forward with foreclosure.

What this bill does is give them the breathing room they need to pay it in installments in the first 12 months that it is due before any adverse action really needs to be taken.

Councilwoman Parker's bill makes it harder for the lender to simply legally say, we're required to do this. It's not a legal requirement. The City has said 12 monthly payments is acceptable. And there's really four

3/19/18 - FINANCE - BILL 170365, ETC.

things worth mentioning. One, as already been said, it's limited to residential owner-occupied homesteads. This does not apply to commercial properties or industrial properties.

Two, the amendment clarifies that so long as homeowners are compliant with the owner-occupied installment agreement, real estate taxes are deemed not in default, making it clear to both kinds of lenders that they don't have grounds to simply say we had to pay this on April 1st and then they can move forward with foreclosure.

Three, the most recent change that was made to the original bill was the language "in a timely manner." That was put there because there are HUD regulations that say that taxes have to be paid in a timely manner. What this does is clarify that if you complete the installments in 12 installments in one year, you have in fact paid it in a timely manner.

And, lastly, there's no prejudice to the Department, since if the taxes in fact are not paid at the end of the 12-month period, once the taxes become delinquent, then the Revenue Department is free to record liens against the property and proceed forward.

Really this is a matter of common sense, Council. We need to make clear that not just a homeowner can take 12 months, we need to make clear to the lenders that that is legal and not a basis for foreclosure, and this bill will help do that. I would urge you to vote for it today.

COUNCILWOMAN BLACKWELL: Thank you very much.

MR. WILSON: I would also be happy to talk about the scourge of reverse mortgages if Councilwoman Parker wants me to, but that's not why I'm here today.

COUNCILWOMAN BLACKWELL: Thank you very much.

3/19/18 - FINANCE - BILL 170365, ETC.

Any comments or questions?

(No response.)

COUNCILWOMAN BLACKWELL: We will proceed to Bill No. 180139. We will ask Rob Dubow and Darrell Davis to come forward, our Finance Director and Chamber of Commerce Manager of Local Government and Civic Affairs.

(Witnesses approached witness table.)

THE CLERK: 180139, an ordinance amending Section 19-1806 of The Philadelphia Code, entitled "Authorization of Realty Use and Occupancy Tax," to revise the timing of the determination of assessed value, under certain terms and conditions.

COUNCILWOMAN BLACKWELL: Thank you very much.

Feel free to identify yourselves for the record and begin your testimony. Thank you.

MR. NUNEZ: Good afternoon, Chairwoman Blackwell and members of the

3/19/18 - FINANCE - BILL 170365, ETC.

Committee. My name is Yvette Nunez, Vice President of the Chamber of Commerce for Greater Philadelphia, and I'm here to provide testimony in support of Bill No. 180139.

As we've shared here, the Chamber's mission is to attract, retain, and grow jobs for the City and region. We follow principles of economic competitiveness to guide our public policy. We believe that government at all levels must operate in an efficient way to maximize the services that it provides, and the Chamber will work with other organizations to advance an agenda leading to economic growth and prosperity.

The Chamber will continue to be a strong advocate for comprehensive tax reform at the City level as it improves competitiveness and encourages economic development and job creation in Philadelphia. We seek to advance this issue at the local level by supporting a

3/19/18 - FINANCE - BILL 170365, ETC.

long-term sustainable approach to reducing the cost of government and ensuring taxes are broad based and do not target a specific industry.

In 2017, the Office of Property Assessment issued notices of reassessments for 65,000 properties in the City, with the goal of reducing the value of inequities and accurately reflecting sales and market forces within the reassessments. Such properties included hotels, office and apartment buildings, retail properties, warehouses, and additional facilities zoned for commercial usage. Businesses understood the need for reassessment, but were simply caught off guard by the rise in value at which their properties were assessed and needed more time to prepare in order to make payments on the newly assessed values.

Currently, when OPA issues revised assessments, these revised assessments used to calculate U&O are

3/19/18 - FINANCE - BILL 170365, ETC.

effective July 1st, leaving businesses with only a few months to prepare for changes in U&O due.

The Chamber applauds Councilman Domb for the introduction of this bill and supports Bill No. 180139, as this does not raise current U&O rates and changes the effective date of the assessments used to calculate U&O to January 1st. Businesses will now have more time to plan ahead for any possible increases to U&O if there are changes in assessed value.

The Chamber urges thoughtful and deliberate analysis when considering regulations impacting taxes at the local level. We are happy to serve as partners in guiding legislation as to best effectuate a policy's intent.

Thank you for the opportunity to testify in support of Bill No. 180139.

COUNCILWOMAN BLACKWELL: Thank you very much.

Mr. Dubow.

3/19/18 - FINANCE - BILL 170365, ETC.

MR. DUBOW: Good afternoon, Councilwoman Blackwell, members of the Committee. I'm Rob Dubow, Director of Finance, and I'm here to testify in support of Bill No. 180139, which would revise the effective date used to change the use and occupancy tax liability caused by a change in a property's assessed value.

The U&O is calculated on the assessed value in place each tax year beginning July 1st. This bill would change that effective date to the following January 1st beginning in Fiscal Year '20. It's January 1st, 2020 is when it would be effective. So it would mean that from July through December, U&O would be paid using the prior year assessed value, and the current assessed value would then be used for payments beginning in January. That would make the effective date of the change consistent with the effective date for property tax and would allow property

3/19/18 - FINANCE - BILL 170365, ETC.

owners to go through the first-level review process and begin the appeal process with the BRT before the effective date of the change.

While the change would have a one-time cost to the School District, it would also provide more certainty to the District by reducing the number of credits the District would have to provide to property owners who receive reductions in their assessments after the effective date of their liability.

This concludes my testimony. I'm available to answer any questions you might have.

COUNCILWOMAN BLACKWELL: Thank you very much.

Any questions or comments?

(No response.)

COUNCILWOMAN BLACKWELL: Thank you very much.

MS. NUNEZ: Thank you.

MR. DUBOW: Thank you.

COUNCILWOMAN BLACKWELL: All

right. We now have one last bill. We'll ask the Clerk to read the title of Bill No. 170901.

THE CLERK: Bill No. 170901, an ordinance amending Chapter 19-3800 of The Philadelphia Code, entitled "Tax Exemptions for Longtime Owner-Occupants of Residential Properties," to extend the availability of exemptions and making related changes, all under certain terms and conditions.

COUNCILWOMAN BLACKWELL: Thank you very much.

We ask Frank Breslin again, our Revenue Commissioner, to testify, along with Walter Spencer.

(Witnesses approached witness table.)

COUNCILWOMAN BLACKWELL: Thank you. Feel free to begin.

COMMISSIONER BRESLIN: Good afternoon, Councilwoman Blackwell and members of the Committee on Finance. I'm Frank Breslin, Revenue Commissioner. I'm here today to present testimony in support of Bill No. 170901 with anticipated amendments.

Bill No. 170901 amends Chapter 19-3900 of The Philadelphia Code, entitled "Tax Exemptions for Longtime Owner-Occupants of Residential Properties," to extend the availability of exemptions and making related changes.

The Longtime Owner-Occupants Program, LOOP, provides real estate tax relief for those homeowners who experienced substantial changes in their property assessment, a 300 percent increase in property assessment between 2013 and 2014.

In this fiscal year, 16,901 homeowners are enrolled in LOOP. The program saved Philadelphia homeowners over $14 million this year, and over time this amount will rise to over 17 million in 2023. While we support the effort to protect homeowners in the neighborhoods where property values are changing, we

3/19/18 - FINANCE - BILL 170365, ETC.

also recognize that those protections have a cost.

The Department of Revenue has worked closely with Councilman Johnson's office to address our concerns, and I think they're presented in the amendments. As proposed, the legislation had 150 percent of AMI in order to stay in LOOP after the ten-year period, and we, in conjunction with the Councilman's office, the amendment brought that number down to 120 percent of AMI. And specifically our concern with the 150 percent number was, at that level we would potentially hit -- there's a $20 million cap on this program, and we would potentially hit that $20 million cap down the road. In the event that we would hit that cap, the benefit across the board for all LOOP-eligible participants gets prorated. So our concern was that we would be siphoning money from lower income participants to upper income participants. And 120 percent is

3/19/18 - FINANCE - BILL 170365, ETC.

preferred because it's the federal standard for workforce housing and some affordable housing programs.

So we thank the Councilman for working with us, and we recognize that homeowners in neighborhoods with rapidly rising property values are particularly vulnerable and appreciated the opportunity to work with Council. And the Department also has put a variety of assistance programs in place to give protection to these vulnerable homeowners. We look forward to continuing these conversations and implementing solutions that protect homeowners.

That concludes my testimony, and I'm available to answer any questions.

COUNCILWOMAN BLACKWELL: Thank you very much.

Mr. Spencer.

MR. SPENCER: Good afternoon, Chairwoman Blackwell and Committee

3/19/18 - FINANCE - BILL 170365, ETC.

members. My name is Walter Spencer. I have lived in Center City for 21 years. During my professional career, I served as a Chief Financial Officer for a county government in upstate New York. I oversaw both property assessments and tax collections. I later worked for a national consulting firm that specialized in these areas. My clients included the cities of Atlanta, Chicago/Cook County, New York City, and the states of Kansas and Montana, among many others. In this area, I worked with Chester, Delaware, and Montgomery Counties.

Over the last two years, I have had the privilege of working with a group of LOOP participants from the North of Washington and East Passyunk neighborhoods, many of whom are here today. I've come to understand the dramatic impact of this program on their futures. Both experiences form my testimony today.

I want to thank Councilman

Johnson for his strong support of the LOOP program. He was one of the authors of the original bill creating LOOP. He successfully sponsored the bill extending the life of LOOP. Although that bill lowered the income limit for LOOP participation from 150 percent of area median income to 80 percent of AMI effective in Fiscal Year 2024, the Councilman promised to revisit the income limit. This bill before you today keeps that promise.

The original version of Bill 170901 restored the 150 percent of income limit for LOOP participants effective in 2024. The amendment before you today, as Commissioner Breslin indicated, reduces the income limit to 120 percent of AMI.

I estimate that this amendment would cost 1,000 to 1,200 homeowners to be removed from the program. Who are they? There's no way of knowing without reviewing confidential income information. We do know that they have

3/19/18 - FINANCE - BILL 170365, ETC.

owned and occupied their homes for at least 20 years, many for much longer. I suspect that most of them will be people in their 60's and 70's.

Where do they live? We know that 70 percent, seven out of ten, LOOP participants live in the First, Second, and Fifth Councilmanic Districts, all districts with gentrifying neighborhoods and rapidly escalating property values.

This is important. LOOP not only limited participants' taxable assessments for the Fiscal Year 2014 to three times the taxable assessment for 2013, it froze the taxable assessment for years 2015 to 2023 at 2014 levels. Consequently, some LOOP participants will not only lose their original tax exemption, they will face a dramatic additional tax increase because of the increasing market values of surrounding properties.

You will hear in a few minutes from a property owner in the East

3/19/18 - FINANCE - BILL 170365, ETC.

Passyunk neighborhood who will face a 600 percent, 600 percent increase in her taxes in 2024.

I want to tell you about another property owner in the North of Washington neighborhood. Even though she had a full-time teaching position, she cannot secure a mortgage because of redlining. She scraped together $6,000 and purchased her house in 1976. Her current assessment is $206,000. Under the LOOP program, she pays taxes on an assessment of 93,600. Similar properties in her neighborhood are now selling for $300,000, and values continue to rise. She will face an increase of at least 400 percent in her tax bill if she is unable to continue in LOOP.

The community groups have raised another important concern. As they age, many people may require a caretaker. If they ask family members to move into their homes to care for them, the family member's income counts against

3/19/18 - FINANCE - BILL 170365, ETC.

the LOOP limit. Several argue that extending LOOP from middle-income property owners is unfair because a homeowner in LOOP pays less taxes than a neighbor who is not. However, there are more egregious tax inequalities in our city. A person who buys a multi-million-dollar condominium enjoys a ten-year tax abatement, which can reduce their property taxes by $100,000 a year. His or her next-door neighbor living in an older single-family home receives no comparable benefit.

The City has authorized numerous Keystone Opportunity Zones. Properties in these zones benefit from reduction or waiver of 11 city and state business taxes. The Urban Outfitters headquarters at the Navy Yard enjoys these benefits. The business woman operating a clothing store on one of the City's neighborhood commercial corridors does not.

In the interest of time, I will

not include other examples.

I believe that the best way to address perceived inequalities is to consider changes in all of them that would improve equity rather than focus on one, particularly one that benefits middle-income property owners.

I would add that applications for the LOOP program are no longer accepted. The number of LOOP participants decrease each year as people apply for the senior citizen tax freeze, sell their home or title to their estate passes to their heirs.

Before I close, I'd just like to say that Commissioner Breslin raises a concern about the $20 million limit. His own department in 2016 issued an estimate that the limit in 2024 -- or the cost of the program in 2024 would be $18,200,000. They felt that the number of people leaving the program each year would compensate for the tax increases that were being -- or rather the assessment

3/19/18 - FINANCE - BILL 170365, ETC.

increases that would take place.

The other comment that I would like to make is that the $20 million limit on LOOP was enacted by the Council in 2013 when the LOOP bill was passed, and the Council has it within its power to raise that limit if it became necessary.

In conclusion, while I like to work with numbers, the thing I never forget is that the numbers represent real flesh and blood people. As I spent time with the LOOP participants and heard their concerns, I became increasingly convinced that passage of Council Bill 170901 as originally introduced is the right thing for the City.

This concludes my testimony, and I would be happy to answer your questions.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much. Thank you very much.

The Chair now recognizes

3/19/18 - FINANCE - BILL 170365, ETC.

Councilman Squilla.

COUNCILMAN SQUILLA: Thank you, Madam Chair.

Commissioner Breslin, thank you so much for participating and all your work into looking out for the fiscal stability of our citizens.

When we first did the LOOP program, the gentrification bill that allowed us through state enabling legislation, we added additional money into the rate to cover the $20 million. So in your statement, I guess it says that the City, by continuing this on forward, would have less money than was projected; is that correct?

COMMISSIONER BRESLIN: No. There's an annual $20 million cap. So at the 150 percent of AMI, we project that probably by 2031 we would hit the $20 million number, and the law reads that if the cap is hit, then that number -- then the benefits get apportioned among all of the participants. So they would get less than -- so then all participants would get less than 100 percent benefit.

COUNCILMAN SQUILLA: Are we aware that there are some participants in the LOOP program that shouldn't be in there, some commercial property owners, some people who have sold their property in the past?

COMMISSIONER BRESLIN: In our estimate, we account for attrition, and in terms of people that may be in LOOP that should not be, our compliance area does essentially LOOP audits to determine if participants within LOOP should be there. I mean, part of the original legislation says that if a person exceeds the income limits, then they have to self-disclose to the Department that they're no longer eligible for LOOP and they would be removed from the program. There's a possibility that people will exceed those income limits and not self-report. So we have a compliance program that takes a look at our assistance programs and tries to determine if the people who are taking advantage of them are truly eligible for those programs.

COUNCILMAN SQUILLA: Isn't it true that there were some people that were in the LOOP program that sold their properties and that LOOP continued to the next property owner?

COMMISSIONER BRESLIN: I don't know a specific, but that could happen. The way the program is supposed to work, my understanding is we have programming in place that when the deed -- when a deed changes, the benefit then is removed. Now, there's the possibility if there's a property deed or something or the deed doesn't get recorded timely or doesn't get recorded and that doesn't go through our system, then obviously that would kind of short-circuit that process and that would not happen and a property could continue to receive LOOP.

COUNCILMAN SQUILLA: The reason

why I'm asking this line of questioning is to show that -- I believe that the people going off LOOP is greater than what is being projected by the City over time, and this program is that, you heard, no new people will be added into this program. Only people will be removed, either by selling the property, they pass away, transferring the property and/or no longer eligible for the LOOP program. So as this goes down, it's less and less people to go into the LOOP program. You're saying that the assessment values are going to go up enough in these programs to eventually hit a cap in 2031?

COMMISSIONER BRESLIN: Approximately, yes.

COUNCILMAN SQUILLA: Approximately 2031. We don't know.

COMMISSIONER BRESLIN: We don't know because they're based on estimates.

COUNCILMAN SQUILLA: Right. So at this point, why would we worry about

3/19/18 - FINANCE - BILL 170365, ETC.

changing it from 150 down to 120 when it could be true that we'll never hit that cap if more and more people leave the program?

COMMISSIONER BRESLIN: That's possible. We don't -- our projections don't show that, so that's not what we think. Our projections are what we think, based on our data, we think will happen.

There's other concerns. One is the cost of the program. At the 150 percent number, I think the program costs about $6 million per year. Another aspect is, I think one of the goals of AVI was to remove the different -- the inequities that were perceived by people on a particular block. I remember seeing the articles where somebody on a block is paying $700 in real estate tax. Someone in an identical property on the same row home on the same block was paying $3,000. And so part of the goal was to remove those inequities, and in this case, those inequities remain. And, again, as I stated in my testimony, we think, the Administration thinks, that 120 percent represents -- is a better representation of where the relief is really needed, because that tends to be a federal standard for workforce housing and affordable housing programs. And to kind of go to the numbers, which you probably know, but at AMI at 150 percent for a family of four is $125,000. For a single person, it's $87,360. At 120 percent, family size of one is $70,000 and a family of four is $100,000. So we think that at those numbers, it still provides substantial protection.

COUNCILMAN SQUILLA: But if you're in a neighborhood that's gentrifying and the values of properties are so much more than they were, they still will not be able to pay for the increase in values of the real estate taxes. So if we're going to protect those people, why not protect them at the

3/19/18 - FINANCE - BILL 170365, ETC.

original bill rate than what we're -- why would we want to reduce it?

Now, if the LOOP income limited is maintained at 150 percent, how does it affect the Five Year Plan?

COMMISSIONER BRESLIN: I'm not the right person to talk about the Five Year Plan. I'm not sure what the impact would be. But to your point about the 120 or the 150, I mean, these numbers are always moving, and so there's somebody at 151 percent that's not getting any relief that thinks that 155 should be the right number. I mean, that's -- I think that's certainly the challenge in establishing what the right number is. I mean, the program was initially contemplated as a ten-year limited-term program which would sunset. Then legislation was introduced to extend it at 80 percent. I think that, and the Administration agrees, that raising that from 80 percent to the 120 percent is fiscally responsible and offers the right degree of relief, if you

3/19/18 - FINANCE - BILL 170365, ETC.

will.

COUNCILMAN SQUILLA: Now, when we raised the tax level, when we were doing original AVI, we put in the subsidies that were going to be -- we put in money for appeals, right, and we put in money for LOOP of $20 million. So each taxpayer, even taxpayers that are paying this, paid a little bit more for percentage to cover these costs, because initially we did not -- we added additional revenue to cover the cost of the 20 million for each year, even though we're only about 14 million, right? So there's 6 million actually extra going into the General Fund because we actually raised the rate a little bit more to cover the cost of the LOOP. So it's not like we're actually getting less money. We're actually getting more money each year because of the LOOP program; isn't that correct?

COMMISSIONER BRESLIN: I believe it's correct that money -- I

3/19/18 - FINANCE - BILL 170365, ETC.

wasn't part -- I'm not part of that process, but I believe money was factored in to account for LOOP during the AVI process, yes.

COUNCILMAN SQUILLA: I don't know if Rob Dubow is still here, but he would be able to answer that since we beat him up on that for --

MR. SPENCER: You're correct, Councilman.

COUNCILMAN SQUILLA: Thank you.

All right. So there is additional dollars each year going into the General Fund because of the LOOP program, because we're not using it all. And so that money each year, if you add it over ten years, if it's 4 million, 6 million, it becomes over ten years $60 million extra that we gave to the City just by using the subsidy.

So to say that it's reducing funds contradicts that notion that I have that we're actually putting more money into the General Fund because of the

3/19/18 - FINANCE - BILL 170365, ETC.

subsidy.

COMMISSIONER BRESLIN: I think my analysis just if you look at the numbers at 120 -- at 80, 120, at 150, at the higher levels obviously it's more expensive. There's less money for something --

COUNCILMAN SQUILLA: It's not more expensive because we're paying for it already. So it's not more expensive. We already -- it would carry this -- if you would have took all that money and put it into a pot from the original time we started collecting it, this would go on forever and you would never reach it. If, say, it wasn't supposed to -- but we're using that extra 6 million, 8 million, 4 million a year in the General Fund for other things.

How many people would be removed from LOOP in 2024 if this bill passes, as amended?

COMMISSIONER BRESLIN: Approximately -- let me just look at my numbers. About approximately 1,400.

COUNCILMAN SQUILLA: So 1,400 people in the LOOP program will lose the ability to stay in that LOOP program, and we don't know how we would be able to help them to pay that increase in taxes. As you heard, Mr. Spencer said just a couple examples, and we don't know all of that, but we're worried more about the affordability in the gentrifying areas and to be able to have those folks who now, at an older age, they own their home for at least 20 years but most likely more, how do we help them? And somebody says, well, they could go on the senior freeze at a lot less rate and not -- unless people even would be able to get approved for that program. How do we then help those people stay in their homes?

COMMISSIONER BRESLIN: Yeah. I mean, there are relief programs. There's senior freeze, there's installment programs, there's our Owner-Occupied

3/19/18 - FINANCE - BILL 170365, ETC.

Payment Agreements. I mean, the goal is not to -- we do not want to see people move out of their home. That is not the goal. And there's various relief programs that are available for these people that might be affected by this legislation. As Mr. Spencer testified, there's lots of different situations. So, I mean, we can have seniors, we can have -- and senior tax freeze is actually a more beneficial program. And there's other programs, but it's really finding the right program for each of those individuals. And I can't say that everyone that would be affected would be eligible for a program. They would at least be eligible for a payment agreement, but not necessarily a relief program, yes.

COUNCILMAN SQUILLA: All right. One last thing before -- I'll come back, let other people speak. But I would as a department try to look at the numbers, at least some of the ones that we saw that were on LOOP, and we can forward you some concerns we had with people who sold their properties and the new owners still stayed on the LOOP program and their mortgages are still paying the LOOP amount when they shouldn't be. You guys have fixed a bunch of them, which has been great. We're not still sure why that happens, but there are still some commercial properties that seem to be in the LOOP program that we need to get off the LOOP program. That would also save the City some money and, therefore, open up the number of people -- open up this cap to take a longer effect before it's reached.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much.

We would like to thank the sponsor of this bill, Councilman Kenyatta Johnson, and call on him if he would like to make remarks.

COUNCILMAN JOHNSON: Yes.

3/19/18 - FINANCE - BILL 170365, ETC.

Thank you, Madam Chair. I've been working on this from day one, because obviously I live in one of those changing neighborhoods.

So, Mr. Breslin, can you go back and just clarify the response to Councilman Squilla when he talked about originally when we started this LOOP bill and we took into consideration the AVI, we put forth additional funding. I think you said to the tune of 6 million per year. Can you clarify those numbers?

COMMISSIONER BRESLIN: I don't know those numbers offhand what was put into the budget back in 2014 to --

COUNCILMAN SQUILLA: Point of information. According to some of the information that you guys had gave us, it looks like -- I don't have the numbers from previous to 2018, but it looks like the combined value is 14.3 million for 2018 of the LOOP, is that correct, 14.33?

COMMISSIONER BRESLIN: Yes.

COUNCILMAN SQUILLA: Okay. So

3/19/18 - FINANCE - BILL 170365, ETC.

to me that's $5.7 million under the cap or 5.6?

COMMISSIONER BRESLIN: Yes. That's correct.

COUNCILMAN SQUILLA: Right. So that's extra money. Even though we put into the figure, to the rate to get that 20 million, that $5 million goes into the General Fund, correct, that we're not using for the subsidy?

COMMISSIONER BRESLIN: That's correct. Well, that is -- no, that's not correct. I'm sorry. Because that's the total amount of the real estate tax. So that includes the School District and the General Fund portion. So 55 percent is for the School District and 45 percent is for the General Fund.

COUNCILMAN SQUILLA: But the total between this, it looks like the City is 6.47 million and the School District is 7.86 million for a total of 14.33.

COMMISSIONER BRESLIN: That's

3/19/18 - FINANCE - BILL 170365, ETC.

correct.

COUNCILMAN SQUILLA: Right? So if you take that whole total, we're giving the School District the money that -- that $20 million extra that we have is already in the account.

COMMISSIONER BRESLIN: Yes.

COUNCILMAN SQUILLA: Okay. And then previous to that, I'm sure those numbers were higher before '18. So when we initially did it for the current four years, that number might have been 15 million and 16 million -- I mean, 13 million and 12 million. I think our original one was like 12 million, correct?

COMMISSIONER BRESLIN: Correct.

COUNCILMAN SQUILLA: So that would have been 8 million additional dollars into the General Fund.

COMMISSIONER BRESLIN: Yeah. I mean, I think it's important to note that that money goes into the fund and it's not sitting in an escrow. There's not a

3/19/18 - FINANCE - BILL 170365, ETC.

pool of money somewhere. We've talked significantly about the financial condition of the School District. So that money goes into a fund and then gets used for expenses, whether it be in the General Fund or for the School District.

COUNCILMAN JOHNSON: And at 150 per year, at the 150 percent, right, and you're scaling it down to 120, at 150 how much is that each additional year?

COMMISSIONER BRESLIN: How much expense?

COUNCILMAN JOHNSON: Yes.

COMMISSIONER BRESLIN: So at 120 in 2024, the cost of the program would be $15 million, 15.14 million. And at 150 percent of AMI, it would be 17.44 million. So $2.3 million more.

COUNCILMAN JOHNSON: Per year?

COMMISSIONER BRESLIN: Per year.

COUNCILMAN JOHNSON: Two point -- say it again -- 3 million?

COMMISSIONER BRESLIN: $2.3

million.

COUNCILMAN JOHNSON: It's $2.3 million more per year, but we also with the additional cushion that's bringing in how much per year?

I wanted to be clear on it, Mark. That's the numbers where I'm trying to get clarity on. I thought you said 6 per year.

COUNCILMAN SQUILLA: Every year -- if you look at the Administration's numbers, every year the number into the General Fund, the total number from 20 million to be reduced by the number spent would go down. So we're saying maybe 8 million when it first started, and it gradually goes down to 6 million this year and then by then, if it's 150 percent in 2024, it's 2.6 million. We would be below the cap by 2.6 million.

COUNCILMAN JOHNSON: Below the cap?

COUNCILMAN SQUILLA: Yes.

3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILMAN JOHNSON: So do you have a response to us being below the cap versus over the cap at 150?

COMMISSIONER BRESLIN: I think at 150 we're below the cap and we start approaching the cap -- we're over $19 million in 2028 at 150 percent. So we're really starting to push up against that cap, and understanding that the numbers in here are estimates.

COUNCILMAN SQUILLA: Right. We don't know.

COMMISSIONER BRESLIN: Yeah. So in 2028 at 150 percent AMI, we're at $19 million as opposed to at 120 percent of AMI in 2028, we would be at $16.4 million. So a lot more breathing room against the cap.

COUNCILMAN JOHNSON: And how much do you estimate the City will save by people coming off of LOOP between now and that same time period? Is there a factored-in number? Because obviously some people are going to sell homes.

3/19/18 - FINANCE - BILL 170365, ETC.

COMMISSIONER BRESLIN: Yeah.

COUNCILMAN JOHNSON: People pass away.

COMMISSIONER BRESLIN: So we have attrition rates of -- let me just make sure that this is right. 195 people coming off in 2024, 195 taxpayers, yes. 195 participants would come off at the 120 percent rate compared to 222 at the 150 percent rate. So in 2024, that's a difference of about 27 participants, more participants, would come off in that year. And the numbers are similar each year.

COUNCILMAN SQUILLA: Excuse me, Councilman. Can I have another point of information?

It just seems odd that you have more people coming off earlier, and the longer the program goes, you have less people coming off. Is it because -- I mean, aren't those people getting older, and why would it -- you have 261 coming off in 2018 and then it constantly goes all the way -- keeps going down for people leaving the program.

COMMISSIONER BRESLIN: Well, yeah. People are getting older. People are going into other relief programs that are more beneficial. There's also an estimate of how many properties will sell. So as properties sell, people come off LOOP. As people age and they may -- a couple things may happen. They may become just seniors and they become eligible by the nature of being a senior for other programs that are more beneficial or they may retire and their income may go down and that lower income might make them benefit for something. And that's part of the numbers -- some people that are at the 150 now will age and go into retirement and will fall into the 120 percent bracket. So not everyone there, but --

COUNCILMAN SQUILLA: Maybe.

COMMISSIONER BRESLIN: Maybe. Some. It's really very -- as Mr. Spencer said, it's pretty dynamic here. There's a lot of different scenarios.

COUNCILMAN SQUILLA: Thank you.

COUNCILWOMAN BLACKWELL: Councilwoman Blondell Reynolds Brown.

COUNCILWOMAN BROWN: Thank you very much.

Good afternoon.

COMMISSIONER BRESLIN: Good afternoon.

COUNCILWOMAN BROWN: I am not interested in the nuances of the numbers the way the District Councilpeople care about this. My broader concern is to what lengths is your department going to to ensure, even if it's redundant, that every single homeowner knows about it, takes advantage of it, and knows about it and takes advantage of it?

COMMISSIONER BRESLIN: Right.

COUNCILWOMAN BROWN: Because on its face, it's very alarming, particularly for seniors and those who get caught up in the loop of legislation

3/19/18 - FINANCE - BILL 170365, ETC.

that's designed to help. I need to hear what protocols, what practices, what procedures the Department has gone to the nth degree to ensure that no single homeowner is overlooked and hears about this at the 11th hour and thereby misses the opportunity, because at the end of the day, a piece of dirt is all some people have to rely on.

COMMISSIONER BRESLIN: As I've testified before, but I'm glad you asked that question because it's a very important question and it's one of the things that when I came into this position two years ago, two things that I really stressed that were very important to me was taxpayer service and kind of compassionate enforcement. So we want people to pay their fair share, but we also want to provide relief programs that are appropriate, and I think you really nailed it in that one of the challenges that the Department of Revenue faces is getting the word out and getting

3/19/18 - FINANCE - BILL 170365, ETC.

participation.

COUNCILWOMAN BROWN: So what non-traditional approaches have you taken, separate from stuff in the mail, because that doesn't count, separate from the Internet, because that doesn't count, seniors don't have Internet, what non-traditional approaches have you taken to get in the face of citizens where they're impacted?

COMMISSIONER BRESLIN: So I think we're trying a really broad base, because that's -- as you say, different things work for different segments. So one of the things we did that I think is really worth noting is that we brought in an administrator of assistance programs. So now we have one person whose role it is to look at enrollment, look at outreach, and try to coordinate a really holistic approach to getting the word out on all our relief programs.

COUNCILWOMAN BROWN: Okay.

COMMISSIONER BRESLIN: So we've

done that. We're also trying to use data where we can to identify potential participants. So for LOOP, one of the advantages is we can see everybody whose property assessed value has increased by the 300 percent. So we can really reach out to every potential property, and LOOP is very highly enrolled, much higher than a lot of our other relief programs.

COUNCILWOMAN BROWN: So what does that mean? Is that 80 percent, is that 90 percent compared to the others?

COMMISSIONER BRESLIN: Above 80 percent. We're above 80 percent enrollment.

COUNCILWOMAN BROWN: That's encouraging.

COMMISSIONER BRESLIN: Which is fantastic.

So the other thing that we did in conjunction with bringing on an administrator is we've really beefed up our communications group. So we have a robust communications group. I don't

3/19/18 - FINANCE - BILL 170365, ETC.

have the number in front of me, but I think they attended almost or in excess of 100 community events last year. So they go and they meet people. Most of these are in cooperation with City Council. These are events in your district, and we come out to the district. We just did the block captains.

COUNCILWOMAN BROWN: Boot camp? I mean at the Convention Center?

COMMISSIONER BRESLIN: Yes. We just did that. We were at that. We bring -- it might seem silly to some, but in order to get people to approach our people, we have giveaways, which are tote bags and water bottles and things like that.

COUNCILWOMAN BROWN: Sure. Whatever it takes.

COMMISSIONER BRESLIN: Whatever it takes. We want people to come and we want them to participate, and when we're there, we have all of our information.

3/19/18 - FINANCE - BILL 170365, ETC.

We have our communications group also working in other languages so we can get it out in --

COUNCILWOMAN BROWN: Very good.

COMMISSIONER BRESLIN: And we're open to any suggestions. Our administrator and our communications group would love to hear any suggestions, because we're really serious about getting the word out there and getting people to participate. Again, we want to protect homeowners. I mean, that really is our goal.

COUNCILWOMAN BROWN: So I'll offer two, and I want my staff to follow up so that we can have a more intimate conversation about non-traditional outreach.

Clergy have a role to play. Senior citizen centers have a role to play. The local Y has a role to play. The schools have a role to play. Non-traditional places where homeowners are going to come to and/or touch to hear

3/19/18 - FINANCE - BILL 170365, ETC.

information that they would not expect that's related to their well-being.

COMMISSIONER BRESLIN: That's a great suggestion, and by way of coincidence, on Friday our administrator received -- we received a contact at the Y, at the YMCA, who asked -- who volunteered to help coordinate an effort to get the word out about our relief programs, and we're working with other associations like that. So I agree with you. It's very important, and that's what our communications team -- we've worked with State Reps. I know we worked with Representative Sabatina and he does a big senior expo up in Northeast Philly. We've attended that. And others. So anything we learn of and we ask that you tell us anything that you know of that's coming up, we try to attend. And our staff goes on weekends, they go in evenings, they've gone on -- whatever it takes, we're trying to do what we can.

COUNCILWOMAN BROWN: Okay. And

the name of that professional you said whose principal responsibility of outreach is, that person's name again?

COMMISSIONER BRESLIN: Graham O'Neill.

COUNCILWOMAN BROWN: Graham O'Neill?

COMMISSIONER BRESLIN: Yes.

COUNCILWOMAN BROWN: We'll do the follow-up.

Thank you, Commissioner.

COUNCILWOMAN BLACKWELL: Thank you.

Councilman Domb.

COUNCILMAN DOMB: Thank you, Madam Chairwoman.

And thank you for your testimony. I just have a few questions. I want to make sure I understand completely the program. This is a program that is closed at this point, no new enrollees. We have a limited amount of people in the program and no one new is coming in the program.

3/19/18 - FINANCE - BILL 170365, ETC.

COMMISSIONER BRESLIN: There are some new people coming into the program, but it's very small.

COUNCILMAN DOMB: Minimal.

COMMISSIONER BRESLIN: Very minimal.

COUNCILMAN DOMB: And this is a program that occurred in neighborhoods where the property values went up dramatically, right? They may have gone up from 50,000 to 150,000 or 100,000 to 300,000, 300 percent?

COMMISSIONER BRESLIN: Yes.

COUNCILMAN DOMB: So what's going on here is that properties are increasing dramatically and the taxes are a burden to those in those properties. That's the issue.

COMMISSIONER BRESLIN: That's correct.

COUNCILMAN DOMB: Okay. And so to the flip side, though, by the way, which is a good thing for everybody here, is that the property that was worth

3/19/18 - FINANCE - BILL 170365, ETC.

50,000 is now worth 150, and the property that was worth 100 is now worth 300. That's the good news. The bad news is the taxes that go with it. So I understand the issue. And you put together a very good letter, Commissioner, March 16th that I suggest we all really study, because it has charts and information here that I think are very interesting. In the last page it says that the total LOOP enrollees are 16,034?

COMMISSIONER BRESLIN: Yes.

COUNCILMAN DOMB: And it says of the 11,440 of those enrollees, or two-thirds of them, are below 80 percent AMI?

COMMISSIONER BRESLIN: Correct.

COUNCILMAN DOMB: Okay. Then it says that one-third, I guess, are between 80 and 150, and I guess my question would be, the difference between what you're suggesting, the 120, and the 150, how many people fall in that

3/19/18 - FINANCE - BILL 170365, ETC.

category that might be affected in numbers? And just so I'm clear, if I'm reading this correctly, it's a family of four with, I guess, two children, at 120 percent we're protecting people who make up to $99,840 a year, and at 150 we're protecting people who make 124,000 a year?

COMMISSIONER BRESLIN: That's correct.

COUNCILMAN DOMB: Just so I'm also clear, the average income in Philadelphia is how much, do we know, of a resident?

COMMISSIONER BRESLIN: I'm not sure about that.

COUNCILMAN DOMB: It's about 44,000.

COMMISSIONER BRESLIN: Okay.

COUNCILMAN DOMB: So how many people fall in that 120 to 150 category?

COMMISSIONER BRESLIN: About 1,500. A little less than that, about 1,400.

3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILMAN DOMB: So we have 1,400 people who are either a family of two, three or four, whatever the number is. At a family of two, they'd be making $100,000 that would be affected by this, if we don't have 150 that would be affected?

COMMISSIONER BRESLIN: That's right.

COUNCILMAN DOMB: But that would have meant that they're making 100,000 a year and their property tripled in value?

COMMISSIONER BRESLIN: Correct.

COUNCILMAN DOMB: Okay. I just wanted to make sure I understood it.

And you think it's 1,500?

COMMISSIONER BRESLIN: I can give you the numbers. I have them here.

COUNCILMAN DOMB: Because I find it hard to believe it's 1,500 because you have 4,594 between 80 percent --

COMMISSIONER BRESLIN: Our

projected enrollment at 120, LOOP eligible, is 11,075 and at 150 it's 12,567.

MR. SPENCER: 1,492.

COUNCILMAN DOMB: It's 1,492. Thanks, Walter.

Okay. I have no further questions. Thank you. I think I understand. Thanks.

COUNCILWOMAN BLACKWELL: Councilwoman Parker.

COUNCILWOMAN PARKER: Thank you, Madam Chair.

I just wanted to note for the record I wanted to say a special thank you to Councilman Squilla and to Councilman Johnson, and I just shared with Councilman Johnson earlier -- Commissioner, you may be familiar with this -- when the enabling authority was provided to give Philadelphia the ability to create LOOP, I was not a member of this body. I was a member of the State House, chaired a delegation in

Harrisburg, and we were on the front line fighting so this Council could enact the LOOP legislation, and we did that.

I also want to note for the record that when you look at the districts that are impacted by LOOP, the Ninth Councilmanic District isn't as appealing for development as some other regions are, and so we are not as impacted by Councilman Squilla and Councilman Johnson's constituency.

But with that in mind, I wanted to just note for the record, particularly for the benefit of the public, because I hate when people use these acronyms and these sexy initials and regular people don't understand what they're talking about. So when you hear people talking about this term AMI, that's your area median income. And where does it come from? It is a federal definition that HUD, the federal Department of Housing and Urban Development, they use this to determine who is and who is not eligible

3/19/18 - FINANCE - BILL 170365, ETC.

for programs that are federally funded by that group.

And so when we talk about 120 percent of the AMI, that's $79,000 for a family of two. Two. When we talk about $99,000 for a family of four. That is important. I just wanted to make sure we get that on the record.

And Councilmen Squilla and Johnson, if I appear to be a little sensitive about this, it is because we just got finished working on this loan, the home repair program, and we had to fight to get to this 120 percent even of the AMI so that residents who live in the Ninth Councilmanic District, working-class people who were a nickel away from being considered living in poverty, but they made a nickel over the income eligibility guidelines, that if we didn't fight for that, they would not have been able to participate.

And so I know I'm, in essence, talking about two totally different

3/19/18 - FINANCE - BILL 170365, ETC.

things, but when we talk about the area median income, I need people to understand how delicate that line is and it's the gap between the have's and the have not's. So we will --

(Applause.)

COUNCILWOMAN PARKER: We will move how we move, and I'm clearly going to take the lead of the Councilmembers who are impacted by this to make sure that we can help as many people as possible, but let us always remember that if we cannot simply be concerned with those people who are at rock bottom, we've got to try to find a way to make working-class people and have them in affordable housing that is not, in essence, being subsidized as low income.

Thank you so much.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much.

We have several members here from the panel. We'll call on them now.

3/19/18 - FINANCE - BILL 170365, ETC.

Susan Patrone -- these are our constituents -- Margaret Kalalian, and Madeline Shikomba. They'll be first.

COUNCILMAN JOHNSON: Councilwoman, can I ask Mr. Breslin one more question?

COUNCILWOMAN BLACKWELL: Absolutely.

Before you begin, we will listen to Councilman Kenyatta Johnson, who authored this bill.

Councilman Johnson.

COUNCILMAN JOHNSON: Mr. Breslin, thank you, sir. I just want to get additional information for clarity. You said at 120, 1,400 people will be taken off LOOP at what date?

COMMISSIONER BRESLIN: 2024.

COUNCILMAN JOHNSON: 2024. And at 150 percent, how many people will be taken off at 150?

COMMISSIONER BRESLIN: Yeah. So at 150 percent, everyone is essentially in the program unless there's

3/19/18 - FINANCE - BILL 170365, ETC.

attrition, and that's a relatively small number.

COUNCILMAN JOHNSON: And what's the dollar amount on that?

COMMISSIONER BRESLIN: The dollar amount on the 150 of AMI? 150 percent of AMI for a family of four is $124,800.

COUNCILMAN JOHNSON: All right. Thank you very much, sir.

(Witnesses approached witness table.)

COUNCILWOMAN BLACKWELL: Thank you very much.

Good afternoon. Feel free to identify yourself and begin your testimony.

MS. PATRONE: Good afternoon, Chairwoman Blackwell and Committee members. My name is Susan Patrone. In my testimony I would like to -- in my testimony on Bill 170901, I would like to give some context for why 150 percent AMI is the best protection for those of us who are in LOOP and who live in exponentially rocket-launching gentrifying neighborhoods.

I reside at 1529 South 13th Street in the East Passyunk neighborhood. My husband and I have lived and raised our family here. We have been here for 32 years. Both my husband and I are lifelong South Philadelphia residents, and we're third generation.

In 1986, we bought our home for $50,000. Fast forward to 2017, in 2017, 1527 next door to me, sold for $680,000, and earlier in 2017, 1519 sold for $700,000. Now, that might sound like good news to some people, but our tax bill in 2017 is $1,800. Even at 150 percent AMI, our tax bill in 2023 will be $10,000, and we are scared.

Thank you.

(Applause.)

MS. MITCHELL: Good afternoon to the Councilpeople. I thank you for the opportunity for me to speak. I have

3/19/18 - FINANCE - BILL 170365, ETC.

lived in the 1300 block of --

COUNCILWOMAN BLACKWELL: Please give us your name.

MS. MITCHELL: Oh, I'm sorry, Councilwoman Blackwell. My name is Diane Hamilton Mitchell. I have lived in the 1300 block of South 15th Street for over 60 years. I remember my mother purchasing this house. It took my twin sister and I like months to find out we had a third floor. So we were honored to be in a three-story house.

Right now I am retired with an income of $944 a month that I have to live on, a month, but then around the corner from me, there's a house that's on the market for $569,900, over a half a million. How am I going to survive? I'm surviving under the LOOP because I cannot afford to pay 35,000 a year for my taxes if they increase. I can't do it.

Majority of some people that live in the South Philadelphia area, we're not poverty stricken. We're living comfortable, but we worry every day how the water bill is going up, utilities, taxes. Soon we'll be paying for having our recycling done like some people do in the Wynnefield area.

This is hard times for everyone. I ask the panel, do you pay taxes that's under 1,000, under 2,000? Well, in South Philly, the more houses that are being built from different organizations that are coming in, Newbold or South Philly East or Center City South. South Philly's titles have been changed so much, all I know is that I live in South Philly and I don't divide the titles, because when you're dividing the titles, it's turning into a racial topic. It means entitlement. Entitlement means somebody is going to lose out, you or someone else.

We need the LOOP. The LOOP is what's been -- I've been surviving off of. I don't want to lose my home. Coldwell Bankers, Re/Max, Keller Williams

3/19/18 - FINANCE - BILL 170365, ETC.

constantly, constantly, every other week, call me and send me a letter asking me to sell my house that could probably go over 100,000 -- I mean over 500,000, but the only reason why that happens, because people are moving back into Philadelphia and don't really realize that they're pushing people out of their homes because we're being pressured to sell. And then on top of that, this is such -- we're dealing with so many taxes, we don't know what we're paying taxes for.

We need the LOOP. There's no doubt about it. Kenyatta Johnson, our Councilman, has supported us 100 percent.

Councilwoman Brown, thank you. Councilwoman Blackwell and the ones who are supporting us, thank you, because this is a crisis that we're dealing with. Who finds a place to live at the age of 65? Tell me where can you find a place to live comfortable. For you to pay 569,900 for a house and no backyard and no footage and no -- you know, where are

3/19/18 - FINANCE - BILL 170365, ETC.

we going to go? Where are we going to go? And I'm asking you, as the others are here to represent the LOOP, I was honored and blessed when this young lady told us about the LOOP program and other women here, Theresa that told us about the LOOP program, and I jumped on it.

My daughter is a homeowner. I showed her how to buy a house at 20, but she can't get on it because the program is closed, and we need that program opened.

Save the residents who are under this program. We need your help. We need everything that the City can offer us, but do not increase us. Don't. Because we can't handle it.

Financially, $944. How can you manage to live off of that?

Thank you so much. Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Ms. Shikomba, introduce yourself and begin.

MS. SHIKOMBA: My name is Madeline Shikomba. I'm President of North of Washington Avenue Coalition, also known as NOWAC.

My mom told me a long time ago figures don't lie, but liars do figure. And Revenue, their numbers are cold, inhumane. There's not even an attachment of empathy.

They sitting up there talking about if they can get off 1,000 people who come on LOOP when AVI jumped up sky high, and now they want to remove them as soon as they need it in 2024. Ten years older now, not ten years younger. Ten years older, probably less income because they're retired, and now you want to kick us off because 150 percent act like too much. How cold can you be?

And then not only that, have the nerve and act that they not going to make any money, they anticipate, by getting rid of those 1,000 people on there.

3/19/18 - FINANCE - BILL 170365, ETC.

The City might come up with 1.5 more million dollars in real estate taxes. Why? Because people be buying them at high rates because we will be kicked out. How cold can you be? That's cold. Okay? And then we sit up here talking about parents, four people, 196,000. What grandparent you know got a child in there that ain't working? And if they do have them in there working and the only income is their income, they might only be having $60,000 and they got to support three grand-kids off of that, who are not working.

You're talking about adults, working adults, living with us. We need them to live with us. We don't want to live alone.

(Applause.)

MS. SHIKOMBA: We need them to take care of us. I need -- when I live right now -- I have health problems. I have three sisters that are in wheelchairs, all from hereditary

3/19/18 - FINANCE - BILL 170365, ETC.

problems. That is affecting me. By 2024, I'm going to need a caregiver. That means I got to go up to two incomes. You reduce this down any way at all, I can't afford a caregiver, because all income count. All income count.

(Applause.)

MS. SHIKOMBA: So now what am I supposed to do? I can either take a caregiver and get kicked off of LOOP or I can keep LOOP and not have a caretaker. How cold can you be? That's cold. Those numbers are cold. I need some warmth, not coldness.

(Applause.)

MS. SHIKOMBA: Okay. And Revenue talk about LOOP. You know the reason why LOOP has not increased? Because they never advertised. They never advertised. There was not a single invitation when LOOP was opened in 2017. You couldn't find anything, because they didn't advertise. There would have been more people on LOOP.

3/19/18 - FINANCE - BILL 170365, ETC.

And then he talks about figures. This is the figures he gave out in '16 to extend LOOP. Those figures are now changed. Okay? He anticipating that in 2024 there would only be 8,247 people on LOOP and the cost of LOOP would be under $8 million. Now he's talking about $20 million. In 2031 the number drops down to 6,664 people.

LOOP is a decreasing program. It's not increasing. We're either dying off, selling off, transferring our property or for some other reason losing our property. How in the hell can he come up and say we costing him money when we are a decreasing situation?

I have never seen when something goes down the price goes up. I say it's cold, bloody cold. Okay. Colder than the idea for that there northeasterner.

I'm sorry. Anyway, I'm not finished yet.

(Applause.)

3/19/18 - FINANCE - BILL 170365, ETC.

MR. SHIKOMBA: The person that Walter was talking about whose income tax went up 600 percent, no. That was me. When AVI came about, my property jumped from $30,000 to $300,000, over a 1,000 percent increase. You were kind enough to make me pay on 300 percent increase. So now my property tax is 1,000, whereas I was paying 300. That still was a tremendous increase for me. Okay? But I paid it. I've been living in that house for 40 years, been paying my city's taxes 40 years and haven't missed (unintelligible) and now all the sudden you going to kick me out? Hell, no.

(Applause.)

MS. SHIKOMBA: Anybody who is losing LOOP now because of some stupid figures that Revenue comes up with, it's cold-blooded. We need to keep 150 percent. I came in at 150 and damn if I'm leaving it before it goes (unintelligible). We want it at 150. Nobody to be kicked off of LOOP who is on there now. Nobody.

(Applause.)

MS. SHIKOMBA: I'm tired. I'm tired of these people with their figures. Okay? Doggone tired. Okay? And now if you kick me off LOOP, I'm going to have the income of maybe, what, $10,000 $15,000 in 2024? Couldn't come up with the 3,000 they had when you came up with it before. No. Stop looking at the figure for one person. Look at the figure for two people, three people. That's the figure you need to look at, because that's where we going. We're moving in our adult children, who cannot even find housing. Actual rent these days are $1,200 or more, and that will just get you a studio. And these people who are not working, they're not working because what? They are not getting a living wage. They need a living wage, and they can't -- without the living wage, start moving in with mom. And then you want to count everybody's income?

3/19/18 - FINANCE - BILL 170365, ETC.

That so-called four people at $196,000 may act like a lot to you, but when you got your mother living in there, then the mother got a couple other people living in there, and you got other people living in there, you got your mother living in there, other people -- got adults moving in there with you, it decreases. That 196,000 is no money at all, because you got three working people -- and you can't have three working people at $196,000 because if you divide that by three -- four, divide that by four, $50,000 each. So, I mean, for one person earning 50,000, can't stay with her mom, she has to move out. Where is she going to go?

With this LOOP, it's helping other people, not just a person who lives in that house, the owner. You're helping other people and their children to stay with them to be their companion, to help them when they sick and tired.

COUNCILWOMAN BLACKWELL: Thank you, Ms. Shikomba. Thank you.

3/19/18 - FINANCE - BILL 170365, ETC.

(Standing ovation.)

MS. KALALIAN: Good afternoon, members of the Finance Committee, and thank you for the opportunity to speak before you. My comment will be quite brief actually.

COUNCILWOMAN BLACKWELL: We need your name, please.

MS. KALALIAN: Oh, I'm sorry. I'm Margaret Kalalian. I live in the East Passyunk area, Councilman Squilla's district.

I really am interested in data, which I don't know if it's been provided. This year I am 73 years old. In fact, this month is my birthday. In six years I will be 79 years old when the original LOOP term expires. And what I'd like to know, if the 1,492 people who will be eliminated should the median limits be reduced, if there's been an analysis of the ages of those 1,492 people and if there's been an actuarial analysis to determine how many people will be dropped

3/19/18 - FINANCE - BILL 170365, ETC.

from year to year through 2034 and if City Council Finance Committee has received that data.

Thank you very much.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you all very much.

Alan Taylor, Annette Barber, and Richard Gliniak.

Alan Taylor, Annette Barber, Richard Gliniak. Are the three of you here?

(Witnesses approached witness table.)

MR. GLINIAK: That's Taylor.

COUNCILWOMAN BLACKWELL: Thank you. Good evening. Please identify yourself and begin your testimony.

MR. GLINIAK: My name is Richard Gliniak, and I'd like to read the letter, and I think you have a copy of the letter. I think you might have a copy of the letter. So I'd like to read it and you can follow along, and if

3/19/18 - FINANCE - BILL 170365, ETC.

there's time enough when I'm done, I'd like to make some additional comments, if possible.

Dear Chair Blackwell, Vice Chair Henon, and members of the Committee of Finance, I'm a low/moderate income homeowner on a fixed income living in the Graduate Hospital/Southwest Center City area, 10th Division, 30th Ward. I'm also a longtime homeowner who would lose his home if the 150 percent of area median income guidelines does not continue beyond LOOP's first ten years. I would definitely become tax delinquent without LOOP.

Back in the early 2000's, I, along with seven other individuals on the 1900 block of Carpenter Street, purchased subsidized affordable homes from the Philadelphia Housing Development Corporation, an arm of the Office of Housing and Community Development. The HUD-funded affordable housing program called the Homestart program was for

3/19/18 - FINANCE - BILL 170365, ETC.

first-time buyers in the low to moderate income categories. These income guidelines, along with the fact that the property taxes were low and never really went up, ensured that the purchasers would have their home for a very long time.

However, in 2014, the City proposed a new AVI system that increased taxes on these affordable homes to our homes by 427 percent. Taxes went from $782 to $4,119, making these affordable homes unaffordable. Other Homestart homes just north of Washington Avenue saw similar increases. Without relief, these homeowners, especially those on a fixed Social Security income, would eventually become tax delinquent and lose their homes.

Thankfully, LOOP exemptions brought down the 2014 property taxes to a more sustainable, affordable level of $1,119.

May I just stop here one

minute. I'm looking at these figures and I wrote this section of my letter back in 2014 and, you know, those who lose their LOOP eligibility now would see increases well beyond the 427 percent. We have a house that went on my block just six months ago that went for $599,000. When I wrote this letter, houses were going for in my neighborhood of $360,000. So for anyone that would lose the freeze on the assessment and not be eligible for LOOP any longer, you could easily see on my block tax increases well beyond the 427,000 -- 427 percent.

Continuing with my letter, today I ask for your support in passage of Ordinance 170901 restoring current LOOP exemptions and conditions of 150 percent of area median income for years 2023 and beyond. Passage of this bill would allow me and my other low/moderate income neighbors to remain in our Homestart homes just as the HUD-funded program had intended.

3/19/18 - FINANCE - BILL 170365, ETC.

Thank you for your time and assistance and for the opportunity of submitting and giving testimony in this important matter.

Can I just make one -- I think one other point? I've been heavily involved in my community since moving into my house 16 years ago. I actually became and I worked the polling place for the last 16 years mostly as judge and then at times as the democratic committee person. And so I have to say that I feel fairly comfortable that I know my neighbors, I know the people that come in and vote, and if I would take a street list and just go through this list -- and we could do this together if we have more time, but I could pick out people who would be affected greatly if they lose their LOOP eligibility, people that definitely have an area median income greater than 80 percent, people who are senior citizens on a fixed income who perhaps at one time in their life did

3/19/18 - FINANCE - BILL 170365, ETC.

work and, therefore, they have a Social Security income and then they probably have a pension income. Usually those people, the moderate income people, definitely have incomes greater than the 80 percent of area median.

So I look at my list here and I look at Mr. and Mrs. Lewis who live on Montrose Street. Good people that have been in my neighborhood longer than I've been there, been there probably, I think, 50, 60, maybe their whole lives.

I look at Mrs. Moore on South Cleveland Street, who now is in her late years of life and who needed some additional care and her son moved in, Oscar. Two people that despite any illnesses that they might face who are not physically able to be here today continue at every election and they come in and vote. These are two people that I don't want to leave my neighborhood whether, you know, because they pass, but definitely I don't want them to leave my

3/19/18 - FINANCE - BILL 170365, ETC.

neighborhood because they are an asset to the neighborhood, and they would be and would have to leave if they are not eligible for LOOP anymore.

I think that concludes my testimony, except may I make one more point? And this goes to my personal state, and I'm somewhat uncomfortable in telling you my living situation because, you know, we don't really want to just tell people everything. We want to act like we're better than we are or our situation is more secure than it is.

I was an engineer for the Streets Department for the Sanitation Division, and then it turned out that I got a life-threatening disease. So I had to go out on disability. New medicines came out. I regained some strength and then went and changed careers and became a school teacher for the School District of Philadelphia for about ten years. That kind of wore out the system a little bit, so currently right now I'm receiving

3/19/18 - FINANCE - BILL 170365, ETC.

Social Security disability and also a state pension. That income equals about $43,000, not very heavily taxed. Disability income is not very taxed. And then I do on my taxes a medical deduction and all that kind of stuff. So I get the $1,500 the feds take in taxes back.

So my point is, in looking at this, last year Social Security got an increase of 2 percent. So by 2023 I will no longer be eligible for the LOOP program if it remains at the 80 percent AMI.

One other thing that happened in my life recently is, I was in a relationship and I actually thought for a moment that, wow, what if I'm eligible to get married or there's a possibility that I could get married, and this individual that I was dating at the time, they work for a non-profit. They didn't make that much money, $23,000. And so, you know, you take my 43, you add 23, and you don't get enough money for us to live together,

3/19/18 - FINANCE - BILL 170365, ETC.

because then I would not have been eligible for LOOP.

So, you know, these figures sometimes are a little misleading, because if you're working, a third of your money goes to taxes. If your partners don't make a lot of money, then maybe they can't move in because they're not really helping you. They're going to add to your expenses. And then if they add to your expenses and you lose LOOP, well, then you're screwed two ways, I suppose.

So I guess my point is -- and I don't know if I was clear on what I'm trying to say -- is that the 150 percent AMI needs to stay, and that will allow people to stay in their homes and it will allow people like myself, which I hope one day to be married, to get married and not have to move.

Thank you very much.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank

3/19/18 - FINANCE - BILL 170365, ETC.

you.

MR. TAYLOR: Hello. Good afternoon. My name is Alan Taylor. I'm a resident of South Philly. I just want to say I was going to read this, but I'm just going to skip over it.

This 80 percent that you're talking about, just to give you in my opinion how dangerous it is for people, if you have somebody that's right on the threshold of this 80 percent that's on the LOOP program and you know like Ms. Shikomba said, you may need a relative to come care for you or maybe that relative just needs to come in your house because they need stuff too, you can have a relative working at McDonald's making minimum wage, full time, and that would disqualify you from the LOOP program. That's what I want you to think about. A minimum wage fast food job from another relative at 80 percent can disqualify you from LOOP program.

So meanwhile all around you,

3/19/18 - FINANCE - BILL 170365, ETC.

you know, these five, six, seven hundred thousand -- I mean, currently I just looked online. There's a property on 22nd and Arthur Street running at 780,000. How are people that's getting older, I mean that's really retiring, going to compete with people that's coming in with incomes with two, three, four, five hundred thousand dollars?

I mean, this is a safety net for us. That's what it is. It's a safety net. And I think that's why y'all go into politics, to help people, all people, not just people with fat pockets. We getting that up in the federal -- that's what we're seeing federally right now. The fat are getting fatter.

So the last thing I want to say is, I was reading an article by a young man, he did a dissertation on gentrification in the City of Philadelphia, and what he says is prior to what you think about gentrification, what it is is really resegregation.

3/19/18 - FINANCE - BILL 170365, ETC.

That's what it is. So all you're doing --

(Applause.)

MR. TAYLOR: And I'm not saying you personally, but I'm saying what gentrification is doing is just making an area that was historically black become historically white. Not historically, but it's now white. It goes from 100 percent black to 100 percent white. That's, you know, the bottom line.

I'm not saying -- you can take it for what you want, whether it's a good thing or bad thing or whatever. I'm sure for the people who are being displaced from their houses it's a bad thing.

I like to see us keep this safety net. That's all it is, a safety net. We still going to die. We still going to sell our homes. You know, we still going to move out just like people throughout the rest of the City, but right now Point Breeze is ranked number eighth nationally. 19146 is eighth

3/19/18 - FINANCE - BILL 170365, ETC.

nationally when it comes to gentrification. 19123 is four spots in front of that. I think that's Northern Liberties. It's ranked fourth nationally. But their median income is much higher than Point Breeze, because Point Breeze is predominantly black right now.

So I'm just saying, you know, before you vote, let's -- you know, Mr. Spence, Mr. Walt, he did his numbers thing. The guy from Finance, he did his numbers thing. But this is a human thing. You know, it's a human thing.

(Applause.)

MR. TAYLOR: That's what it is. It's a human thing. It's real people, real lives that you're dealing with. And I don't think the City of Philadelphia has enough money when seniors start losing their house, their homes because of this gentrification thing, the house, senior citizens and all the ailments they have.

3/19/18 - FINANCE - BILL 170365, ETC.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much.

MR. MARINO: Good afternoon, Councilwoman Blackwell and the other esteemed members of Council. My name is Joseph F. Marino and I am the President of the East Passyunk Community Center's Advisory Council. On an average month, we have about 80 seniors who use our facility regularly for knitting, bingo, Zumba, what-have-you, and of those 80 or so seniors, about 60 of them are on the LOOP program.

Everyone who spoke before me spoke so eloquently about how it impacts them financially, how it impacts them ethnically, how it impacts them on a racial level. I'm concerned about history. I'm worried that we're going to lose the Philadelphians I was born and raised with, because I live in a house that belonged to my great-grandparents, and I'm worried about the neighbors who

3/19/18 - FINANCE - BILL 170365, ETC.

are coming in, not just what they're doing to us financially but what we're doing to our culture as Philadelphians and our history as Philadelphians.

(Applause.)

MR. MARINO: As a human being and a christian, I'm worried about these people not having their homes. I mean, I'm not -- I don't want to oversimply what they're dealing with. People are dealing with the possible loss of their home. Except for the possible loss of your health, I don't think there's anything more frightening in your life than the possible loss of your home. But I'm also talking about our culture across the board.

I sit there on a weekly basis and listen to these seniors speak about what it meant to grow up in South Philly, and we have seniors of every background at our center, and how wonderful it is for them to experience the new neighbors moving in and teach them our ways. But

3/19/18 - FINANCE - BILL 170365, ETC.

it's also scary for them to think that in a moment's notice, they could lose their house because they can't afford to live in the house next door to the house that's now worth $900,000 when they paid 12,000 to buy their house back before World War II.

These seniors are terrified, and I have to deal with this on a regular basis because they look at me as a local authority. I wish I could have brought them all in by bus to you.

But the neighborhood in East Passyunk is changing, and change is just a natural progression, but it needs to go slowly, with an educated background, decisions that you make, educated as informed, not educated as in going to school. Educated as informed. They need to be informed of what's going on, and most of them did not know about LOOP until we brought it to their attention at the community center. It wasn't publicized. It wasn't made clear to

3/19/18 - FINANCE - BILL 170365, ETC.

people, and that's why it's got a cap on it and that's why there only are so many members.

But I just wanted to say that it terrifies me as a slightly younger person in this crowd that we're going to lose these people because they're going to be forced out of their homes. They're going to be forced out of their homes. So we're going to lose the beauty of living next door to these seniors and their wisdom and what they can teach us about their lives in Philadelphia.

(Applause.)

MR. MARINO: So from a -- I didn't want to repeat what everybody else said. I didn't want to repeat what everybody else said, because they all said it better than I could. But please take into consideration that we don't want to historically lose what has been South Philadelphia, what has been East Passyunk, Point Breeze. Before they were the neighborhoods they are now that the

3/19/18 - FINANCE - BILL 170365, ETC.

realtors used to sell them, they were the neighborhoods where my parents and grandparents and great-grandparents lived and these people live and they have lived for all these years. So let's try to save Philadelphia as we know it.

Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Councilwoman Reynolds Brown, did you have a question?

COUNCILWOMAN BROWN: Yes.

COUNCILWOMAN BLACKWELL: Wait a minute, gentlemen. We have a question here. Just a moment, gentlemen. We have a question.

COUNCILWOMAN BROWN: To all of those who testified, including our firecracker -- stand up, please.

(Applause.)

COUNCILWOMAN BROWN: It really, really does matter that you step away from your busy lives and show up here in City Council the way you all have done to give us your testimony, and it resonates in many more ways than you may think. It matters that you provide your personal stories. And particularly to the community leader where you have 80 seniors looking to you, that you showed up and given your voice on behalf of them, that really should not --

MR. MARINO: Thank you.

(Applause.)

COUNCILWOMAN BROWN: That really should not go unrecognized. It's been an eye-opener for me as an at-large member, and I pay attention closely to the anguish that District Councilmembers have to endure as they navigate issues like this. But I could not let you step away without me offering my own sense of gratitude for your testimony. It really does resonate. Thank you very much.

MR. MARINO: Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much.

3/19/18 - FINANCE - BILL 170365, ETC.

Laverne Johnson. We heard from Annette Barber; did we not? Was Joseph Marino -- was that his last name?

MR. MARINO: That was me, yes.

COUNCILWOMAN BLACKWELL: Thank you.

Kelvin Carrington and Atiba Kwesi. Next we have two more -- we have Tiffany Green. I don't know if there's anyone after that. So far as I know, we have called on everyone here, everyone who asked to testify. If you want to testify and we haven't called on you, then come right inside the gate and we'll get you.

(Witnesses approached witness table.)

COUNCILWOMAN BLACKWELL: Thank you very much. Good evening, all. Please identify yourself to the record in any order and begin your testimony.

MR. CARRINGTON: Good afternoon, Councilwoman Blackwell and the members of the Finance Committee. My

3/19/18 - FINANCE - BILL 170365, ETC.

name is Kelvin Carrington and I am currently on LOOP program.

I don't have to talk about numbers. We've done that. But originally the City said that they were trying to bring seniors back into the City, especially into the neighborhoods surrounding Center City because they would be more easily able to get to the cultural institutions, like the Academy of Music, the Art Museum. I don't see that. I see them coming in in the evenings in their cars and whatnot, but the people that live in these neighborhoods -- that moved into these neighborhoods are all young, pretty much so, and a lot of them I believe to be transient. I mean, there will be no stability in the neighborhood, because they're first-time jobbers who are going to have many jobs over their lifetime and they're going to move around, and a lot of them are young college students who are going to go back home or elsewhere

3/19/18 - FINANCE - BILL 170365, ETC.

when they graduate.

I need to know from Revenue Department, or whoever, who in the world actually owns all these houses. They are actually structurally deficient. They're overpriced. I don't know who came up with the term "fair market value." It's a total misnomer, because market values are artificially inflated. I mean, they actually had the nerve to come to community meetings and say that, I am from New York real estate reinvestment firm. I want to put a bench in front of your house to raise the property value.

When I asked the gentleman why you want to put a bench in front of my house to raise my property value? You going to come in here and pay my taxes when they go up?

The gentleman's response was, there's always one in every group.

I said, yeah, because I want to question your reasoning. You coming in here. They buying these houses by bulk.

3/19/18 - FINANCE - BILL 170365, ETC.

That's what I believe. I believe that a lot of people are paying rent in these homes, because I don't see how in the world they could afford to buy these homes at the level -- the pricing levels, because they don't make that much money. So I guess I am talking about money.

Well, to do a little bit of Jesse Jacksonism, this young lady in New York came up with this phrasing: There's relocation, gentrification, isolation. And I'd like to add, where is the diversification that they claim they want across this country? It just does not exist.

Pretty much -- I mean, I believe -- like I believe in saving nature, saving animals and everything else, but who is going to save us? And when you run out of us, I guess we have enough people that have actually moved in from other countries -- we have a better foundation of education -- that maybe they think they don't need us anymore. I

3/19/18 - FINANCE - BILL 170365, ETC.

don't know.

Pretty much that's what I have to say.

Oh, one more -- no. One more thing. I did say that, but I really would like to know if anybody could help me out, Councilman Johnson or Finance Committee, with finding out who actually owns these properties, because it's totally unfair that you can go on the computer and find out all my housing information, including what I bought it for, what it's currently assessed at, how much tax I have to pay on it, but I can't go in there and look up One Liberty Place or the store on the corner. I think something really needs to be done about that. If you can know all my business, I should be able to know your business, especially since you're in business and I'm not. I'm a private citizen.

Thank you very kindly.

(Applause.)

MS. JOHNSON: All right. Good

3/19/18 - FINANCE - BILL 170365, ETC.

afternoon to all the panel of the Council. I'd like to go through all that part, but, listen, I'm a longtime --

COUNCILWOMAN BLACKWELL: Give your name, please.

MS. JOHNSON: Oh, I'm so sorry. Laverne Johnson. I'm so sorry. Laverne Johnson, and I live at 2200 block of Montrose Street. Been a South Philadelphian all my life, all my entire life. I love South Philly, ain't trying to go nowhere, and I'm going to stay here as long as I can.

That brings me to another point, and that point is, I am on the LOOP program. I am on the LOOP program. I am -- I'm forgetting my age -- 62. I'll be 63 soon. So at the end of 2023, I'm going to be 69. Where am I going to go? Where? What am I going to do? I'm already -- I am disabled. I may not look like that to many people, but I am considered disabled. I really, really am. However, but now where am I going to

3/19/18 - FINANCE - BILL 170365, ETC.

go? I mean, like please -- go where? I can walk different little places. I can do things that I've always seen and done all my life, but getting back -- here's the main point I want to say, and that is this: I owned my property for -- and I'm very proud of it, because I didn't make a whole lot of money all my life. So I'm very proud to have purchased that property. That is one of my little tidbits for me. I'm so thankful that God blessed me to get that little house. I call it my little dollhouse, and it's just enough for me, and I thank God for that, but I've never had to go on a payment plan. But what will happen if numbers change and this, that, and the other change, I will no longer be able to have LOOP. I won't be able to have LOOP, and I'm going to lose the LOOP program. I won't have it. So what I have to do is start to pay on a payment plan.

Now, here's a person that have been able to pay their taxes for over 19

3/19/18 - FINANCE - BILL 170365, ETC.

years, and now I have to go to a payment plan as a result of something being provided for me to help me and then turn around and take it out. You put it in with a spoon and take it out with a shovel. Take it out with a shovel, and then I have to get on the program and pay that, because I would not be able to pay $2,500 for my real estate taxes at the end of 2024, taking me from $800. That's a big jump, and you heard me say I am disabled. My income ain't -- it ain't changing. Where I'm going? What am I going to do?

I need help. I need help, like hundreds of others. It's one-third left in that -- well, on the north side of Washington Avenue, it's a third, and most of them are senior citizens. You know, like I'm considered I'm over there now. I wasn't, but I'm over there now. Keep on living, you'll be over there too. All of us will. And I need not only myself but the community needs help.

You heard all of the testimonies. It really is a humanities, a human thing. It's a human thing. And we're here in flesh and blood presenting a human issue.

Thank you so very much to all the Councilmembers and all of you that stood for this bill or representing and backing this bill up, which is 12 of our Councilpeople, and I'd like to applaud you personally. I love that. And there's five that I don't know where you at, on the fence, behind the fence, under the fence or where, but I would just say let God touch your heart and see what's right in front of you.

Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you.

Before the next person speaks, the Chair recognizes Councilman Kenyatta Johnson.

COUNCILMAN JOHNSON: Thank you,

3/19/18 - FINANCE - BILL 170365, ETC.

Madam Chair.

COUNCILWOMAN BLACKWELL: Thank you.

COUNCILMAN JOHNSON: So I'm the original author of this bill to allow individuals to have the LOOP program for the lifetime of them owning their homes until either they sell their homes or someone pass away. Based upon the advocacy of the constituents primarily who are in this room who are addressing the issue of gentrification not only in Point Breeze but also the Graduate Hospital area and I also know that there's a lot of gentrification taking place in the East Passyunk area as well, I always also like to negotiate in good faith with individuals, but even going through this process and learning information, I'm allowed to have my thought process evolve as well. And so I'll deal with the Administration in the near future or have a conversation with the Mayor as well and his team, but I'm

3/19/18 - FINANCE - BILL 170365, ETC.

going to ask for the bill to be passed throughout Committee at the 150 percent rate, which was originally planned based upon the legislation as it was started.

(Applause.)

COUNCILMAN JOHNSON: Surely if we find ways -- and I talked to Walt about this the other day. There's a variety of different ways where we find -- we find the willpower as the City to provide tax breaks for a variety of different entities. We put together a great package for Amazon to come here to the City of Philadelphia. I chair -- I sit on the Board of Philadelphia Industrial Development Corporation and I oversee development taking place down at the Philadelphia Navy Yard. We created a safe environment for developers to come and build in that capacity. I've signed legislation for Keystone Opportunity Zones all throughout my district to allow businesses to come and not pay taxes for a period of time.

3/19/18 - FINANCE - BILL 170365, ETC.

And so, again, I always like to negotiate with individuals in good faith. I did talk to the Administration about where I was at at that particular time as it relates to the numbers, but going through this process and working with my colleague who lives on the east side of Broad, Mark Squilla, last night, we were up at an event up at the Hilton Hotel and we had a real long conversation about what the numbers look like but, most importantly, my primary number one concern is to represent the constituents who have sent me here to do my job. And everyone who is here primarily advocating for this bill to keep it at 150 percent, to be quite frank with you, are the individuals who came with me with the idea from the beginning, from day one, saying can we make this be life long, and we started this process, the advocacy, to make sure long-term residents, regardless of their background, have an opportunity to stay inside their homes.

3/19/18 - FINANCE - BILL 170365, ETC.

I think as a body moving forward with the Administration, we'll find ways to kind of move around and fill in the gaps, if there is any, as it relates to moving forward.

So I just wanted to state that for the record.

Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much. Thank you very much.

The next person. I understand there was one more person that Councilman said who wanted to testify. Is that so? Well, come forward the two of you and that will be it for those testifying today.

Thank you very much. Sir, you're next.

MR. KWESI: Good afternoon.

COUNCILWOMAN BLACKWELL: Good afternoon.

MR. KWESI: To everyone. My name is Atiba Kwesi. I am the President

3/19/18 - FINANCE - BILL 170365, ETC.

of the West Philly Voting Block, and we talked about -- we heard a lot about statistics today, so I want to start with a few statistics that I didn't hear.

The paper that I gave out to the Council and some of the audience here and people that have spoken, this paper is a copy of something that I was given at one of the fundraisers for one of the State Reps. I live in the 192nd District. So that's the district I looked up and that's the district that I wanted to show the map.

If you look at the top, it says tax delinquent owner-occupied properties. These are people in the 192nd who live in their homes. If you look down the bottom on the left-hand side, it has a blue dot and it says delinquent homeowners and it has a red flag and it says seniors. If you look to the right, the list at the top, it says tax delinquent owner-occupied properties by house district. The first list is all the legislative districts. The second list is the number of people who are in that legislative district that are tax delinquent. The third list, it shows how many of those people are seniors and what the percentage of seniors are in each one of those legislative districts. I would like for everybody to look at the bottom where it says total. It says 28,265 citizens of Philadelphia who are tax delinquent right now and are in jeopardy of losing their homes. And it says that 6,157 of those citizens are seniors.

We were talking about the statistics of the LOOP program. There are twice as many people right now about to lose their homes, almost twice as many, as there are who are in the LOOP program. I think somebody said there's 16,000, is that correct, 16,000 in the LOOP program? It's 28,000 delinquent taxpayers about lose their homes and 6,000 of them are senior citizens. That's almost half of the people that's already in the LOOP program and they're talking about reducing it? Really?

I live in Overbrook and I'm on the dividing line between Overbrook and Carroll Park, and I went to a police captain's meeting at the 19th District, and the police captain told me -- he made a statement that in our area from City Line to Market Street, from 67th Street to 52nd Street, he said that 41 percent of the people living there make $20,000 or less a year. One of the Councilpeople said the average -- I think it was you that said the average salary in Philadelphia is 40,000. Well, not in my neighborhood. It's half that. Okay? Almost 50 percent of people in my neighborhood -- so when these developers come in talking about affordable housing, affordable for who? For the residents who have been living there or the people they plan to bring in? That's the question for me. When they come to you and say we're going to build affordable

3/19/18 - FINANCE - BILL 170365, ETC.

housing in this part, affordable for who? That's my first question.

Then I want to ask -- I think it was Councilwoman Blondell Reynolds Brown that said -- she spoke about how do people get notified of the different programs. Friday we had a meeting, and there was a woman from the Philadelphia Revenue Department that came, and her name was Vicky Reilly, and she told us about six programs that the City has to deal with mostly seniors losing their homes, but people in general, how they can keep their homes. Well, we had 28,000 people who evidently don't know about those programs.

So when we start talking about all these programs that we have and how we need to get these people in, my question is, how are they going to know? What happened to public service announcements on the television and the radio? I don't hear them. I heard a public service announcement from the

3/19/18 - FINANCE - BILL 170365, ETC.

federal government about something you can -- some tax break you can get on your house, on a homeowner, but I don't hear anything from the City or the City Council on my television or my radio about all these programs that we have.

If I'm correct, they said that the LOOP program is closed. So none of the people on here can even get in, can even seek any help. And I need to add that they are having sales of these properties this month. They had two sales already on the 8th, which was Thursday a week ago, and last Wednesday they had a sale of these people that -- tax delinquent homes. They have a list of them. I can have that printed up and given to each one of the Councilmembers. They have dates for tax delinquent collection sales. And then on April the 3rd, they're having Sheriff Sales. Although the Sheriff's Department handles both, they are categorized differently.

Twenty-eight thousand people in

3/19/18 - FINANCE - BILL 170365, ETC.

the City losing their homes and we talking about shutting some programs down or reducing the program? And it's only half of that many in the program? Something seems wrong with that to me. I'm really kind of questioning who came up with the idea that it was time to stop the program or close it and who came up with the idea that we needed to roll it back with all of these people in jeopardy?

How are we going to help these people? They're losing their homes now, right today. This month they are having sales for these homes. We are asking -- and 6,000 seniors, 6,000 of the people that you see here today about to be put in the street and somebody going to come and buy their house and tear it down or redo it and sell it for $500,000. Really?

My grandmother -- I was one of the first black people to move into West Philly on the 1700 block of 62nd Street.

3/19/18 - FINANCE - BILL 170365, ETC.

We were the fourth black family in 1963. I went to Overbrook Elementary. It was 90 percent white. I graduated in '72. It was 99 percent black. Now they talking about regentrification. I looked the word up. Regentrification. Gentrification. Gentrification was something that came from the knights and the lords and the dukes. They would go out into the wilderness and they'd find a place and they'd gentrify it. They'd make it good for living for them. So what does regentrification mean? You going to come in to the hood and clean it up and make it what's livable for you and kick everybody else out who you don't feel as though is worthy? Because that's what the word means, gentrification, regentrification.

When I moved here --

COUNCILMAN JOHNSON: If you want us to pass the bill at 150 percent --

MR. KWESI: Thank you, Brother,

3/19/18 - FINANCE - BILL 170365, ETC.

but I got one more thing to add. I got one more thing to ask, please. This is why I went and got this. I wish I could have got enough copies, but I'm a poor man. I got as many copies I can get, and I was glad that the people here -- some of the Councilpeople had their people make some more copies.

We need to have some solutions to this problem while we're here. If we pass the bill at 150 percent, are we going to open the program up so that some of these people can get saved? Twice as many people we have in the program now are losing their homes. So how can we brag about a program we have when we only have a third of the people who need the help --

COUNCILMAN JOHNSON: Madam Chair, can I do a point of information, please.

COUNCILWOMAN BLACKWELL: Please. Yes, sir.

COUNCILMAN JOHNSON: So,

3/19/18 - FINANCE - BILL 170365, ETC.

listen, I'm just as passionate with you. We all grew up in these same type neighborhoods. I'm still in Point Breeze. I look at the issue of gentrification that's going on. I'm very passionate about you just as well, but just for the record, we're here for the LOOP program, right? And just to give you some additional information, even if we did open up the program for these individuals that are on the list, first of all, you have to see if they fit the criteria. Do you know if every person on here lived in their home for more than ten years and their tax has tripled?

MR. KWESI: I know three people.

COUNCILMAN JOHNSON: Okay. Well, those three people, maybe you can have a conversation with the Revenue Department. They're here. We can go from there. But if you don't mind, could we just focus on LOOP. They want it at 150 percent. We're going to get that done. And I'll follow up with you personally myself and work with you with the delinquent issues. You gave us some ideas about maybe the possibility of the amnesty component. So maybe we'll have a further conversation, if you don't mind.

MR. KWESI: Thank you. I appreciate that.

COUNCILMAN JOHNSON: If that's okay.

MR. KWESI: I appreciate that.

COUNCILWOMAN BLACKWELL: Thank you very much.

COUNCILMAN JOHNSON: And I hear everything that you said, and I'm taking it all in and all of us are as a panel. We just want to try to stay focused on task so we can kind of --

COUNCILWOMAN BLACKWELL: Thank you very much.

MR. KWESI: No problem.

COUNCILWOMAN BLACKWELL: Thank you very much, Mr. Kwesi.

All right, ladies. I think

3/19/18 - FINANCE - BILL 170365, ETC.

you're next.

MS. GREEN: Hi. I'm just going to piggyback on what he said right now. Tiffany Green, and I am from Point Breeze.

So the thing about it is, is that -- I'm going to keep it very short because I know we have other hearings coming up on the 29th to discuss Point Breeze. But the thing about it is is this: Let's get down to the solutions. I don't think we should -- it pains me to hear people have to come here and say all this about gentrification when we really don't need to do it, because the question is this: If you create the problem, then you should be willing to do the solution. The question is this: Did you vote for the five increases for AVI? Because if you voted for the five increases of AVI, then you understand why we have this problem. Did you vote for the ten-year tax abatement? Did you vote for this to happen? If you pro new development, then

3/19/18 - FINANCE - BILL 170365, ETC.

you know this is happening. So let's talk about the solutions.

The solution is this: Number one, we need to have open access. If you are issuing permits for new development every day, outside developers can come into Philadelphia and go down to the tax abatement office and get a tax abatement, then Philadelphians should be able to go down and get on LOOP every day.

Number two --

(Applause.)

MS. GREEN: Number two, why do we have to live ten years -- well, it's ten years. I understand that, because so we can have existing residents. But why does it have to be three times our taxes? Because if you live below Reed Street, Reed Street, you were not increased -- and I'm talking to Councilman Johnson on this. You were not increased three times your rate at the time of opening the LOOP. So since you weren't increased at the time three times your rate, many

3/19/18 - FINANCE - BILL 170365, ETC.

people did not qualify for LOOP. So a lot of the people in Point Breeze that live from like Reed Street all the way back does not qualify for LOOP because their taxes hadn't yet reached three times the rate.

The question is this: Why do we have to go three times the rate to qualify for LOOP? The developers don't have to do three times to get a tax abatement. The developers don't have to wait for a program to be closed -- you didn't close down tax abatement office yet. Why are we as pro people being limited to access, but yet you want to keep the candy store open for the developers? That's just not right.

(Applause.)

MS. GREEN: So let's make it a level playing field. Okay?

The other issue that I have a concern -- the reason why I'm asking, because I'm saying that this should not be voted on right now. It should wait

3/19/18 - FINANCE - BILL 170365, ETC.

until after the hearings on the redlining, and the reason why I say that is because that both of them have a direct correlation to each other, relationship to each other.

And my other concern is this: If you live in your house and your parent die, okay, and they transfer it over to the child at that particular point or if you inherit -- if you inherit a house and you got two houses or three houses at the most, let's say three houses at the most, what you let your relative live in, you got a sister with three kids. You know she ain't doing right, so she live in one house. And then you got a brother, because you know he can't keep a job, and he live in the other house. So, therefore, at that point, then therefore you should be able to qualify for LOOP. As long as it's not income-producing, then you should be able to qualify for LOOP, because you want to keep those houses in your family. It took a long

3/19/18 - FINANCE - BILL 170365, ETC.

time for us to obtain housing.

So I think that this bill needs to be amended right due to the fact of the redlining report and everything, because let's make it a level playing field. Why pass this through -- and it just takes amendments. Why pass this through as it is when it's not really helping everybody at this particular point? Because two houses and you living in one house, then we should be able to qualify for LOOP too. Okay? That's not fair to make it limited at this particular point.

And the last thing I want to talk about is the fact that the developers are block-busting. They're block-busting intentionally. They putting houses on each block so that when the time of assessments, that we all can be reassessed. So if they're doing block-busting intentionally, then you know what, then LOOP should be open. It should be open, period. There should not be no limit. Like I said, as long as you issuing those tax abatements, then at this particular point, that should be it.

COUNCILWOMAN BLACKWELL: Thank you.

MS. GREEN: That's all I'm asking for at this point. Okay? Thank you.

COUNCILWOMAN BLACKWELL: Thank you.

MS. GREEN: Anything else, unfair treatment.

COUNCILWOMAN BLACKWELL: Thank you.

Ma'am, give us your name.

MS. DAVIS: My name is Barbara A. Davis and I am a South Phillian, been born and raised in South Philly all my life. I bought a house back in 1974 in the 19146 zip code area, which is a very -- they had a write-up in the paper about that zip code because that was the most valuable development and the fastest -- one of the fastest in the City

3/19/18 - FINANCE - BILL 170365, ETC.

that they are putting these houses up.

I just want to say that I need LOOP. I'm retired, and when I did retire, I was -- before I retired, I had work done in my house, like make sure my roof was okay so that I knew that I would try to be able to afford sitting back and sort of relaxing.

When I got my tax bill and they went up on everybody's taxes because the assessment values went up and the house next door to me, which was 300,000 at that time, they assessed mine for the same amount. That house was three-story, built from the ground up, with a deck. My house is two-story, old house. It's probably about 100 years old by now. It's probably built in the early 1900s. When I got my tax bill, I was very upset, because I just thought it was a no win-win situation. When I appealed it and everything got straightened out and they brought the LOOP, I was -- it was a lot of weight off my shoulders.

3/19/18 - FINANCE - BILL 170365, ETC.

I need LOOP. We need to do the 150 percent so that we can benefit from that and -- I mean, the abatements are still going on. There's no timeframe. They put a ten-year cap on us from 2013 to 2023, which I thought was unfair, and they still have abatements going on and they haven't stopped them. So why should we get thrown in the street or limited to what our income is?

I just want to say that I'm hoping that everything gets passed, and we need it. A lot of seniors need it. I'm not the only one.

Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much. We thank all of you for coming, all of you for testifying. That's going to complete our public hearing for today. We're going to enter into our public meeting.

The Chair calls on Councilman Greenlee for a motion with regard to Bill

3/19/18 - FINANCE - BILL 170365, ETC.

170365.

COUNCILMAN GREENLEE: Thank you, Madam Chair. I move that Bill No. 170365 be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that Bill No. 170365 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended so as to permit first reading of this bill at the next session of Council.

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

(Aye.)

COUNCILWOMAN BLACKWELL: Those opposed?

(No response.)

COUNCILWOMAN BLACKWELL: The

3/19/18 - FINANCE - BILL 170365, ETC.

ayes have it and the motion carries. Bill 170365 will be reported from this Committee with a favorable recommendation and also that the rules of Council be suspended so as to permit first reading at our next session of Council.

The Chair now recognizes Councilman Greenlee for a motion with regard to 170901.

COUNCILMAN GREENLEE: Thank you, Madam Chair. I move that Bill No. 170901 be reported out of this Committee with a favorable recommendation and further move that the rules of Council be suspended to allow for first reading at our next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that Bill No. 170901 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended so as to permit first reading at our next session of

3/19/18 - FINANCE - BILL 170365, ETC.

Council.

All those in favor will say aye.

(Aye.)

COUNCILWOMAN BLACKWELL: Nay?

(No response.)

COUNCILWOMAN BLACKWELL: The ayes have it and the motion carries. Bill No. 170901 will be reported from this Committee with a favorable recommendation and also a recommendation for suspension of the rules so as to permit first reading at our next session of Council.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you. The Chair recognizes Councilmember Greenlee for a motion on the amendment to Bill No. 171110.

COUNCILMAN GREENLEE: Thank you, Madam Chair. I offer an amendment to Bill No. 171110. A copy of the amendment has been circulated to all members. I move for the adoption of the

3/19/18 - FINANCE - BILL 170365, ETC.

amendment.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that the amendment to Bill No. 171110 be approved.

All those in favor of the approval will say aye.

(Aye.)

COUNCILWOMAN BLACKWELL: Opposed?

(No response.)

COUNCILWOMAN BLACKWELL: All right. The Chair again recognizes Councilman Greenlee for a motion to Bill 171110, as amended.

COUNCILMAN GREENLEE: Thank you, Madam Chair. I move that Bill No. 171110, as amended, be reported out of this Committee with a favorable recommendation, the rules of Council be suspended to allow for first reading at our next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has

3/19/18 - FINANCE - BILL 170365, ETC.

been moved and properly seconded that Bill No. 171110, as amended, be reported from this Committee with a favorable recommendation and also a recommendation for a suspension of the rules so as to permit first reading at our next session of Council.

The Chair recognizes Councilman Greenlee -- all those in favor will say aye.

(Aye.)

COUNCILWOMAN BLACKWELL: Opposed?

(No response.)

COUNCILWOMAN BLACKWELL: The ayes have it and so the bill is reported out with a favorable recommendation and suspended so that -- the rules suspended so that it can be heard at our next session of Council.

The Chair now recognizes Councilman Greenlee for a motion on Bill No. 171111.

COUNCILMAN GREENLEE: Thank

3/19/18 - FINANCE - BILL 170365, ETC.

you, Madam Chair. I move that Bill No. 171111 be reported out of this Committee with a favorable recommendation and that the rules of Council be suspended to allow for first reading at our next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that Bill No. 171111 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended so as to permit first reading of this bill at our next session of Council.

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

(Aye.)

COUNCILWOMAN BLACKWELL: Those opposed?

(No response.)

COUNCILWOMAN BLACKWELL: The ayes have it and the motion carries. Bill No. 171111 will be reported from

3/19/18 - FINANCE - BILL 170365, ETC.

this Committee with a favorable recommendation and a request that the rules of Council be suspended so as to permit first reading at our next session of Council.

The Chair now recognizes Councilman Greenlee for a motion on the amendment to Bill No. 180002.

COUNCILMAN GREENLEE: Thank you, Madam Chair. I offer an amendment to Bill No. 180002. A copy of the amendment has been circulated. I move for the adoption of the amendment.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that the amendment to Bill No. 180002 be approved.

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

(Aye.)

COUNCILWOMAN BLACKWELL: Those opposed, nay.

(No response.)

COUNCILWOMAN BLACKWELL: The

3/19/18 - FINANCE - BILL 170365, ETC.

motion carries and Bill No. 180002 has been amended.

The Chair again recognizes Councilman Greenlee for a motion on Bill No. 180002, as amended.

COUNCILMAN GREENLEE: Thank you, Madam Chair. I move that Bill No. 180002, as amended, be reported from this Committee with a favorable recommendation and that the rules of Council be suspended to allow for first reading at our next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that Bill No. 180002, as amended, be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended so as to permit first reading of this bill at our next session of Council.

All those in favor will say aye.

(Aye.)

3/19/18 - FINANCE - BILL 170365, ETC.

COUNCILWOMAN BLACKWELL: Any nays?

(No response.)

COUNCILWOMAN BLACKWELL: The ayes have it and the motion carries. Bill No. 180002, as amended, will be reported from this Committee with a favorable recommendation, also with a rules suspension so as to permit first reading at our next session of Council.

The Chair now recognizes Councilman Greenlee for a motion on Bill No. 180010.

COUNCILMAN GREENLEE: Thank you, Madam Chair. I move that Bill No. 180010 be reported from this Committee with a favorable recommendation and that the rules of Council be suspended to allow for first reading at our next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that Bill No. 180010 be reported from this

3/19/18 - FINANCE - BILL 170365, ETC.

Committee with a favorable recommendation and further moved that the rules of Council be suspended so as to permit first reading at our next session of Council.

All those in favor say aye.

(Aye.)

COUNCILWOMAN BLACKWELL: Opposed?

(No response.)

COUNCILWOMAN BLACKWELL: The ayes have it, the motion carries, and Bill No. 180010 will be reported from this Committee with a favorable recommendation and with a request for a rules suspension so as to permit first reading at our next session of Council.

The Chair now recognizes Councilman Greenlee for a motion on Bill No. 180096.

COUNCILMAN GREENLEE: Thank you, Madam Chair. I move that Bill No. 180096 be reported from this Committee with a favorable recommendation and

3/19/18 - FINANCE - BILL 170365, ETC.

further move that the rules of Council be suspended to allow for first reading at our next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that Bill No. 180096 be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended so as to permit first reading of this bill at the next session of Council.

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

(Aye.)

COUNCILWOMAN BLACKWELL: Those opposed, nay.

(No response.)

COUNCILWOMAN BLACKWELL: The ayes have it, the motion carries, and Bill No. 180096 will be reported from this Committee with a favorable recommendation and a request that the rules of Council be suspended so as to

3/19/18 - FINANCE - BILL 170365, ETC.

permit first reading at our next session of Council.

The Chair now recognizes Councilwoman Parker for a motion on the amendment to Bill No. 180138.

COUNCILWOMAN PARKER: Thank you, Madam Chair. I offer an amendment to Bill No. 180138. A copy of the amendment has been circulated to all members of the Committee. I move for the adoption of the amendment.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that the amendment to Bill No. 180138 be approved.

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

(Aye.)

COUNCILWOMAN BLACKWELL: Those opposed, nay.

(No response.)

COUNCILWOMAN BLACKWELL: The motion carries, and Bill No. 180138 has been amended.

3/19/18 - FINANCE - BILL 170365, ETC.

The Chair again recognizes Councilwoman Parker for a motion on Bill No. 180138, as amended.

COUNCILWOMAN PARKER: Thank you, Madam Chair. I move that Bill No. 180138, as amended, be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that Bill No. 180138, as amended, be reported from this Committee with a favorable recommendation and further moved that the rules of Council be suspended so as to permit first reading of this bill at our next session of Council.

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

(Aye.)

COUNCILWOMAN BLACKWELL: Those

3/19/18 - FINANCE - BILL 170365, ETC.

opposed, nay.

(No response.)

COUNCILWOMAN BLACKWELL: The ayes have it, the motion carries, and Bill No. 180138, as amended, will be reported from this Committee with a favorable recommendation and a request that the rules of Council be suspended so as to permit first reading at our next session of Council.

The Chair now recognizes Councilman Domb for a motion on Bill No. 180139.

COUNCILMAN DOMB: Thank you, Madam Chair. I move that Bill No. 180139 be reported from this Committee with a favorable recommendation and further move that the rules of Council be suspended to permit first reading of this bill at the next session of Council.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and properly seconded that Bill No. 180139 be reported from this

3/19/18 - FINANCE - BILL 170365, ETC.

Committee with a favorable recommendation and further moved that the rules of Council be suspended so as to permit first reading of this bill at our next session of Council.

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

(Aye.)

COUNCILWOMAN BLACKWELL: Those opposed, nay.

(No response.)

COUNCILWOMAN BLACKWELL: The ayes have it, the motion carries, and Bill No. 180139 will be reported from this Committee with a favorable recommendation and a request that the rules of Council be suspended so as to permit first reading at our next session of Council.

That completes all of this. I thank all members of the Committee. Thank you. Thank you all very, very much.

Thank you to those who came and

testified, and that means that we will be recessed.

(Committee on Finance concluded at 4:15 p.m.)

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CERTIFICATE

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

MICHELE L. MURPHY
RPR-Notary Public

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