

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING AND PUBLIC MEETING
4 BEFORE COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

5 - - -
6 Room 400, City Hall
7 Philadelphia, Pennsylvania
8 Monday, 11/19/01
9 10:30 a.m.
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11 RES. 010218 - Authorizing the Committee on Commerce
12 and Economic Development to hold hearings which
13 investigate the planning process, the 1997 HOPE VI
14 application, and the current proposed development plan
15 for the Schuylkill Falls Public Housing Authority site
16 in order to determine if the current proposed
17 development plan conforms to the 1997 application
18 submitted to and approved the U.S. Department of
19 Housing and Urban Development, and to further
20 determine the extent to which any amendments,
21 development agreements, or any other documents related
22 to this HOPE VI award materially modify any of the
23 commitments, representations, or promises made to the
24 Schuylkill Falls Tenant Council, the East Falls
25 Community Council, public officials, or other
interested parties; and further authorizing the
committee to issue subpoenas as may be necessary to
compel the attendance of witnesses and the production
of documents to the full extent authorized under
Section 2-401 of the Home Rule Charter in furtherance
of such investigation.

PRESENT: Councilman Michael A. Nutter, Chairman
Councilman Frank DiCicco, Vice Chair
Councilman Darrell L. Clarke
Councilman Angel Ortiz

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1 11/19/01 COMMERCE & ECONOMIC DEVELOPMENT MEETING

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2 COUNCILMAN NUTTER: Good morning. This is
3 a hearing by the Committee on Commerce and Economic
4 Development. To my left is Councilmember DiCicco,
5 Vice Chair of the committee, and I'm Councilman
6 Nutter, Chair of the committee. We are convening
7 today to take testimony with regard to Resolution
8 No. 010218.

9 THE CLERK: Resolution No. 010218, a
10 resolution authorizing the Committee on Commerce and
11 Economic Development to hold hearings which
12 investigate the planning process, the 1997 HOPE VI
13 application, and the current proposed development
14 plan for the Schuylkill Falls Public Housing
15 Authority site in order to determine if the current
16 proposed development plan conforms to the 1997
17 application submitted to and approved the U.S.
18 Department of Housing and Urban Development, and to
19 further determine the extent to which any
20 amendments, development agreements, or any other
21 documents related to this HOPE VI award materially
22 modify any of the commitments, representations, or
23 promises made to the Schuylkill Falls Tenant
24 Council, the East Falls Community Council, public
25 officials, or other interested parties; and further

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2 authorizing the committee to issue subpoenas as may
3 be necessary to compel the attendance of witnesses
4 and the production of documents to the full extent
5 authorized under Section 2-401 of the Home Rule
6 Charter in furtherance of such investigation.

7 COUNCILMAN NUTTER: Thank you.

8 Let me just make a couple opening remarks,
9 and we have a list of individuals who were either
10 invited or who have confirmed to be here with us
11 today. If you are not sure if your name is on the
12 list, please see the clerk of the committee so that
13 we can make sure that anyone who wishes to have the
14 opportunity to testify will be able to do so.

15 From my perspective, the primary purpose
16 of today is to try to get a better understanding if
17 not get to the bottom of a whole host of questions
18 that have been asked over time with regard to this
19 development, both from its inception with regard to
20 the application the items that were material to that
21 application and which the community supported at the
22 time of application.

23 It appears that a number of things have
24 happened along the way, and I think to the greatest
25 extent possible, I'd like to stay focused on what

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2 those issues are, how we might be able to reasonably
3 resolve them, and ultimately get, at least in my
4 opinion, the best possible development at a quite
5 unique site in a good neighborhood here in the City.
6 To the extent that there may be constraints or
7 restrictions or other issues, I think we need to try
8 to explore them as much as possible, figure out what
9 hurdles we may have to overcome, and then get to
10 again what I think is the ultimate bottom line -- a
11 good development, if not a superior development, for
12 not only residents of that particular newly
13 developed site but also the surrounding
14 neighborhood.

15 Having said that, first on today's
16 agenda -- we recognize Councilman Clarke, who has
17 just joined us as a member of the committee. We
18 initially were anticipating the presence of
19 Mr. Michael Levine, Acting Secretary's
20 Representative for the Mid-Atlantic Region of the
21 Office of Housing and Urban Development for the
22 agency nationally known as HUD. I received a letter
23 this morning from Mr. Levine, which I will read into
24 the record, and the letter will become a part of the
25 today's record.

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2 This is dated November 19th, it's
3 addressed to myself.

4 "Dear Mr. Nutter: Thank you for your
5 invitation to provide testimony at your City Council
6 hearing on the Schuylkill Falls HOPE VI grant. I
7 regret that I am unable to accept your invitation at
8 this time, particularly in view of the pending
9 lawsuit related to this grant that names HUD as a
10 defendant.

11 "The intent of the HOPE VI program is to
12 replace severely distressed public housing with
13 mixed-income communities of opportunity. In cities
14 across the United States, HOPE VI developments have
15 revitalized neighborhoods, improved housing, and
16 helped families become self-sufficient. Former
17 residents either secure units within the revitalized
18 development or receive Housing Choice Vouchers which
19 allow them to live affordably in housing they locate
20 in neighborhoods they choose.

21 "The Department of Housing and Urban
22 Development has previously addressed issues related
23 to the Schuylkill Falls HOPE VI grant. The attached
24 was a response to a letter from an East Falls
25 resident.

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2 "If you have additional questions
3 concerning the Schuylkill Falls HOPE VI, I invite
4 you to submit them in writing and we will respond
5 accordingly. Thank you again for your kind
6 invitation."

7 (Copy of Levine letter
8 attached hereto.)

9 COUNCILMAN NUTTER: Just by way of
10 additional information, the letter that the
11 Secretary's Representative made reference to, the
12 attachment was a letter that was dated August 14,
13 2001 from the Secretary's Representative to a
14 constituent. Her name is Ms. Linda T. Kish, and
15 that was in response to a letter that she wrote to,
16 it appears, Secretary Martinez back in July of 2001.
17 These both of these letters will be entered into the
18 record for today's proceedings.

19 (Copy of Kish letter attached
20 hereto.)

21 COUNCILMAN NUTTER: We have two other
22 items of written testimony which we will enter into
23 the record. They are by former residents of
24 Schuylkill Falls.

25 And at this time, I would ask somewhat in

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2 a panel fashion -- and I'll leave it to the -- I'll
3 leave to it my constituents to figure out who they
4 want to have go first.

5 Mr. Richard Lampert, President of the East
6 Falls Community Council; Ms. Trellie Johnakin,
7 President of the Schuylkill Falls Tenant Council;
8 Miss Carolyn Sutton, President of the East Falls
9 Development Corporation; and Miss Julie Camburn,
10 President of the East Falls Business Association.
11 If those four individuals could come up to the
12 witness table.

13 (Witnesses come forward.)

14 COUNCILMAN NUTTER: I'm also informed, at
15 least presently -- and again, as people come in, if
16 they could let Miss Chapman know of your presence
17 and your interest in testifying. I understand that
18 we have Doris Woods, Roxanne Destout, and Prince
19 Muhammad-El. those individuals will have an
20 opportunity to testify as well if they choose.

21 MS. GREENFIELD: Good morning, Councilman
22 Nutter. My name is Meg Greenfield. I was
23 specifically asked to read to this committee the
24 statement from one of the former tenants and not
25 just -- unless you're going to read the whole thing

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2 into the record, I would like an opportunity to do
3 that.

4 COUNCILMAN NUTTER: Absolutely.

5 MS. GREENFIELD: Thank you.

6 COUNCILMAN NUTTER: That was the written
7 testimony that I referred to earlier; I just didn't
8 say whose it was. That would have been on my list.
9 I have that there's written testimony from Ms.
10 Martha Hackett, former resident of Schuylkill Falls;
11 as well as Miss Portia Harrison, former resident of
12 Schuylkill Falls. We have written testimony from
13 those two individuals that will be read into the
14 record.

15 (Hackett and Harrison letters
16 attached hereto.)

17 COUNCILMAN NUTTER: Why don't I proceed
18 with what I'd collectively call the neighborhood or
19 resident testimony. And have you had any
20 opportunity to kind of figure out who'd like to go
21 first?

22 Mr. Lampert, if you're going to go first,
23 then proceed.

24 MR. LAMPERT: Okay, Mr. Chairman. Thank
25 you for calling this hearing to investigate the

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2 situation regarding the Schuylkill Falls Public
3 Housing Authority site.

4 COUNCILMAN NUTTER: Mr. Lampert, I'm sorry
5 please identify yourself for the record.

6 MR. LAMPERT: Okay. My name is Richard
7 Lampert. I live at 3122 West Coulter Street in East
8 Falls. I'm about seven tenths of a mile from the
9 Schuylkill Falls site, according to the odometer on
10 my car.

11 Thank you for calling this hearing to
12 investigate the situation. As President of East
13 Falls Community Council, I extend my personal thanks
14 and those of our members for your efforts to
15 increase public understanding regarding this issue.

16 I might add that with the relatively short
17 notice for this meeting, the fact that we're meeting
18 in the middle of a Monday morning in a short work
19 week, it's been difficult for most of our members to
20 attend here personally today. I am assured that
21 they're interested, and I appreciate their support
22 even if they're not here.

23 I myself have been active in the East
24 Falls Community Council and other community
25 volunteer activities almost since the day my wife

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2 and I moved to East Falls from Chicago. For us,
3 East Falls was, and is, a community of choice. We
4 love being a part of the community. We're proud to
5 own a home, worn slate roof and all in East Falls.

6 For me, the Schuylkill Falls issue is as
7 important as a family crisis. Getting this
8 development right is vital to the City overall and
9 to the East Falls community in particular. It
10 should be of major concern to the committee on
11 Commerce and Economic Development.

12 The Schuylkill Falls site has been a
13 highly visual failure. It's time to make it a
14 highly visible success, a symbol of Philadelphia's
15 commitment to building stable communities that will
16 retain current residents who have a choice about
17 where to live as well as the City's commitment to
18 attract new residents who want to invest in City
19 life.

20 From the perspective of the East Falls
21 community specifically, the next development at
22 Schuylkill Falls will have a direct impact on the
23 viability of the commercial strip along Ridge Avenue
24 in East Falls. This blighted strip -- currently
25 blighted strip -- should offer goods and services

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2 for all East Falls residents, and if an outstanding
3 new housing development is its anchor, we all
4 believe that merchants will join in a renaissance
5 along the Ridge.

6 On a citywide basis, the Schuylkill Falls
7 site offers enormous opportunities as well as
8 enormous risks for the image of the City of
9 Philadelphia throughout the metropolitan area.
10 Think about the site. It's a steep hill easily
11 visible from the Schuylkill Expressway and Kelly
12 Drive. For years, everyone passing the site saw the
13 Schuylkill Falls project as the first obvious sign
14 of urban blight as they came into the City. For the
15 moment, they're looking at that cleared hill site
16 and wondering daily whether Philadelphia is capable
17 of building a development that is worthy of the
18 site.

19 If we build the development that was
20 described by PHA in 1997, we can demonstrate that
21 the City of Philadelphia really can do first-class
22 work -- architecturally worthy, financially smart,
23 and socially progressive. However, if we replace a
24 50-year-old failed project with a brand-new failure
25 to be, we reinforce the notion that Philadelphia

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2 can't transcend mediocrity.

3 The site presents a unique opportunity for
4 Philadelphia Housing Authority. This is the only
5 PHA site with a view across miles of park land to
6 the towers of Liberty Place. Residents will have
7 Fairmount Park at their doorstep, they will be steps
8 away from a SEPTA regional rail station offering an
9 11-minute community to Center City. Their neighbors
10 will be laborers, plumbers, librarians, artists,
11 college students, doctors, and lawyers of East
12 Falls; truly an economically socially and racially
13 diverse community.

14 It would be downright pigheaded if PHA
15 settled for a replay of its dismal record of the
16 last 50 years. With this site and the vigor of the
17 surrounding community, PHA has to be bold. If they
18 can't innovate here, they're incapable of
19 innovation. If they're incapable of innovation, why
20 are we tolerating them?

21 Now I want to discuss this history from
22 the perspective of a long-time interested citizen of
23 East Falls and as the current president of East
24 Falls Community Council.

25 As far as most East Falls citizens and

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2 organizations are concerned, this story begins in
3 the spring of 1997. The Philadelphia Housing
4 Authority, working through your office and through
5 other methods, invited us to participate in a
6 planning process that would culminate in the
7 submission of an application to the U.S. Department
8 of Housing and Urban Development for a grant from
9 the Hope VI Program. The key events in the planning
10 process were three or four charrettes with planners
11 and architects. These charrettes drew hundreds of
12 Fallsers from all segments of East Falls society.
13 Working-class people met side by side at these
14 charrettes with professionals and with tenants of
15 the existing Schuylkill Falls housing project, and
16 the result reflected ideas and concerns from all of
17 us.

18 Building on ideas brought to the community
19 by PHA, the process generated a plan that won
20 widespread support from community organizations,
21 educational institutions, houses of worship, and
22 individual citizens. The resulting plan had seven
23 key elements.

24 First, the plans called for a truly
25 mixed-income community, a blend of 50 percent

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2 middle-income and 50 percent lower-income residents.

3 Second, half of the units, 50 percent,
4 were to be sold to homeowners for community
5 stability, while half would be rented. In turn,
6 half of the rental unit and half of the sales units
7 would be market-rate, and the other half would be
8 subsidized.

9 Third, residents would be mixed across the
10 site, without regard to income or whether the home
11 was owner-occupied or a rental. PHA said of these
12 charrettes, You won't be able to tell who's living
13 where; whether driving down the street or looking at
14 the site from a distance, it would be impossible to
15 look at a certain home and know whether it was owned
16 or rented or whether the residents were middle or
17 lower income. PHA and planners stressed this point.
18 They said this would create the healthiest possible
19 development, a development which would really blend
20 into the larger East Falls community.

21 Fourth, PHA committed to a site-based
22 waiting list for the subsidized units with
23 resident-selection criteria that would emphasize
24 self-sufficiency.

25 Fifth, the tenants had stated that they

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2 were proud of the community that they had built at
3 Schuylkill Falls, and they wanted to stay together.

4 In response to this, PHA promised to build
5 a development in two phases so that tenants could
6 move to one part of the old site while new homes
7 were built. Then those who qualified could move
8 into new homes, and the second phase would be built.
9 PHA promised the then-current tenants of Schuylkill
10 Falls that many of them would be able to remain on
11 site during the construction process.

12 Sixth, PHA promised beautiful homes that
13 would reflect the architectural richness of East
14 Falls. They presented similarly beautiful
15 renderings of the new community, reflecting this
16 commitment.

17 Seventh and finally, PHA stated that this
18 new development would end the isolation of the
19 residents on the site.

20 Based on these representations, most
21 community organizations, including East Falls
22 Community Council, offered enthusiastic support for
23 the HOPE VI application. I might add that most
24 organizations offered support despite the fact that
25 they had not had an opportunity to review the actual

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2 application. PHA promised, and the East Falls
3 community believed, that PHA would build a new
4 community that would be a model for the nation and a
5 fine new neighborhood for East Falls.

6 Two years elapsed. In the fall of 1999,
7 PHA came to the East Falls Community Council with an
8 urgent request for its support of some 167 proposed
9 zoning variances. PHA said they needed the
10 variances right then in order to qualify for tax
11 credit financing essential to the project. Despite
12 grave concerns about apparent changes to the plan
13 with no community input and frustration at the
14 fruitless efforts to get adequate information from
15 PHA, after heated discussion -- and I was as hot as
16 anybody -- Community Council voted to support this
17 request subject to conditions spelled out in a
18 written agreement.

19 I believe your office has a copy of that
20 agreement; if you do need another copy, I will be
21 sure to send that to you. I had intended to have a
22 copy with me this morning, I apologize for that.

23 As a result of the agreement made by the
24 Council with the developers, an ad hoc liaison
25 committee of Community Council started meeting with

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2 the newly-appointed lead developer Penrose
3 Properties, a developer that admitted it had no
4 experience with market-rate housing. Well, when
5 members of this ad hoc committee asked to see public
6 documents, public documents, to better understand
7 the details of the development as it was then
8 envisioned, PHA denied them access.

9 In July of 2001, East Falls Community
10 Council filed an action under the Commonwealth's
11 Right to Know Statute, and in mid-November, under a
12 court order, we received most of the documents we
13 sought, including the master development agreement
14 between PHA and the developer.

15 The documents revealed that PHA had
16 contracted with the developer for a vastly different
17 community than PHA had promised and, I might add,
18 that PHA had promised the community at large in
19 1997, and, I might add, vastly different than the
20 representations made in the HOPE VI application.
21 The changes since 1997 were startling, they amounted
22 to bait-and-switch tactics against the community,
23 against the tenants, and, indeed, against the HOPE
24 VI criteria.

25 First, the development contract in the

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2 financing package dealt with an entirely low-income
3 community. All but 28 of those units would be
4 rental. Every unit was to be subsidized such that
5 income levels would be restricted dramatically.
6 There was no private financing, there was no
7 market-rate housing, no market-rate housing.

8 Second, this altered development was to be
9 built entirely on one half of the site. No matter
10 what might eventually happen on the rest of the
11 site, you'll be able to look at that site and know
12 immediately that everyone living on the southern
13 part of that site is low-income and that the vast
14 majority of the people on that part of the site are
15 renters. Gone was the social and economic
16 integration that PHA had promised. The new plan
17 recreates the same undesirable isolation of
18 low-income residents that PHA said it intended to
19 end.

20 Third, PHA compelled all of the existing
21 residents to move from the site. PHA justified this
22 change by claiming that it would enable construction
23 of the infrastructure in one phase instead of two.
24 They said this would save the City about a million
25 dollars. Contrary to this representation, once the

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2 tenants were moved, PHA cleared only a part of the
3 site. There are still old housing units at the top
4 of the site. Moreover, the current infrastructure
5 project is confined to the projected low-income
6 semi-development. The contractors work is for that
7 half only; there are no bids having been solicited
8 for the rest of the site. There is no million
9 dollar saving on the cost of infrastructure, yet PHA
10 and the developer now have the temerity, as we
11 understand it, to ask the City for another
12 \$2 million for infrastructure. And despite the
13 promises made to the tenants, they are now scattered
14 throughout the City.

15 Fourth, drawings presented by PHA, after
16 what they call "value engineering," demonstrated
17 that the process has taken a terrible toll on the
18 quality and beauty of the homes. These homes will
19 look like poor relatives within East Falls.

20 Fifth -- this follows from the other
21 comments -- by packing only low-income people into
22 an easily visible slice of this site, PHA is going
23 to isolate them. This is bad for the residents and
24 it's bad for the surrounding community.

25 Ever since we learned this truth, the

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2 citizens of East Falls have worked frantically to
3 salvage the development PHA had committed to build.
4 Last November 20th -- that's precisely 364 days
5 ago -- members of the East Falls community,
6 including residents of Schuylkill Falls, packed an
7 emergency meeting at which the newly revealed
8 information was discussed.

9 At the first meeting -- at this meeting,
10 rather, the first speaker was Ms. Johnakin,
11 President of the Schuylkill Falls Tenant
12 Association. She complained bitterly about the
13 treatment of the tenants and the many changes made
14 without tenant input or knowledge. She decried at
15 that meeting what she called "the hopeless HOPE VI."

16 At the end of the meetings, the community
17 unanimous adopted a resolution. A key paragraph of
18 that resolution remains in effect and states the
19 following: "East Falls Community Council remains
20 willing to engage in constructive, meaningful
21 negotiations with the developer and PHA toward the
22 goal of achieving a Schuylkill Falls development
23 consistent with the community plan presented by PHA
24 and the developer in 1997; that is, a mixed-income
25 development which would integrate self-sufficient

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2 residents into the larger economically, socially and
3 racially diverse East Falls community, bringing to
4 an end years of economic racial and social isolation
5 for the residents of Schuylkill Falls." In other
6 words, the slogan we adopted, "Build it Right."

7 In response to this resolution, Chairman
8 Edward Rendell of PHA convened a series of meetings
9 starting in early January of this year. He had
10 hoped that the various parties -- PHA, the
11 developer, the tenants, and the wider community --
12 could reach some understanding that would improve
13 the situation. These meetings were inconclusive at
14 best.

15 Finally, we were down to our last resort.
16 In early July, we filed suit in Federal Court. The
17 stated purpose of the lawsuit is, once again, build
18 it right; that is, build it as promised, as
19 represented in the plans submitted to HUD, which won
20 \$26.8 million in federal HOPE VI funds, and
21 according to the plan supported by the tenants and
22 most of the community.

23 In July -- later in July, on very short
24 notice, Mr. Rendell asked the Community Council to
25 call an emergency meeting on a Sunday night in the

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2 middle of the summer. Once again, there was a
3 standing-room-only crowd. In front of that
4 audience, Mr. Rendell repeated a statement he had
5 made at earlier meetings. This is a great quote.
6 "As chairman of the PHA Board, I was misled, the
7 Board was misled." That's what Mr. Rendell said.

8 This whole matter is disheartening; it's
9 disheartening to me and the thousands of other
10 people who truly love living in East Falls. We
11 thought we had helped devise plans that would
12 preserve the strength of our community and improve
13 on it, but now it appears that PHA is determined to
14 build another failed low-income housing project and
15 repeat 50 years of blight in the Lower Falls.

16 The Daily News took note of this a little
17 while ago with a cartoon that appeared on the
18 editorial page. Basically they're describing
19 Schuylkill Falls as a sequel to another bad movie.

20 (Mr. Lampert displays to
21 committee members a too-large-
22 to-attach-hereto copy of editorial
23 cartoon.)

24 COUNCILMAN NUTTER: I don't know how we'll
25 note the display of the cartoon for the record, but

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2 Josephine is very good at doing that, so somehow
3 she'll include in the record that you showed us
4 that. We'll try to include it as part of the
5 record.

6 (Scaled-down version of
7 editorial cartoon attached hereto.)

8 MR. LAMPERT: On a policy level, why we're
9 here, this particular development should be of great
10 concern to the Commerce and Economic Development
11 Committee. As I discussed earlier, the Schuylkill
12 Falls site is one of the most visible building sites
13 in the entire City of Philadelphia. If we build it
14 right, we tell the commuters going by that East
15 Falls in particular and the City of Philadelphia in
16 general are still capable of building an attractive
17 new residential community. With 50 percent
18 market-rate housing, should we find it possible? It
19 will demonstrate the City's commitment to
20 market-rate housing and to those who would live in
21 it. Thousands of people will see this every day.

22 However, if PHA proceeds as it seems
23 determined, then the message will be that
24 Philadelphia settles for the mediocre and that
25 Philadelphia can't follow through on the Mayor's

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2 stated aim to encourage market-rate housing in the
3 City.

4 Within East Falls specifically, the
5 development, as currently planned, will leave us
6 where we started: With an isolated pocket of
7 low-income people physically and socially cut off
8 from the rest of East Falls. Any business that
9 would consider locating on the Ridge Avenue
10 commercial strip will think twice or three times
11 about that location. Middle-income families
12 considering locating in the Lower Falls will also
13 think twice or three times, and they may think that
14 it makes more sense to flee to New Jersey.

15 Mayor Street has said that a key to the
16 continued vitality of the City is to arrest and
17 reverse the flight of middle-class families from the
18 City. If this development is built according to the
19 plans that PHA set forth in 1997, it will bring 150
20 such families to the site. Unfortunately, given the
21 current plans, contracts, and funding, it can't
22 happen.

23 Mr. Chairman, I respectfully submit that
24 any City funds or borrowing capacity used to support
25 the current plans for Schuylkill Falls will be

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2 wasted. There is no reason for any taxpayer of this
3 city to contribute towards social and economic
4 isolation, design mediocrity, and blight,
5 particularly when plans were in place and funded to
6 build something great.

7 I've been arguing that the Schuylkill
8 Falls site is one of the most visible sites in the
9 City. I think this site is every bit as prominent
10 as Penn's Landing or Eighth and Market. The City
11 made ambitious plans for both of those sites, as you
12 know, but actually building those developments has
13 stalled over financing and planning issues. In
14 those cases, the City has had the discipline to hold
15 the developers to their promises. Does this City
16 Council, does this committee have the will and
17 foresight to hold PHA to its promises?

18 As a Falser and a Philadelphian, I urge
19 you and your colleagues on City Council to do
20 whatever it takes to bring PHA to its senses.
21 Neither PHA nor the City as a whole should settle
22 for mediocrity, neither PHA nor the City should act
23 out of expedience. Our shared desire should be very
24 simple: Build Schuylkill Falls as promised in 1997.
25 In other words, build it right. Build it right.

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2 Thank you for your time and attention.

3 (Applause.)

4 COUNCILMAN NUTTER: I'm sure there will be
5 a number of questions, but my thought is, at least
6 at the moment, to get through the testimony of the
7 panel that we have and not interrupt.

8 Two things. One, Mr. Lampert, do I
9 understand that you have copies of your testimony?

10 MR. LAMPERT: Yes, I do.

11 COUNCILMAN NUTTER: Okay, we'll have the
12 sergeant-at-arms get that for you.

13 And next, if we can hear from Ms.
14 Johnakin, I'd appreciate it.

15 MS. JOHNAKIN: Good morning. I'm Trellie
16 Johnakin, a representative of Schuylkill Falls
17 residents in public housing. I didn't bring a copy;
18 I lived it, I experienced it, and I know within my
19 heart it was given me to service the residents of
20 Schuylkill Falls when it came about in Schuylkill
21 Falls over 15 years ago, prior to my family being
22 there. Unfortunately, the representatives they had,
23 they did not understand -- they did not understand
24 us being the residents that they had right. They
25 didn't understand living under those deplorable

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2 conditions that they were able to speak out on
3 personal rights. I went to meetings consistently in
4 that community where if the residents were to speak
5 out, they were put out. And I took a stand within
6 my heart, this was not the way to do residents,
7 human beings that's living in public housing.

8 Prior to -- my goal was to teach them how
9 to have an election; they didn't understand that.
10 They would have meetings in and out, and they had
11 elections -- I was there three years and wasn't even
12 invited, and I know I was there consistently. Where
13 my vote came in at? I felt some kind of way about
14 that.

15 So what I did was just took a stand on the
16 requirements for residents to become a Resident
17 Council, you had to get a petition of 25 signatures,
18 you had to have a nominating committee, and also you
19 had to be in good status with the Housing Authority
20 as being a resident on the lease. And I did those
21 necessary things. And I went and took money out of
22 my pocket to take residents to ask them, Don't you
23 know, nobody's not telling you anything? They
24 making decisions about you, they just going over
25 your head doing things. You should be involved.

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2 And my vice president, praise God today, Miss Doris
3 Wood, was on the corner, servicing the children in
4 school for 15 years. She was the one that sat in
5 the audience too. If she were to speak out, she
6 would be to put out. That was the (indiscernible)
7 leadership.

8 So we were teaching residents how to have
9 the election and they have a right to choose who
10 they want to represent them on the grounds of -- to
11 educate them how public housing functions. That was
12 the stand that, praise God, he as given me, a gift
13 and a privilege to service the residents.

14 And we took that stand and we've been
15 strong. There has been a lot of animosity in that
16 community and broken hearts and spirits as neighbors
17 with neighbors. Prior to that, we took the
18 initiative to go to the churches in the community
19 and reach out and work in that direction. Prior to
20 that with the churches in the community, they wasn't
21 getting along with one another. We banded together
22 as a team with the manager of the Housing Authority
23 and the Resident Council and the head of household
24 to solve its differences. In East Falls, they could
25 call the Resident Council after being duly elected.

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2 Prior to that, we also came together with
3 the love -- I mean love, pure genuine love in East
4 Falls community. Why? Because we work
5 independently with all of the churches in the
6 community, we work independently with the schools
7 around the surrounding community, not knowing God
8 was grooming us for this process the way we at now,
9 with the love that we had in that community coming
10 together. HOPE VI came towards us. We lived in the
11 experience of being a diverse community. We took
12 away the words of "project, poverty, poor" and put
13 it out. Then we came to live in a development, and
14 the residents were developing.

15 In the context of that development, we
16 created a health center out of two rooms, one room
17 to start with, consistently for one year, and the
18 independent foundation gave 'em \$180,000 to create a
19 health center on that site. That site was just like
20 skeleton boards; it wasn't anything there.
21 Schuylkill wasn't even on the map to be recognized
22 as residential individuals living in the community.

23 And we constantly work with the schools
24 and the churches in the surrounding community, which
25 led us to the point of the Hope VI Program with

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2 love, charrettes, schematic planning, churches
3 eating dinner together, making a difference to
4 beautify that community.

5 Oh, lo and behold, in 1998, things started
6 really changing. They had changed executive
7 directors, and unfortunately, the executive director
8 that they had did not give the Resident Council the
9 respect that they deserved of the works that had
10 been done there in that community to be out of 42
11 housing developments to be recognized of human
12 growth right there in that community, and that
13 started with educating residents. Residents had to
14 be educated to be transitioned to public housing.
15 We started way back in '96 to where we are now with
16 the HOPE program. And residents had to learn how to
17 pay they rent on time and be accountable for that,
18 and they had to learn not to tear but to fix up and
19 how we could do certain things. Residents of
20 Schuylkill Falls have been educated and prepared to
21 look forward to this hopeless program that's coming
22 forth.

23 Okay, prior to that, the background of the
24 HOPE Program, home ownership for people everywhere,
25 to make that a diverse community, the first party we

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2 had to deal with was contact the top individuals in
3 the City of Philadelphia, and we all came together
4 collectively with a workshop from the City of
5 Commerce [sic] on down. We all worked and we
6 strategized how can we, you know, get extra dollars
7 in reference to partnership with those outside of
8 the Housing Authority to make this HOPE program
9 work.

10 After we put that together, there was a ad
11 posted as far as whomever wanted the job. There was
12 six individuals that applied for this job. There
13 was a committee put together (indiscernible) for our
14 residential people in the community from the
15 churches on down to sit on that committee to hear
16 the proposals that come through for Schuylkill
17 Falls.

18 And during that interview, we knew what we
19 was looking for -- (indiscernible), a sound
20 construction, like Mr. Lampert said. I agree with
21 everything he said except the word "project." But
22 we looked for all of that in the context of that.
23 And if you were late, you couldn't participate. If
24 you was absent, you was out.

25 Prior to that, when we went forth with

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2 that interview and the ranks of those six proposals
3 that was put in, the majority ruled for enterprise
4 (indiscernible), even though (indiscernible) was on
5 the lease, but they didn't come in the first,
6 second, or third place. The second one was what the
7 residents wanted, Beacon, 'cause they showed a lot
8 of concern for human growth, but the majority ruled.

9 Unfortunately, in '98, when the executive
10 director came, he didn't give us the opportunity to
11 go back to the table to see whom we selected or to
12 see how the selection process went forth. He made a
13 telephone call and gave four of those individuals
14 {indiscernible), three of them was on that list and
15 made his suggestion from there. And that's how,
16 unfortunately, disrespectfully we wind up with
17 Penrose.

18 But we still focussed; no matter what, we
19 still focussed in giving the executive director the
20 courtesy that he deserves to the point of building
21 our community. But was we all in agreeance [sic]
22 that we know? No, we did not know. And then prior
23 to that, he met with us in '98. He announced to us
24 that the was the plans were, that he was going to
25 stick to that. And, Councilman, you chaired that

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2 meeting. That was really devastating.

3 The residents that was there,
4 unfortunately, was relocated for phase one. That
5 led us all the way to phase one. And after phase
6 one was contemplated, mind you, we waited two years
7 for that, after phase one was going to be completed,
8 the residents at the top of the hill were to move in
9 those units.

10 And I always told the residents at
11 meetings if they meet the requirement to come back
12 with the change of public housing (indiscernible)
13 for the 21st century, there have been new changes.

14 And then prior to that, the residents,
15 unfortunately, were, like, throwed off the site in
16 phase one; I mean throwed off. As an example, we
17 had a blind man move into a house that did not have
18 the (indiscernible) of handicap accessible. I had
19 to get him out of there.

20 As residents, the policy were to relocate
21 residents to a better atmosphere, not a concentrated
22 area, in order for them to turn back, to leave
23 something better and come back to something better.

24 Unfortunately, during that time in '98,
25 there were a lot of deplorable scattered sites

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2 throughout the City that in the meantime, the
3 executive director was fixing up for our residents
4 to be just dumped in there. Now, mind you, we just
5 told you how beautiful our community was with just
6 love of human growth, and our residents really
7 suffered; I mean, they suffered. We're still
8 getting them out of those deplorable places.

9 In phase two, we thought the job was going
10 to be in phase two. If you're interested, I have
11 minutes that went to the board and asked them to
12 discuss certain matters about Penrose, and things
13 were moving too fast with the plans and everything.
14 They overlooked that. 24CFR964 states that HUD says
15 you must, you must, have tenant participation. They
16 just went on and done whatever they wanted to do,
17 and I thank God for being here today to tell you
18 what was done.

19 And up the hill, unfortunately, when I was
20 moving out of phase one, they say you move out and
21 you move back. That's the responsibility of the
22 Housing Authority. They moved me out and up. I
23 signed the relocation agreement. And that every
24 resident was supposed to receive that before they
25 moved. (Indiscernible) they just wanted to throw it

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2 out. They didn't sign anything. It took us to
3 contract the Congress to contact PHA to see what
4 they were doing as far as the rights of the
5 residents for relocation.

6 When I moved up the hill, unfortunately,
7 my house was arsoned [sic] -- I want that to go on
8 record. Then when I moved up the hill, I
9 unfortunately had to move out of there. They took
10 me to court three times.

11 COUNCILMAN NUTTER: Ms. Johnakin, I'm
12 sorry, I don't mean to interrupt you. Could you say
13 what you said again? What happened to your house?

14 MS. JOHNAKIN: My house was arsoned [sic].

15 COUNCILMAN NUTTER: Someone set your house
16 on fire?

17 MS. JOHNAKIN: Yes, in the broad daylight.
18 This is the fifth manager that came through PHA.
19 Yes, my house was arsoned. PHA didn't compensate me
20 for anything. Mr. Greene told me to talk to the
21 risk manager, and it was like a conversation when
22 you talk to people at PHA. They listen; they don't
23 act, they don't hear.

24 Then when I moved up the hill -- now, mind
25 you, Mr. Greene say he was going to keep the plans

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2 like they are, so that meant they was going to do
3 phase one, and the rest of them was going to move
4 out, and I felt as though they was led astray. And
5 also, they had a National Tenants Association in
6 Philadelphia, came and got the same plans
7 Mr. Lampert was speaking upon and didn't even invite
8 the Council there. He come to Philadelphia and
9 don't even know the Council, didn't even communicate
10 with the Council, but he had (indiscernible) and get
11 the plans to talk about Schuylkill Falls, as hard as
12 we worked in that community.

13 COUNCILMAN NUTTER: Who was that?

14 MS. JOHNAKIN: Mr. Greene.

15 COUNCILMAN NUTTER: Okay.

16 MS. JOHNAKIN: Sent the employees from PHA
17 to go to the national conference that was here in
18 Philadelphia to get the design of plans about
19 Schuylkill and didn't even invite the Resident
20 Council there.

21 COUNCILMAN NUTTER: Okay.

22 MS. JOHNAKIN: And then prior to that, I
23 had to be relocated. I went to the board, I got the
24 minutes to prove my point of speaking to them and
25 asking them to discuss with us and the 24CFR903,

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2 which gives the only resident that we had was
3 sitting on that board who was Nellie Reynolds, our
4 commissioner, a opportunity to speak with us.

5 Yet you realize when Penrose came about --
6 it's documented in the Daily News, February the
7 16th. The Mayor now, whom received \$10,000, was
8 campaigning all along (indiscernible), but he
9 received \$4,000 from Rosenthal, and then the next
10 day, the Housing Authority passed a resolution on
11 February the 17, 2000 for Penrose to get this job.

12 And then, you know, (indiscernible) said
13 residents are really going through a headache, and I
14 know that, 'cause I'm going to say it again, God
15 sent me to do this for my people.

16 Well, they moved us, then they come back
17 and tell us that they had to move us out prior to
18 Monday. Well, wait a minute, you done threw the
19 developers out that was chosen. Evidently, you
20 negotiated a deal 'cause you got to pay them. And
21 where is the money coming in? There was no phase
22 two or phase one. It become a phase two, phase one,
23 and phase three.

24 And then so many things has happened to
25 us. Prior to the first proposal, there was a pool

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2 and the City consolidation plan with Recreation was
3 going to help us towards that pool. They gave us
4 all kinds of conversations that they didn't have
5 enough for the pool. That wasn't fair to the
6 residents. This was their dream, this was their
7 dream. It was everybody's vision for the community
8 once that dream hopefully was going to be completed.
9 They was going to have the empty nesters, which
10 was -- we looked for the elderly in the community to
11 at least be 55 and over to service that community,
12 to be able to just relax and no grandchildren and
13 just go on and enjoy they lives out. Unfortunately,
14 some residents had died under stress right there at
15 that community.

16 Then I was relocated, and, unfortunately,
17 like I said, they took me to court, I went to court.
18 I had to go for representing the residents to let
19 them know no matter what, you could fight back
20 harder, but you have to show up at court, 'cause
21 this will go on your record. And unfortunately,
22 they wasn't there.

23 We had one Caucasian in our community.
24 Unfortunately, she didn't show up at court. She got
25 better treatment, when we all residents, when we all

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2 should have got the same amount of treatment that
3 had to come to the Council to get more better
4 treatment.

5 We work together jointly like that, and it
6 really hurts to have residents be recycled around
7 this whole city and auction your whole development
8 off without working together.

9 Okay, so I'm going to sum it up to this
10 point. I had to be relocated, like I said, from up
11 the hill.

12 Now, prior to Penrose being there on that
13 property and grading it, we have -- our office has
14 been vandalized. It states in HUD rules and
15 regulations that the PHA is held accountable of
16 giving the Resident Council an area to work from,
17 you know. I mean, it was -- some wonderful gifts
18 came out just getting started with the HOPE Program
19 for the community. We created The Fallser, they
20 created the CDC, things that wasn't there, and they
21 dreamed it. We created a master plan for our
22 community, you know.

23 And we want this to work, and it can work,
24 but now it s bricks and mortar. I mean, if you got
25 houses at 42.5, and all of a sudden, they 60 and 70

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2 and then across the City 35,000, 40,000, where do
3 you draw the line at for those that work for no
4 charge and from they heart to make that community
5 the way it is now. Off the back of us, everybody
6 getting paid off the back of us.

7 When the first proposal went in, it was
8 \$40 million. East Falls did support us. I'll
9 support you to too if you going to change my
10 community, I want to be there. For \$26 million East
11 Falls was supposed to make a commitment to us. We
12 don't have a commitment. We have a lot of bickering
13 now for dollar bills off the back of the residents
14 that was there.

15 We're number one and we should be
16 recognized to that point.

17 I rest my case right now.

18 COUNCILMAN NUTTER: Okay, for the moment.

19 (Applause.)

20 MS. JOHNAKIN: Thank you.

21 COUNCILMAN NUTTER: Miss Sutton. 00

22 MS. SUTTON: My thanks to Councilman
23 Nutter for convening this hearing.

24 My name is Carolyn Sutton. I am President
25 of the East Falls Development Corporation and a

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2 life-long resident of various Philadelphia
3 neighborhoods, including 17 as a homeowner in East
4 Falls.

5 Richard Lampert has done a wonderful job
6 of outlining the details of what has transpired
7 regarding redevelopment of the Schuylkill Falls site
8 over the past four or five years. I am here to add
9 my voice to his and the many others who have
10 expressed their unwillingness to accept any less
11 than the mixed-income neighborhood development that
12 East Falls promised more than four years ago.

13 At least one application to HUD for HOPE
14 VI funding had been denied when I first got involved
15 in the Schuylkill Falls redevelopment. In newspaper
16 coverage of a public presentation to the East Falls
17 community on June 30, 1997, John White is quoted as
18 saying, "Involvement of the whole community is
19 critical to the success of this project and
20 decisions will not be made behind closed doors." He
21 told us that Essex Integral, the original
22 development, with input from all people, will submit
23 a finished application to HUD on 8/18/97. Various
24 community groups wrote letters of support for a new
25 vision for affordable housing in Philadelphia.

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2 Was that naive, given that no final
3 documents were available for us to review?

4 The 1997 application addressed provisions
5 for monthly Schuylkill Falls Task Force meetings, a
6 vehicle instituted by HUD to keep the community
7 informed and receive their input on the
8 development's progress and direction.

9 Was it wrong for me to trust that this was
10 part of the involvement of the whole community that
11 John White promised? If so, then many of us from
12 all over East Falls wasted lots of our precious time
13 going to meetings, asking lots of questions, and
14 getting less than accurate or honest answers.

15 We asked the same questions we asked at
16 the original charrettes: Will market-rate home
17 ownership units be built first? Will the various
18 housing types be mixed around the site? Will the
19 present residents be allowed to remain on the site
20 during phase one of the construction? "Yes" was
21 always the answer.

22 When will self-sufficiency programs begin?
23 It can't happen until the master development
24 agreement is signed, we were told. When will that
25 happen? Always the answer was something like: Very

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2 soon, end of the month, we're working out the last
3 couple of issues.

4 Were we wrong to trust in the veracity of
5 those answers? If so, then most of us working on
6 the commercial revitalization planning and rezoning
7 of Ridge Avenue should have questioned the validity
8 of information that resulted in the Schuylkill Falls
9 site by the development team was proceeding via the
10 same process at the same time. Ridge Avenue was
11 once the main route from the City to the country.
12 It once was home to some of Philadelphia's most
13 beautiful and productive real estate.

14 Is it wrong for me to envision Ridge
15 Avenue in East Falls leading the way to a newly
16 revitalized commercial district that runs from
17 Center City through many of Philadelphia's most
18 impoverished neighborhoods, providing economic
19 development opportunities for the folks who live
20 nearby? The mixed-income blend of housing and
21 street-front retail along Ridge that we were
22 promised is critical to this vision.

23 Imagine our surprise when the Schuylkill
24 Falls developers came to us at the 11th hour back in
25 November of 1999, requesting more than 160 variance

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2 so they could pull permits and not jeopardize their
3 tax credit financing from PHFA. Imagine how we felt
4 once again when the buck was passed to the community
5 to rescue the community, with no real definition of
6 what really is to come.

7 The light bulb had been flickering for
8 most of us for sometime; now it was burning bright.
9 Most of what we had been hearing over the past two
10 and a half years was nothing more than smoke and
11 mirrors to disguise the slippage that was occurring
12 in the plan for redeveloping Schuylkill Falls.

13 Were we wrong to say, Stop, let's make
14 sure we're getting the development we were promised?
15 If not, we ask only that we go back to the drawing
16 board and build it right.

17 This site and a potential remedy for the
18 housing shortages that have been documented as one
19 reason for the flight of our tax base to the suburbs
20 are too important to waste. Mayor Street has
21 referenced this problem on numerous occasions and in
22 his recent talks about neighborhood revitalization.
23 I remember quite vividly newspaper coverage of his
24 comments regarding the lack of adequate affordable
25 market-rate housing for his daughter and son-in-law,

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2 who he would like to see remain in Philadelphia.

3 Would true market-rate housing mixed with
4 affordable housing for lower-income residents on the
5 Schuylkill falls site appeal to them? One would
6 certainly hope so. It would appeal to me, and I am
7 a middle-income resident of Philadelphia.

8 We were promised that this was the new
9 model of HOPE VI; that's what we were supporting in
10 1997 and still support today.

11 Bad choices were made in the '50s. East
12 Falls and the City have been paying and paying and
13 paying ever since. Where's it written that one bad
14 decision must be followed in perpetuity by others?
15 We simply must right the wrong that has been done
16 and put this site back in the plus column for the
17 City of Philadelphia.

18 Thank you again to Councilman Nutter and
19 Council President Verna for making this hearing
20 possible.

21 COUNCILMAN NUTTER: Thank you.

22 (Applause.)

23 COUNCILMAN NUTTER: Now, let me start by
24 asking a couple of questions of some of my
25 colleagues -- excuse me, I'm sorry. Let me not ask

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2 any questions and let Julie Camburn give her
3 testimony.

4 MS. CAMBURN: You may ask any question you
5 like, Councilman.

6 COUNCILMAN NUTTER: Thank you, that's all
7 right.

8 MS. CAMBURN: Thank you so much for
9 allowing us this opportunity.

10 My name is Julie Camburn. I'm the
11 President the East Falls Business Association, a
12 26-year resident of the community, a 20-year-plus
13 business owner; and since 1994, the publisher and
14 editor of our community newspaper, The Fallser.

15 What I'm giving to you today in the form
16 of testimony are some of the comments which have
17 come through articles not only written by myself and
18 Mr. Lampert in monthly updates to the community
19 concerning Schuylkill Falls but those which have
20 been put forward by PHA through its communication
21 specialist.

22 COUNCILMAN NUTTER: Miss Camburn, I'm
23 sorry, I don't mean to interrupt. Do you have
24 written testimony?

25 MS. CAMBURN: Let me give it to you

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2 afterwards.

3 (Copy of Ms. Camburn's
4 testimony not received by
5 stenographer for attachment
6 hereto.)

7 COUNCILMAN NUTTER: No problem. Thanks.

8 MS. CAMBURN: The first notice the
9 community, the greater community, was given
10 concerning Schuylkill Falls was in March of 1996
11 when then-Executive Director John White came to the
12 community and announced at a Community Council
13 meeting that the towers at Schuylkill Falls, long
14 abandoned, were to be demolished. At that time, he
15 said, "In regard to Schuylkill Falls, it is the most
16 difficult, with many plans and commitments, none of
17 which have been kept."

18 Additional plans were going to be to
19 include developing a commercial strip along Ridge
20 Avenue with mixed-income residency, home ownership,
21 and tenant management. That was in April 1996.

22 In October, The Fallser -- The Fallser is
23 our community newspaper. For those who are
24 unfamiliar with it, it comes out monthly and it is
25 distributed free of charge to every residence within

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2 the community, some 5,000 residences, which
3 constitutes about 11 or 12,000 individuals. It's
4 also available to have an interest in the community
5 and come through the community through local
6 businesses and retail outlets.

7 In October 1996, we printed an article
8 from Kimberly Everett (ph.) of PHA Information
9 Services in which she states that the execution of
10 the Hope VI Program requires, among other things, an
11 extensive communities input process as well as the
12 formulation of plans that reflect our commitment to
13 address a host of other economic and social issues,
14 according to Mr. White. It also includes an
15 enhancement of a mixed-income community.

16 An op-ed written in the Philadelphia Daily
17 News in October 1996 states that the Schuylkill
18 Falls rehab plan includes a mixed-income townhouse
19 community. It's a constant reference to a
20 mixed-income.

21 In a letter to the editor in July of 1997,
22 Ronald Bedinar (ph.), who was at that time urban
23 planner and is now -- well, he's still with the
24 State's Planning Commission. He says, "The HOPE VI
25 Program centers around the demolition of public

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2 housing units to make way for self-staining economic
3 development for the entire community. The focus
4 starts with the public housing site where
5 development needs to be redirected in order to
6 create employment opportunities and therefore begin
7 the community rebuilding process. In order to meet
8 the goals of self-sufficiency for the residents of
9 the community, a fundamental change in direction is
10 needed. We cannot support a continuance of failure
11 represented by overemphasis of housing as the
12 primary use of the site." This is in reference to
13 the need for the community, the new community, to
14 reflect and help to develop the corridor adjacent to
15 it into Schuylkill Falls.

16 In July 1997, an article in the paper in
17 which -- which is a summation of an interview I do
18 with Arlene Bell, then-Executive Deputy Director at
19 PHA, who said that "HUD's focus has changed in its
20 stipulation for HOPE VI application since the first
21 round." If you'll recall, the first round had been
22 denied. She says, "A greater emphasis is placed on
23 eliminating isolation and providing for
24 self-sufficiency." She goes on to say, "The new
25 application will address both of items."

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2 In November 1997, a front-page article
3 cites that according to information received from
4 PHA, the new site will comprise 300 housing units:
5 150 houses slated for home ownership, to include 83
6 for sale at market rate under 100,000, 25 on a
7 three- to five-year lease purchase plan, and 42 for
8 public housing residents to buy, working families
9 earning upwards of \$12,000. The 150 rental units
10 will include 67 at market rate, not subsidized; 33
11 for public housing families; and 50 for
12 empty-nesters in public housing.

13 In February 1998, we have a statement that
14 there was at the Community Council's probably
15 January meeting a lengthy decision on an update, and
16 Fred Pernell, then-Acting Executive Director of PHA,
17 stated that the relationship among PHA enterprise
18 and eventual owners of fee-simple ownership of house
19 and lot subject to mortgage houses is still unclear.
20 Now, this was after they had submitted a plan which
21 was supposed to be complete.

22 In May of 1998, The Fallser reports a
23 breakdown of rental units and ownership
24 opportunities. I won't go into them; obviously,
25 we've been through them before

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2 In August 1998, according to Robin Leary
3 from PHA -- I think Robin was in communications, I'm
4 a little uncertain of her position at the time. All
5 right, the redevelopment project is designed to
6 transform Schuylkill Falls into a newly-configured
7 fully integrated community of single and multifamily
8 public and market-rate housing, with enhancements
9 for retail and commercial businesses. The new
10 community would also be less dense and present new
11 opportunities for residents to gain economic
12 self-sufficiency through education, training, and
13 employment.

14 You don't want me to read the next one;
15 it's on the front page of the January 1999 Fallser,
16 which delineates some problems. The facts to
17 digest: The two high-rises were demolished, the
18 homes above the railroad have an unobstructed view
19 for the first time in about 50 years, and PHA
20 entered into negotiations with the developer, but
21 the three interested community groups were not
22 included in the negotiation process.

23 The developer -- this time still
24 Enterprise -- held charrettes to invite the
25 community and charrettes were termed "charades" by

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2 many East Falls residents. Preliminary work has bee
3 done on site -- that was demolition of phase one
4 units. A final contract is yet to be signed, and no
5 money has been paid out. PHA has a new executive
6 director, and both the enterprise of Enterprise
7 Corp. and its project manager have left the company.

8 The new executive director, Carl Greene,
9 is not happy with either the contract or the
10 developer, and the predevelopment contract includes
11 demolition, relocation of tenants, and solutions to
12 road surfacing and elevation problems. The plans
13 submitted to HUD for federal funding do not show
14 access to or from Schoolhouse Lane, and the City of
15 Philadelphia Streets Department refuses to sign off.

16 Schuylkill Falls residents wishing to
17 remain on site during phase one construction were
18 promised that by John White's administration. All
19 Schuylkill Falls residents have been notified that
20 they must vacate premises by spring '99 by Carl
21 Greene's administration. An extension to July '99
22 date for children to finish term in their respective
23 schools had been requested.

24 In May of 1999, Philadelphia Housing
25 Authority announced on April 1st that talks with the

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2 Schuylkill Falls developer have resumed. It was
3 only a few days before that PHA acknowledged that it
4 had ended negotiations because the developers
5 wouldn't sign a predevelopment agreement.

6 This is -- it's just continuous. I'm
7 skipping over a lot of articles.

8 This one is the zoning issues which were
9 considered. This is the agreement drawn up between
10 the community and the developer, who was still at
11 that time Enterprise. And then business as usual.

12 Then it goes into talking about an article
13 on value engineering. Value engineering, so
14 important, instead of having what was determined to
15 be good for the community all around. They're going
16 to value engineer it to death. I'm not even going
17 to read it.

18 It's just -- it just goes on and on.

19 These are copies of all articles which
20 have appeared in our newspaper, a reprint from the
21 Philadelphia Daily News, articles, a I say, which
22 have come through from others. This year alone, I
23 don't know how many front-page articles we've had.
24 "Amid Flagging Negotiations, Community Prepares for
25 Legal Redress." This is one of the critical things

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2 here -- "Schuylkill Falls Approaches Critical
3 Stages."
4 We've had public demonstrations -- there
5 are signs back here. If somebody will hold it up,
6 it's this one here.
7 Schuylkill Falls issues. The community is
8 joined, united. Market-rate housing at least 50
9 percent. Home ownership, at least 50 percent.
10 Integration, not segregation. Build it right. And
11 so it goes on.
12 We try to keep our community informed, the
13 community is supportive.
14 Walk the walk. Community leaders schedule
15 another Schuylkill Falls demonstration. Three
16 little words: Build it right
17 Thank you for your time.
18 COUNCILMAN NUTTER: Thank you.
19 (Applause.)
20 COUNCILMAN NUTTER: Let me ask a couple
21 questions, and the one challenge for today will
22 certainly be, given the gravity issues in front of
23 us, is to try to get as many people on as possible.
24 And, you know, naturally that we need to hear from
25 PHA as well as the developer, or developers.

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2 Let me first thank the panel for their
3 testimony.

4 Let me ask Ms. Johnakin: With regard to
5 tenant-related issues, and there's been a lot of
6 discussion and, I think, a little bit of confusion
7 around the issue of self-sufficiency. Can you tell
8 us a little bit about that, what is going on with
9 that, or what is not going on with that, or give us
10 some sense of an update with regard to that
11 particular component of this proposal?

12 MS. JOHNAKIN: The self-sufficiency
13 component of the whole program is the most valuable
14 point as far as the human growth in residents that
15 live in public housing. Unfortunately, for a long
16 period of time, they have never been offered the
17 opportunity from the housing development of
18 self-improvement and betterment and education. And
19 it's the whole family that I am concerned about.

20 We as neighbors, Resources of human
21 development, have lived in our community, and they
22 were wonderful neighbors. I mean, they was
23 participating and giving us help where mostly
24 needed. They are a \$70 million corporation and have
25 30 entities up under them and have our T's crossed

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2 and our I's dotted. And we looked forward to them
3 in '98 to have service or make a effort to help the
4 residents. But unfortunately, everybody going to
5 get to the table now about the money and the
6 residents are being left out.

7 Now, that took two years, and we didn't
8 receive no service, and still, they came in as
9 partners. Okay, prior to that, they was on the
10 site, they needed in-client services to the office
11 and things that they needed to function out -- you
12 know, computers and things of that nature.

13 We only received, like, three months of
14 service from Resources. They had to put everything
15 together as far as residents. And it's such a
16 hindrance because we know that the government,
17 looking at those that's involved with TANF,
18 temporary aid needed for families, but we -- I
19 looked at the whole family, you know, 'cause there's
20 hidden potentials within every human being.

21 We worked towards that, and then
22 unfortunately, when the new developers came about,
23 it was now another social added component, and they
24 brought it to the attention of the East Falls
25 Council and the residents or individuals that they

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2 were making the transition. And that was held with
3 Resources, PHA, and UniPenn. They didn't even
4 invite the Council there, not knowing that the
5 Council wouldn't shop for Resources. But during the
6 meantime, the Council still has to stay focussed,
7 don't become distracted, and build in its
8 self-sufficiency order for residents.

9 And what we had done, praise God,
10 independently, we had parenting classes on the site,
11 we had pharmacy and phlebotomy on the site for
12 residents under previous (indiscernible). We also
13 had being your own boss, giving you educational
14 skills, how to incorporate, how to become
15 entrepreneurs. They went through that whole
16 training. And also we looked for with the
17 self-sufficiency component to have case management
18 for every household and where they needs were and
19 the follow-up flow chart for those needs for the
20 residents -- even day care, transportation back and
21 forth (indiscernible).

22 At the time, we had 15 providers during
23 1998 that people in our surrounding community
24 (indiscernible) and near and afar, King of Prussia,
25 250 jobs. And unfortunately, those jobs disappeared

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2 through Resources, I believe, because they prolonged
3 the time to help the residents. We had
4 transportation and everything for 'em.

5 So with the transition to UniPenn now that
6 we at Universal and they had MLK under them, and
7 it's a focus of what, I guess, MLK doing, but every
8 HOPE program is unique not to become a replica of
9 what's going on here in Philadelphia.

10 And on the needs of the residents, the
11 Resident Council is still working diligently with
12 UniPenn to put things in focus for the needs of the
13 family and as for self-sufficiency.

14 COUNCILMAN NUTTER: Let me ask you this
15 question: As of this moment, are all of -- as best
16 you know and understand, are all of the former
17 residents of Schuylkill Falls who -- I know there
18 was -- I mean, there was a date, or at some point in
19 time, it became clear that this was the universe of
20 residents --

21 MS. JOHNAKIN: Universe of --

22 COUNCILMAN NUTTER: -- after this
23 application. And all of those residents, all of the
24 people -- this is my understanding and if I'm wrong,
25 you'll correct me.

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2 Everyone who was considered a resident at
3 a certain date was then supposed to, as a part of
4 this proposal, to receive self-sufficiency support
5 services, whether they were still on the site or if
6 they were relocated. That's my understanding.

7 So biased on that, if that is correct, can
8 you tell us today whether all of those residents --
9 because obviously now, everyone is off of the site.
10 Are all of those residents receiving
11 self-sufficiency support services presently?

12 MS. JOHNAKIN: No. Prior to '88, when
13 Eleanor Baker came from HUD and asked the Housing
14 Authority to release self-sufficiency funds for the
15 residents, it took two years prior to the Housing
16 Authority doing business with Resources to make a
17 contract in order to do that. They had not done
18 that.

19 Now, prior to 184 residents whom had been
20 contacted under Resources prior to going to UniPenn
21 with that amount and an amount of services
22 surrendered [sic] to the residents, we going
23 backwards instead of forward. UniPenn,
24 unfortunately, contacted near 30-some residents, but
25 we still working hard as the Council to keep the

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2 momentum going of the residents.

3 No , they have not been serviced like they
4 supposed to be serviced. And when you working for
5 people, you want to take the experiences of those
6 who have worked it and have documentation how it's
7 being worked, they should listen. They don't want
8 to listen and, you know, they take professionalism
9 and titles to their advantages over residents. And
10 that's not right.

11 COUNCILMAN NUTTER: Okay. Let me ask one
12 other question -- and I certainly don't mean to rush
13 everyone, and if we have to reconvene, we will
14 certainly do that.

15 This has obviously been going on for a
16 long period of time. A whole lot of documents, a
17 whole lot of paper could appear to be and is a very
18 complicated matter. On the other hand, as we've
19 heard the testimony, I'm left with the impression
20 that there are some certain set things that
21 everyone, I think, would like to see that kind of
22 crystallize what this is all about.

23 And whether it was through the charrette
24 process, other meetings, Task Force, promises made,
25 whether they were kept, not kept or whatever, can

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2 you boil down for us, I guess, some of the
3 fundamental elements, some of the -- I mean the kind
4 of goals that you have for this development in, I
5 guess, a compact kind of fashion, you want to see X,
6 you want to see Y, you want to see Z, and those are
7 the things, and then obviously all of the
8 complications that are entailed to get those things,
9 but I need you to tell us for this record what it is
10 that you would like to see going forward.

11 MS. JOHNAKIN: Could I say one thing?

12 COUNCILMAN NUTTER: Sure.

13 MS. JOHNAKIN: Prior to the responsibility
14 of the Housing Authority, it was their
15 responsibility under the HUD rules and regulations
16 to track the residents. Unfortunately, when
17 Resources came in, the residents side of
18 confidentiality left. So where that hinders
19 UniPenn, as far as getting information, to have them
20 to start all over, you know, to get it.

21 And then there wasn't like a contract, you
22 know, and agreement there at that point. It was
23 \$140,000 released to start the paperwork.

24 Now, where we at now, maybe you could help
25 me 'cause my residents are recycled (indiscernible)

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2 still in housing developments in the city.
3 COUNCILMAN NUTTER: When we get the
4 Authority up, we'll talk about that.
5 MS. JOHNAKIN: Thank you, thank you.
6 COUNCILMAN NUTTER: Going forward, what is
7 it you would like to see at the site, Ms. Johnakin
8 or Mr. Lampert or anybody else?
9 MR. LAMPERT: Well, let me take one stab
10 at it. I think the really essential baseline is
11 what we in the community call 50/50, 50/50.
12 Basically --
13 COUNCILMAN NUTTER: I think that's two.
14 MR. LAMPERT: Yeah, it is indeed. 50
15 percent market rate, 50 percent subsidized for low
16 income; 50 percent home ownership, 50 percent
17 rental. And of the home ownership, roughly 50
18 percent market-rate, 50 percent subsidized. Of the
19 rentals, 50 percent market rate, 50 percent
20 subsidized.
21 Two, market rate means market rate. It's
22 in the HUD regulations, it's in the dictionary. You
23 know what market rate means, I know what market rate
24 means. We have occasionally gotten unintelligible
25 jibberish from the developer and from PHA as to what

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2 market rate means. Market rate means a
3 knowledgeable buyer buying from a knowledgeable
4 seller, with no subsidies in either direction.
5 That's market rate.

6 The third point is mixture on the site.

7 And then the fourth point is, if you will,
8 mixture of marketing.

9 COUNCILMAN NUTTER: I'm sorry, let's try
10 to keep this record as clear as possible.

11 The third point is mixture on site? What
12 do you mean by that?

13 MR. LAMPERT: Spacial mixing on the site.
14 That is the --

15 COUNCILMAN NUTTER: Interspersed as
16 opposed to concentrated?

17 MR. LAMPERT: Right, interspersal of
18 income levels, interspersal of whether they're owned
19 or rented.

20 COUNCILMAN ORTIZ: Integrated, not
21 segregated.

22 MR. LAMPERT: Yes, yes/

23 And then the fourth point which follows
24 from this is that the only intelligent way to market
25 a truly mixed-income community would be to market

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2 simultaneously to those who would buy it at market
3 rate and those who would be eligible for the
4 subsidized units. They've got to be built at the
5 same time, they've got to be marketed at the same
6 time.

7 So that -- that's the most simplistic
8 pared down expression that I would come up with of
9 what we want. As I say, we start with that slogan
10 50/50, 50/50 only because the mathematics of it is
11 so intriguing, but that's what we're after.

12 COUNCILMAN NUTTER: And, again, let me --
13 on that particular point, let me make sure that I'm
14 clear.

15 Home ownership, you're saying you want 50
16 percent home ownership, unsubsidized and 50 percent
17 subsidized.

18 MR. LAMPERT: Yes.

19 COUNCILMAN NUTTER: And on the rental, you
20 want 50 percent market rate and 50 percent
21 subsidized. Is that the --

22 MR. LAMPERT: That's correct.

23 COUNCILMAN NUTTER: Is that the
24 fundamentals of this?

25 MR. LAMPERT: Yes.

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2 COUNCILMAN NUTTER: Okay, all right.

3 The other three I understand.

4 Yes, Ms. Johnakin.

5 MS. JOHNAKIN: The infrastructure as far
6 as the houses -- you know, All the infrastructures
7 is supposed to look alike. And it's supposed to be
8 rentals, homeowners, and lease-purchase.

9 And miscommunication is so bad with market
10 rate. Ten or fifteen years -- maybe it could be
11 more, or ten years ago I go back. The Housing
12 Authority had deplorable property everywhere. HUD
13 gave them the money in order to bring 'em up of the
14 geographical areas where the properties sit at that
15 they could ask for the rate of what those houses'
16 wages are, you know, as far as what the price in
17 values are.

18 But when they say, "a market rate," I
19 mean, you talking about residents that left public
20 housing that, unfortunately, all the work that they
21 done and sweat that they put in there to make it
22 possible to even (indiscernible) to have it so high
23 that they can't get back. Four years ago, it was
24 offered minimum wage as far as welfare reform and
25 things of that nature. And to get on they feet

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2 economically, it's still rough for them to make it.
3 So you talking about 60, \$75,000, that's not being
4 fair to the residents there, talking about marketing
5 rate. If you going to keep it like this, if you
6 going to keep it, let's keep it. Home ownership,
7 first-time owners for residents, lease-purchase for
8 residents, and low subsidy, but don't put us in one
9 area neither 'cause you won't get away from the
10 stigma of projects and poverty and poor, and then
11 you wind up being out being put out 'cause you can't
12 pay 'cause you don't know how to budget.

13 COUNCILMAN NUTTER: Thank you.

14 (Applause.)

15 COUNCILMAN NUTTER: Okay, yes.

16 MS. SUTTON: May I also add to the list of
17 things that we're looking for here.

18 The original RFP to developers called for
19 the responses to have a substantial commercial
20 component as part of the redevelopment of the site,
21 and that one item is very important as a vehicle to
22 reintegrate the Schuylkill Falls site into what's
23 happening in the rest of the community. And we
24 believed very -- up until the very end that the
25 buildings along Ridge Avenue would have in them the

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2 commercial component that was going to allow the
3 Schuylkill Falls site to flow back down into the
4 activity of the rest of the community for the first
5 time in 50 years, instead of being, "That's
6 Schuylkill Falls and this is East Falls."

7 From the beginning, we have all -- perhaps
8 our main reason for being so involved for so long is
9 to make sure that these people who have been become
10 our friends over the period of four years --
11 Roxanne, Doris, Trellie, Portia Harrison, Martha
12 Hackett, Michael Bennett and the others who we've
13 been meeting with on a regular basis, so that those
14 people are reintegrated into our community and
15 become part of what we're all trying to do to make
16 Philadelphia a better place to live.

17 COUNCILMAN NUTTER: Thank you.

18 (Applause.)

19 COUNCILMAN NUTTER: A number of the
20 committee members have either questions or comments.

21 So why don't we start with Councilman
22 Ortiz.

23 COUNCILMAN ORTIZ: Yeah. I'm interested
24 because it's an opportunity of -- I've always been
25 impressed by the view from that area. You have

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2 Boathouse Row and Center City, and those towers
3 really represent sort of like an ugly scar to the
4 skyline there, when they were abandoned.

5 And become -- and the opportunity -- going
6 back to the early, early times in terms of what we
7 thought about public housing and integration of that
8 into the overall makeup of a neighborhood and we
9 went away from that, and what happened is that we
10 ghettoize poor people and created these ghettos that
11 really became very difficult to overcome.

12 Schuylkill Falls represented, I think, a great
13 opportunity to get away from the ghettoization of
14 poverty as such and the integration into an overall
15 economic vitality in a neighborhood and a creation
16 of that.

17 And this is not something that can't be
18 lost. It's an opportunity. People keep talking
19 about neighborhood transformation, and I think this
20 is part of what a neighborhood transformation can be
21 in which we have a city of different economic levels
22 and races and ethnic groups mixing in together and
23 creating it at the entrance. I just don't see how
24 we can allow this opportunity to go by and not work
25 towards that and really get it right along the way.

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2 So I am glad that you're all here and
3 we're having this forum, because it really clarifies
4 for a lot of people what that area should be. It is
5 the area you look at when you're coming into the
6 City, and it should be the area that says "Welcome
7 into Philadelphia."

8 I can't agree with you more on your
9 statements.

10 (Applause.)

11 COUNCILMAN NUTTER: Thank you, Councilman.
12 Ms. Sutton?

13 MS. SUTTON: I don't know whether this is
14 appropriate, but I wholeheartedly agree with
15 Councilman Ortiz. And I believe that Schuylkill
16 Falls is such a visible site and so unique, and East
17 Falls is already such a diverse community, one of
18 the nicest in Philadelphia, that if we do build this
19 right, if we do make some hard choices and get this
20 done as fully as it can be done, that Philadelphia
21 can for the first time be leading the way in
22 rebuilding urban communities. This is a terrific
23 opportunity for the City of Philadelphia.

24 COUNCILMAN NUTTER: Thank you.

25 (Applause.)

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2 COUNCILMAN NUTTER: Ms. Johnakin and then
3 Councilman Clarke.

4 MS. JOHNAKIN: Councilman Ortiz, ten years
5 ago or more when the Schuylkill was making a
6 difference of the drug-infested area, praise God, he
7 came along and he walked with us, him and Jack
8 Jones. And thank you so much for getting us to this
9 point now.

10 COUNCILMAN ORTIZ: Thank you. It's
11 appreciated.

12 COUNCILMAN NUTTER: Councilman Clarke.

13 COUNCILMAN CLARKE: Thank you,
14 Mr. Chairman

15 Mr. Chairman and members of the committee
16 and residents and community members here, as a
17 Councilperson who probably has the -- well, I
18 wouldn't want to say the majority of public housing
19 in the district, but a substantial amount of public
20 housing in my district, I've had the pleasure and
21 sometimes the displeasure of working with the
22 Housing Authority and various public agencies that
23 deal with affordable housing. And I can tell you,
24 when I initially heard about the Schuylkill HOPE VI
25 development and some of the goals that were set

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2 forth, I was somewhat pessimistic in anyone's
3 ability to achieve those goals because of the myriad
4 of policies, guidelines, and politics associated
5 with affordable housing.

6 I'm a person who has had on occasion to
7 deal with the Housing Authority when we talked about
8 creating mixed-income communities and we talk about
9 market-rate housing, and I've seen the numbers
10 associated with those definitions fluctuate so much
11 that I'm still not clear what market-rate housing
12 is.

13 In my mind, market-rate housing is truly
14 that, market-rate housing. Government traditionally
15 is not involved in market-rate housing. So to
16 somehow think early on in this process when you talk
17 about creating government housing with HUD's
18 involvement, I just didn't think it was reasonable
19 to think that that could happen, and I just think
20 that, you know, people probably set some unrealistic
21 goals, given the parameters of the program.

22 I can recall development in my district
23 early on, when we were promised by the Housing
24 Authority that if that development were to take
25 place, that it would be private management 'cause

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2 there were some concerns about some of the
3 management of the existing public housing, and we
4 got so far down the line, and we, the City, put up
5 about 3 or \$4 million. Some of my colleagues here
6 supported us, and once we got the funding, we were
7 then told, Oh, the unions won't allow it, unions
8 won't allow it. So we had to go out and come up
9 with a creative strategy to put some new financing
10 on the table, and now we'll end up with private
11 management.

12 So I think that realistically, if you're
13 going to achieve that 50/50, 50/50 -- and Councilman
14 Nutter, I'm not trying to increase the problem that
15 you currently have by throwing another creative
16 strategy on the table.

17 COUNCILMAN NUTTER: Thank you.

18 COUNCILMAN CLARKE: But I just think
19 personally realistically, having been involved in
20 this to a large detail, both as a staff person and
21 as a Councilperson, is that I think for everyone to
22 come out of this hole, there realistically has to be
23 some other mechanism associated with ultimately
24 coming up with the 50/50 mix, 'cause I don't think
25 in its current configuration that we'll be in a

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2 position to do that.

3 That's just my history with this whole
4 type of problem.

5 COUNCILMAN NUTTER: Councilman, let me
6 say, one, I do appreciate you putting that on the
7 record, and that's been a request of mine for some
8 time. Unfortunately, there's been no engagement
9 from the other side to talk about how you actually
10 get to where you want to be; most of the discussion
11 has been about, Well, we are where we are so we
12 might as well go forward with it, even though no one
13 seems to agree that it's a good thing, and left that
14 as the end of the conversation. I'd like to extend
15 the conversation.

16 So your comments and your perspective is
17 well taken and appreciated.

18 COUNCILMAN CLARKE: Thank you.

19 COUNCILMAN NUTTER: Mr. Lampert?

20 MR. LAMPERT: There's an old cliché. When
21 your only tool is a hammer, everything looks like a
22 nail.

23 (Laughter.)

24 MR. LAMPERT: PHA has only a hammer in
25 their tool kit. What they are is, they do public

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2 housing. They take various kinds of subsidies, tax
3 credits, what have you, and they build affordable
4 housing for low-income people.

5 Now, if you really are going to get to
6 50/50/50 [sic], I would respectfully suggest you're
7 going to have to get something other than that
8 hammer. I don't do this for a living. I suspect
9 that there has to be private money in it, I suspect
10 that there has to be a true public-private
11 partnership.

12 We've been doing a lot of these -- we've
13 been doing a lot of these things in the City of
14 Philadelphia. They're hard to do, they're hard to
15 do, but what we're saying is -- and I echo what
16 Councilman Nutter says, you know, just because the
17 train is rolling down the track, you know, it
18 doesn't mean that we can't slow it down or try to
19 build a parallel track because this notion of taking
20 the hammer and whacking away at it and throwing up
21 public housing 'cause you know how to throw up
22 public housing is not going to do it. And we just
23 need more tools in that tool kit.

24 COUNCILMAN NUTTER: Thank you.

25 Councilman DiCicco.

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2 COUNCILMAN DICICCO: I was not going to
3 ask any questions until Councilman Clarke made a
4 statement. That kind of brings me back to a couple
5 of years ago when I had to deal with two
6 developments in my district. One is the Southwark,
7 which has been rebuilt; and the other one is the
8 MLK, which is now under construction.

9 And it kind of sounds similar to some of
10 the things I had to deal with at Southwark where
11 there was, I thought, really great plan to
12 incorporate market-rate housing with rental units.
13 And, unfortunately, what we have at the former
14 Southwark -- although we've changed the name and
15 changed some of the appearance of what was once a
16 housing development, we actually have today in terms
17 of the tenants and the makeup of the tenants and the
18 economic makeup of tenants is really the same thing
19 we had before the four towers came down.

20 We have straight-out subsidized rental,
21 and it really -- although it looks better and people
22 are -- the perception, I think, is that it is
23 better, we're starting to find some of the similar
24 problems that we had in the past are coming back to
25 haunt us again. Just last week, I had a

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2 conversation with some of the neighbors in the
3 nearby community who were really excited and
4 partnered with the former tenants of Southwark, as
5 you have done, and it takes a lot of time to build
6 those bridges and trust. And I think our job as
7 government is to make sure that we don't do anything
8 to dismantle those bridges going forward.

9 So I would caution you and I am more than
10 willing to work with Councilman Nutter going
11 forward. If there's any lessons to be learned from
12 the Southwark that we can apply to Schuylkill Falls,
13 we -- certainly now is the time to do that.

14 Assuming, by the way, that Councilman
15 Nutter is still your Councilman, because we're still
16 doing redistricting, and, Councilman Clarke, you
17 never know, you may be driving the train shortly,
18 but who know.

19 But I really do think that maybe we need
20 to share some of the experiences in my district with
21 you, Councilman Nutter, and other people to make
22 sure that whatever it was we did wrong there -- and
23 I was green at the time, I'll be perfectly honest; I
24 didn't have a clue about what was going on, although
25 I knew it was going to be better. And I'm not

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2 suggesting that it's worse today; it is a little bit
3 better, but it's not really what we fully could have
4 accomplished had it not been for some of the issues
5 with the tax credits, and then we fell short of
6 money and we couldn't do the market rate, and
7 everything has to be by the way of it has to be all
8 rental, subsidized. I mean, we had a great plan,
9 and I don't know if this was part of what your plan
10 was, where even on the rental properties, over a
11 period of time, the folks who lived in those rental
12 properties would have built up enough escrow to and
13 the end of, I think, 15 years to be able to decide
14 either to buy that unit or take that money and go
15 someplace else and buy.

16 None of what has happened, none of that
17 exists today. And it's unfortunate.

18 Thank you.

19 COUNCILMAN NUTTER: Miss Sutton, if you
20 can -- and you know I would never want to ask you to
21 shorten it, but I need to get your comment, I've got
22 to get Ms. Greenfield with at least one letter, and
23 I've got a letter that needs to be read into the
24 record, and then need to get the representatives
25 from PHA up at the table as well.

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2 Go ahead.

3 MS. SUTTON: In response to Councilman
4 DiCicco's comments about his own experiences, I just
5 wanted to say that our community groups have met a
6 lot of people from other communities during this
7 process, and we have had them come to us, some from
8 the Southwark area, some from North Philadelphia,
9 and some from Hawthorne, encouraging us to be the
10 leaders of this. They felt very much that they
11 didn't get what they felt they were going to get in
12 the way of an improvement in the situation for
13 Philadelphia. So we've got to get that going and
14 get that right.

15 COUNCILMAN ORTIZ: I think what Councilman
16 DiCicco was talking about is if you create a get
17 ghetto, it might be a new ghetto, but it still
18 creates the same problem because it brings the same
19 sort of mentality and psyche and vision. So old
20 ghetto, new ghetto, it still carries the
21 connotations that word has carried throughout our
22 last 20, 30 years in terms of government
23 intervention and several things.

24 So it's a model that needs to be
25 revisited. And by the way, I think the model that

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2 Mr. Lampert and you folks have put forward was the
3 model in which subsidized housing was envisioned in
4 the first place when it was originally planned, not
5 to put it in, but to mix it into an overall
6 community and, therefore, be able to create a
7 vitality within all of those different
8 neighborhoods.

9 Thank you.

10 COUNCILMAN NUTTER: Thank you. Thank you,
11 Councilman.

12 I want to thank this panel.

13 Let me get Ms. Greenfield field up. She's
14 got a letter, I've got a letter that needs to be
15 read into the record, and I'll get the rest of
16 the...

17 MS. GREENFIELD: Thank you, Councilman
18 Nutter.

19 COUNCILMAN NUTTER: Please identify
20 yourself for the record.

21 MS. GREENFIELD: My name is Marjorie
22 Greenfield. My friends know me as Meg. I'm the
23 Vice President of the East Falls Community Council;
24 I chair the zoning and land use committee. And I
25 have been active in this process from the time the

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2 charrettes took place. I have attended Task Force
3 meetings. I have to admit recently I've stopped
4 attending out of absolute disgust and dismay.

5 During the course of my work on the zoning
6 committee and my work on this project, I've come to
7 know a lot of the residents, and one of the people
8 that I have become friendly with is a former
9 resident by name of Martha Hackett. She gave me --
10 and I know it was faxed to you -- a statement that
11 she prepared and she asked me to read it, and it's
12 explained in the statement why she can't be here.

13 COUNCILMAN NUTTER: Okay.

14 MS. GREENFIELD: I'll just say that I
15 suspect that some of what she said may not go down
16 well with some of the people here. Please don't
17 shoot the messenger; it's her opinion

18 This was dated yesterday, November 18,
19 2001.

20 COUNCILMAN NUTTER: To the best of my
21 knowledge, this is a weapons-free area. So I think
22 you'll okay.

23 (Copy of Hackett letter
24 attached hereto.)

25 MS. GREENFIELD: "My name is Martha

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2 Hackett. Because of recent surgery, I am unable to
3 attend in person, but I wanted to write my feelings
4 about the HOPE VI plans for Schuylkill Falls. I
5 have asked Meg Greenfield to read this because I
6 cannot be there.

7 "I was a resident of Schuylkill Falls for
8 32 years. During those years, I was very active in
9 Schuylkill Falls and in East Falls outside
10 Schuylkill Falls. I was a member of East Falls
11 Community Council and served on its zoning
12 committee. I was a part of the Tenant Selection
13 Committee, which selected the original developer for
14 this HOPE VI project. I was a member of the
15 Schuylkill Falls Task Force. I attended all of the
16 planning charrettes.

17 "Living in East Falls for so many years, I
18 love the community and will always feel a part of
19 the community. After all of the hard work done on
20 this HOPE VI project, the beliefs I had about what
21 would be there have gone down the drain. We went to
22 so many meetings, planning. It is sad that it is
23 not going to be what was planned."

24 And I hope she's wrong there.

25 "Approximately two years ago, in November,

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2 Portia Harrison, a Schuylkill Falls resident and
3 Democratic Committeewoman, went to a meeting, and
4 for the first time, heard that all of the residents
5 had to move. For a year before that, the residents
6 had no meetings with the Tenant Resident Council.
7 We were being told by members of the Council that we
8 could stay on the site during construction.

9 "Portia went to a meeting and found out
10 that we did have to move. Portia then offered to
11 keep residents involved. Then the Resident Council
12 started having meetings with the other tenants.

13 "I believed the Council representatives
14 who said that we didn't have to leave. Up to the
15 end, the Tenant Council didn't tell the residents
16 that they would have to move. At the end of 2000,
17 we learned that we would have to be evicted.
18 Council was being told this but didn't tell the
19 residents. (We were invited to some meetings, but
20 not all meetings.)"

21 And I believe she means the Council.

22 "We Tried to tell PHA that we were not
23 being represented, but that fell on deaf ears. PHA
24 refused to recognize that residents were not
25 informed. It depended on the Resident Council to

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2 provide information to us. Other residents told PHA
3 that they didn't believe they had to go.
4 Miss Jones, a PHA manager, was sent by PHA to
5 Schuylkill Falls, and she said we had to leave.
6 "PHA didn't recognize that the Resident
7 Council was not giving us proper information. The
8 residents complained, called PHA, but it fell on
9 deaf ears that they were not being represented.
10 Even after we left, the situation did not change.
11 The residents still don't trust the information
12 received from Tenant Council. We could trust only
13 the information that we got from Portia, who met
14 with PHA.
15 "I felt I had been misled. I always
16 passed on what I was told by the Resident Board.
17 Many residents stayed because I thought we could
18 stay. When I learned otherwise and I started
19 looking around at where I could take my family, they
20 asked, Was I leaving? They didn't have to know why.
21 If I was leaving, that was enough for them. I said
22 I was leaving, I felt something was wrong. About
23 ten residents said that If Martha Hackett is going,
24 we are going.
25 "This resulted in my being branded as

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2 working against the Resident Council because I was
3 telling the truth.

4 "The majority of the residents who come
5 forward to speak are easily misled. PHA and HUD
6 have refused to listen to the residents other than
7 through the Tenant Council. They have refused to
8 look closely at what is being done for the
9 residents. For example, the number of people
10 supposedly being helped to self-sufficiency, the
11 numbers are not accurate.

12 "Meaning no disrespect for Kenny Gamble, I
13 am surprised that something carries such a good name
14 is not what it is supposed to be. We were told we
15 would receive training which was being paid for by
16 the HOPE VI money. We are being sent flyers saying
17 that we will have to pay for training which is
18 already being paid for by HOPE VI."

19 Universal expects people to go to South
20 Philadelphia for training, people without jobs.
21 Provision is not being made for transportation.
22 There is low participation because residents were
23 misled and don't believe in Universal. I have
24 received calls from PHA asking me to get people to
25 come, asking why residents are not participating,

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2 and that I should let them know that they should
3 participate or they won't be able to return to
4 Schuylkill Falls. Some people who are out working
5 chose not to attend Universal training. If they are
6 working, why can't they come back without going to
7 training?

8 "Many residents refuse to return because
9 of the leadership. Some residents were offered
10 construction jobs if they would pay for the jobs.
11 Mothers asked me why their sons were being asked to
12 pay for jobs. HUD and PHA need to do an
13 investigation. In the past, people have been placed
14 in jobs intended for residents who were not
15 residents. They got jobs the residents should have
16 had. If PHA monitored, as it should have, this
17 wouldn't have happened. I am surprised that Kenny
18 Gamble and HUD and PHA have not monitored the
19 Universal program closely. If they had, they would
20 have found problems.

21 "The majority of residents I have talked
22 to and I feel HUD, Kenny Gamble and PHA have turned
23 a deaf ear to the residents even when we tell them
24 the people who say they are speaking on our behalf
25 aren't representing us. That is why the

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2 participation is so low. People are being paid to
3 work who are not doing anything for the residents.
4 If you want to know what's going on, contact the
5 residents themselves, not 'the representatives' put
6 forward. People trusted Resources; they don't trust
7 Universal.

8 "All of this has led many residents not to
9 trust or participate.

10 "We are supposed to be receiving monthly
11 newsletters; we are not receiving them. We did
12 receive a few which contained lies. For instance,
13 in one, there was what was represented to be a
14 statement by Bob Totaro, which he said he never
15 made."

16 Mr. Totaro is from Penrose.

17 "I feel attempts were not made to reach
18 residents who will speak honestly. To find out how
19 residents feel, contact the residents, not just the
20 Council. How can you expect residents to object to
21 something that they are not told about?

22 "The Empty-Nester Building. From day one,
23 there was to be a 50-unit Empty-Nester Building.
24 Many residents looked forward to living there. We
25 knew it couldn't be an 'empty nester' and asked for

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2 senior citizen. Whatever the name, it was to be 50
3 units, 40 one-bedroom and 10 two-bedroom. This was
4 very attractive to the older residents who loved the
5 area and didn't want to leave.

6 "It comes up quite often that upper East
7 Falls people don't want us on the site. We had
8 people at Schuylkill Falls also who were very
9 prejudiced. For the most part, people want
10 something of quality on the site. No one wants
11 something that is that is not good.

12 "Originally, we were told that you
13 wouldn't be able to tell the residents without much
14 money from where they lived. We didn't want only
15 poor people at the bottom of the hill. We were told
16 that it would be a financial mix, it would be
17 everybody mixed. The only difference among the
18 houses might be that some of them, because of site
19 conditions, would not have basements, and that those
20 houses would be rental, not sale. You wouldn't be
21 able to tell from looking who was low-income and who
22 wasn't. People weren't supposed to be segregated in
23 groups by income. That was the HOPE VI purpose.
24 That is what made this so attractive. I am appalled
25 that HUD will look at this plan and say it is the

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2 same when all of the low-income rentals will be in
3 one place. What sold HOPE VI to us was a chance to
4 revitalize our area. We felt that if people were
5 mixed up, it wouldn't wind up as a low-income area
6 no one would care about.

7 "How can they expect to attract people who
8 can afford to buy homes when there is only
9 low-income housing there? I know people who are
10 ready to put deposits down. If I had a lot of
11 money, I wouldn't come unless all of the houses were
12 built together. People who want a decent place to
13 live and were willing to buy in because people were
14 mixed together won't come when the first thing will
15 be low-income.

16 "How can we veer so far from what HOPE VI
17 said?

18 "Personally, I am uncomfortable that
19 Universal continued to say at every meeting that
20 this is to be an African-American community. We
21 understood HOPE VI was for everyone who qualified,
22 that HOPE VI related to mixed-income. If an Asian
23 person qualified, he could come. Personally, what
24 Universal said made me unhappy. I expected a
25 mixture of ethnic groups. That would be something

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2 new and refreshing for Schuylkill Falls.

3 "I have given Julia Chapman my phone
4 number. Please feel free to call me at anytime. As
5 you know, I have always been available.

6 "Thank you.

7 "Martha Hackett."

8 (Applause.)

9 COUNCILMAN NUTTER: Thank you very much.

10 Let me also read into the record a letter
11 we received by fax from Ms. Portia Harrison. Portia
12 Harrison is a Democratic committee person, 30th
13 Ward, 19th Division, presently living in the -- I
14 believe this is the West Philadelphia section of the
15 City, although I could be wrong, 19119. This is
16 dated November 16, 2001.

17 "Dear Councilman Nutter: I'm writing to
18 you in reference to the public hearing you'll be
19 holding on 11/19/01. I am concerned that I was not
20 informed but I am still involved in the HOPE VI
21 process and I'm going to participate in the Task
22 Force monthly meetings. I am sure it was not your
23 intention to ignore me."

24 Which it was not.

25 "Councilman, I am sure you're aware of the

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2 report by HUD in reference to their findings of the
3 planning process, agreements, contracts, and how
4 comprehensive services to the tenants were or were
5 not implemented to promote self-sufficiency in
6 adherence to the goals of the Hope VI Program.

7 "I continue to have concerns as to how
8 this process has been managed and how the very
9 people, the program is to assist and support, have
10 not been kept up to the date with a process by the
11 way of a monthly newsletter. It is shameful how the
12 tenants have been kept in the dark. A large
13 majority of tenants do not trust this process due to
14 mixed messages from the powers that 'are.' The
15 leadership and those providing the self-sufficiency
16 services and the developers have promoted mistrust.
17 They have failed to keep tenants updated on
18 information given at the Task Force meetings and
19 meetings with PHA. A newsletter should be used to
20 give information.

21 "The tenants have been relocated
22 throughout the City and the lack of information
23 gives tenants a feel of isolation and they have no
24 control of their fate. Tenants receive flyers in
25 the mail informing them of workshops and trainings

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2 they cannot afford. These opportunities are
3 supposed to made available to them by way of the
4 funds allocated for comprehensive services.

5 "My opinion is tenants not being informed
6 is deliberate in order for tenants not to question
7 the process. There are a lot of questions that need
8 to be answered. Not only to give the tenants a feel
9 of being a part of the process but to keep the
10 process from changing in mid-stream to gratify
11 individuals' personal agendas.

12 "I have lived in Schuylkill Falls for over
13 30 years. Schuylkill Falls has been a community of
14 caring people, and they do not deserve to be ignored
15 or intimidated. We have had our issues and we have
16 confronted them in spite of the lax of leadership.

17 "The HOPE VI Program was to be a new
18 beginning, and tenants believed in the process. I
19 continue to hear the disappointment from tenants in
20 the HOPE VI process, for it appears not to be
21 conducive to the original goals and plans upon it
22 was first proposed. To be honest, I wonder if some
23 individual ever wanted what the tenants hoped for.

24 "I am hopeful this hearing will raise
25 questions. I envision by this hearing, we will get

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2 back on track and the recommendations will be
3 implemented by good, honest, caring management, and
4 the concerns of the communities will be met. I do
5 understand everyone will not get what he or she
6 wants. If we can enforce the original plan with few
7 changes due to money issues, maybe those heading
8 this process can be responsible and accountable to
9 the people, and then maybe in a couple years, the
10 site will be made up of diverse families.

11 "God bless you. Sincerely,

12 "Portia L. Harrison."

13 (Applause.)

14 COUNCILMAN NUTTER: Okay. I need to get
15 the Housing Authority up to the table, and I've got
16 residents who need to get up as well. Is it all
17 three that I mentioned earlier? Is it Doris Woods,
18 Roxanne Destout, and Prince Muhammad-El?

19 If I can get you up to the table. I don't
20 have any testimony from you, but if we can hear from
21 you relatively quickly, I've still got the Authority
22 and the developers that I need to get up, and we're
23 starting to get a little crunched for time. So why
24 don't you come up to the table.

25 (Witnesses come forward.)

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2 COUNCILMAN NUTTER: Please identify
3 yourself for the record. And if you'll let us know
4 where you're presently relocated, that will be
5 helpful.

6 MS. WOODS: My name is Doris Woods and I'm
7 presently located in the Fairhill housing
8 development.

9 COUNCILMAN NUTTER: Okay, go ahead.

10 MS. WOODS: I'm not ready to speak yet;
11 they can go first.

12 COUNCILMAN NUTTER: All right, okay.

13 MS. WOODS: I'm not a very good public
14 speaker.

15 COUNCILMAN NUTTER: I understand.

16 MS. DESTOUT: Good afternoon. My name is
17 Roxanne Destout, and I'm a resident of Schuylkill
18 Falls, 17 years living in Schuylkill Falls.

19 And I -- there are so many things that are
20 being said today that are kind of a mixture of
21 what's happening, what has happened. The 17 years
22 that I lived there in Schuylkill Falls, I enjoyed
23 it. The Schuylkill Falls community was actively
24 involved with what I call the middle community. And
25 I always call it the middle community because it sat

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2 between Abbottsford and Schuylkill Falls.

3 The church community supported us, always
4 supported us. They were in the community the 17
5 years that I lived there. So there was always some
6 involvement with East Falls.

7 I've sat on different committees. I sat
8 on the Pastoral Council at St. Brigitte's Church,
9 where a lot of activities were. We attended
10 after-school programs, we attended summer sessions
11 for kids going to Bible studies. So there has been
12 a lot of participation.

13 For the 17 years I lived there, like I
14 said, I enjoyed it, but there are people that lived
15 there 30 years-plus. They are highly concerned
16 about what's going on. I don't think any of us
17 really know what's going on; we're all kind of in
18 the dark. So when I hear this mixture, it just
19 upsets me that decisions are made, people are making
20 statements, and the whole story is not out.

21 Originally, I heard that Schuylkill Falls
22 was not built for public housing residents; it was
23 built to facilitate military people. I also hear
24 that it was a beautiful community, that doctors that
25 worked at MCP Hospital lived there. So it's not the

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2 poor place that people are saying that it is.

3 The residents that reside there prior to
4 it closing did a very good job. They were highly
5 involved in the community. If they weren't, they
6 would not want to come back to be a part of it.
7 They never wanted to leave. They were given a lot
8 of promises that weren't kept, and the residents are
9 concerned.

10 I, myself, want to move back. I was a
11 part of the original planning process that said the
12 residents could stay. I was relocated twice and
13 told that I had to move. No one stayed, everyone
14 had to leave.

15 So I have a problem with this -- the idea
16 that people think that the residents should not be
17 considered. The residents were the first ones that
18 accepted the HOPE VI, because we believed that it
19 was going to change, it was going to make it better.

20 But Schuylkill Falls was not a bad place
21 to live. We enjoyed the community. I helped start
22 the health center. I'm the person that carried the
23 charts from the Abbottsford Health Center to create
24 a community that built the health center. We just
25 had a open house on October the 18th, we were a part

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2 of that. The health center never left the
3 community; it came back.

4 So we as community builders love living in
5 Schuylkill Falls and in East Falls the same way
6 everyone else does. And we do want to come back,
7 and we deserve the opportunity to come back. And
8 hopefully, everyone that has a part in the
9 decision-making understands that the residents
10 should be allowed to come back, anyone that wants to
11 come back. And the self-sufficiency should do a
12 better job and the planning should come together
13 better so that people can have this.

14 Thank you.

15 COUNCILMAN NUTTER: Just lastly, where
16 were you located to?

17 MS. DESTOUT: Fairhill, I'm at Fairhill.

18 COUNCILMAN NUTTER: That's at 11th and
19 where?

20 MS. DESTOUT: I live on Tenth Street, I
21 live on the 2400 block of Tenth Street, which is
22 North Philadelphia.

23 COUNCILMAN NUTTER: Did I also hear the
24 something about 11th and Cumberland?

25 MS. DESTOUT: It's the same thing,

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2 Fairhill Public Housing.

3 COUNCILMAN NUTTER: Okay. Please identify
4 yourself for the record.

5 MR. MUHAMMAD-EL: Good afternoon. My name
6 is Prince Muhammad, and it's a pleasure to be here
7 this afternoon to speak today.

8 I've heard a lot of folks start this
9 conversation off speaking about people in public
10 housing, specifically Schuylkill Falls, dealing with
11 ghettos and environment that needs to be
12 revitalized. And we're here for that purpose, but I
13 just need to explain to you, when the HOPE VI was
14 granted and the information that was given out and
15 the work that had to be done by the residents to
16 transform themselves from that stigma to being even
17 considered after being denied the \$40 million the
18 first time. It had taken a lot of work and it had
19 taken a lot of internal work. It had taken a lot of
20 residents being neighbors to neighbors right next
21 door to each other.

22 The broader picture here everyone's
23 speaking about, but for just a few minutes, I'd like
24 to speak at this transformation from within the
25 residents, because I think that's more important

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2 than anything at all.

3 I'm looking at this resolution here and it
4 deals with essential, just the first three lines,
5 where it says, "The Hope VI Program is a key U.S.
6 Department of Housing and Urban Development
7 initiative which seeks to transform public housing
8 by changing the physical shape of public housing in
9 order to complement surrounding neighborhoods by
10 providing comprehensive self-sufficiency services in
11 order to empower residents."

12 When you look at that situation right
13 there and you deal with Schuylkill Falls, I would
14 say that Schuylkill Falls had already had the ball
15 rolling. Schuylkill Falls was the environment that
16 had begun to empower themselves. I think the
17 grandmoms and the moms and the sons had already
18 looked at this and had foreseen that this was coming
19 down the pike.

20 And in that collectiveness that they had
21 had, it was interesting because Peirce College had
22 come up there to teach pharmacy to 13 residents.
23 You may not say that that's a lot of residents, but
24 out of a population of well over 300 families, to
25 get 13 to come out and to sit in a classroom and to

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2 complete a course, that's a lot, that's a lot.

3 Pharmacy had 13 residents, phlebotomy tech had 7

4 residents. This was done without any assistance

5 from the Authority. Based on their own merits,

6 based on their own reaching out, based on their own

7 communication, the residents were able to do these

8 things.

9 Home Depot, 14 residents at the start of

10 the learning process had learned to install windows,

11 install exterior doors, drywall, repairing walls.

12 All of this based around this HOPE VI notion that if

13 they knew a little bit more, they could do a little

14 bit more, it would be more valuable, they could come

15 back, they would have understanding.

16 Also, through this process, we had a night

17 out for the candidates, which Councilman Ortiz had

18 come to, Steve Nesmith when he was running, Glen

19 Bronson when he was running, and put on and

20 sponsored by the residents of public housing, not

21 looked upon as living in the ghetto or living in a

22 bad neighborhood, but looked upon as being a part of

23 a process in which it was made for them to

24 participate in just like anyone else.

25 As we would go down the list, we looked at

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2 a security company, Century Security had to come on
3 site, where there were well over 10 residents
4 employed to guard and secure their own site. And
5 that's something to be said because then the HOPE
6 VI, it allows us to develop tenant-resident-owned
7 businesses. So now these residents have hands-on
8 experience, firsthand experience regarding their own
9 backyard, as you would sort of speak. That went on
10 for a period of time until that was discontinued.
11 Asbestos and abatement, 14. Once again,
12 we're at that 14 number. Again, residents
13 participated in and completed this course. And that
14 was sponsored by the Housing Authority but it had
15 still involved residents based on them having the
16 opportunity to work onsite in the various jobs and
17 the various areas dealing with asbestos abatement
18 removal.
19 So as we move on, you say, okay, now we're
20 sending the residents' children to school and we're
21 doing something for the adults. What are we doing
22 for the children? And at that same time, there were
23 the opportunities for the kids to join a swimming
24 program that had taken up the 24 kids consistently.
25 And as you know, when you take kids swimming,

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2 there's a lot of concerns dealing with them
3 drowning, dealing with them actually knowing how to
4 swim. The ages of the swimming program went from 3
5 to 18. So when you take someone's 3-year-old to the
6 swimming pool, you better know what you're doing
7 better and you better have the proper people
8 watching the children. And that was all done within
9 the Schuylkill Falls family.

10 Now you move on to the project itself, the
11 HOPE VI, and you say, How do we take advantage of
12 this opportunity that's been presented to us? And
13 Schuylkill Falls is pretty much broken down like
14 East Falls is. You have a committee that handles
15 the HOPE VI, you have a committee that handles the
16 recreation, you have a committee that handles the
17 job development, and you have a committee that deals
18 with the relationship between PHA and the
19 developers.

20 Well, in this situation right here, we
21 recognize that in the Section 3, hiring of residents
22 on the site, a \$26 million project, the Section 3
23 says that you have to hire over the term of the
24 project 30 percent. Well, when you look at that
25 money and you look at the opportunity to hire just

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2 30 percent over the project, that is not a lot of
3 people. So it was incumbent of us to develop, based
4 on the HOPE VI, the tenant-resident-owned businesses
5 which will give us the opportunity to do a number of
6 things.

7 It would give us the opportunity to
8 develop a moving company to move residents who may
9 have situations that other movers were not taking
10 into consideration when they move a couch and
11 something runs from up over it or when they see a
12 item that's probably been in that area for a long
13 time or someone who does not have great housekeeping
14 skills who may have a lot of stuff stored away. In
15 developing a tenant-resident-owned moving company,
16 we were exposed to those situations, we could better
17 service that resident; we wouldn't have to turn our
18 head away or make comments or make statements. We
19 could respect that situation and then further assist
20 that resident on whatever else they may need.

21 And --

22 COUNCILMAN NUTTER: I don't mean to
23 interrupt your testimony, but I am, unfortunately,
24 tremendously aware of my time situation. I do need
25 to ask you one question, though. Just as you're

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2 concluding, given the nature of today's hearing and
3 kind of where things are and, to some extent, where
4 they are not, I mean, there are no houses built yet,
5 if you can lay out in fairly succinct terms, are
6 there any particular things that you have an
7 interest as a former resident in seeing at the
8 particular site in the current context of what the
9 plan is or what the plan was? I mean, that's our
10 primary focus here today.

11 MR. MUHAMMAD-EL: In this conclusion here
12 of what I'd like to see, the breakdown had come with
13 communication. We would like to see East Falls back
14 in the mix. Communicating with Schuylkill Falls.
15 Which you would also like to see the developers as
16 well as the Penrose and Universal all collaborating
17 for the best interests of the residents. Now, we
18 would like to see the resident participation, and I
19 remind you that the resident participation was not
20 of its own -- non-participation was not of its own
21 doing because they had done a considerable amount
22 when they had nothing and then when it's perceived
23 that they have something.

24 COUNCILMAN NUTTER: Okay.

25 MR. MUHAMMAD-EL: There's no excuse why

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2 there isn't a newsletter at all, there's no excuse.
3 If the residents themselves come to the table with
4 half a loaf of bread and you know they need the
5 whole loaf, then the service providers or PHA
6 themselves should find a way to get them the whole
7 loaf.

8 A newsletter should just not service the
9 residents; it should service East Falls for
10 information as well, okay?

11 To sum it up, we are doing the best with
12 the least, and we aren't sure if this -- if this
13 hearing at this time was a blessing or a curse
14 because we would like not just letters sent but the
15 actual people involved. This room should be filled
16 with East Falls and Schuylkill Falls residents.
17 Schuylkill Falls residents had a stake. They spent
18 a lifetime in that development -- 20, 30 years is a
19 lifetime.

20 And if we were to say anything, we would
21 say that the communication has to get better. We
22 can't meet with Council on urgent needs that affect
23 this whole project because folks are still
24 stabilized in that community in East Falls. Folks
25 at Schuylkill Falls have been relocated, and this

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2 proceeding right here is devastating to them and
3 their return.

4 So when we look at these proceedings at
5 this time, when they reach out and they try to
6 confront various situations, they're usually met
7 with a deaf ear until these hearings come up. Until
8 then, they're encountering other things.

9 COUNCILMAN NUTTER: I understand. This is
10 the first hearing of its sort; I can assure you it
11 will not be the last. And I would certainly be glad
12 to contact all of the former residents as soon as I
13 get a list of where they all are, since they're all
14 scattered all over the City.

15 MR. MUHAMMAD-EL: That could be provided
16 by the staff that is currently down at Universal.

17 COUNCILMAN NUTTER: Now, are you still
18 working at Universal Community Homes, or are you
19 still involved in the self-sufficiency process?

20 MR. MUHAMMAD-EL: I am still involved, we
21 are involved in the process

22 COUNCILMAN NUTTER: Who is we?

23 MR. MUHAMMAD-EL: The staff that is down
24 at Universal. We made attempts to look for an
25 opportunity to move to the East Falls area but it's

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2 been difficult to find property or available
3 property or to even deal with the budget that will
4 allow us to stabilize.
5 COUNCILMAN NUTTER: So you were hired by
6 Universal --
7 MR. MUHAMMAD-EL: Yeah, we're involved --
8 COUNCILMAN NUTTER: -- to provide
9 self-sufficiency services?
10 MR. MUHAMMAD-EL: That is correct.
11 COUNCILMAN NUTTER: And where were you
12 relocated to as a part of the closing of the
13 development?
14 MR. MUHAMMAD-EL: Fairhill, down at Tenth
15 and Cumberland.
16 COUNCILMAN NUTTER: Okay, so you're living
17 at Fairhill also?
18 MR. MUHAMMAD-EL: That's where a good
19 portion of the Council is, resides down at Fairhill.
20 COUNCILMAN NUTTER: I understand about
21 other people and I've got the other two folks here;
22 I'm just trying to keep track of folks as they're
23 coming. Where did you get relocated to?
24 MR. MUHAMMAD-EL: We're all down at
25 Fairhill.

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2 COUNCILMAN NUTTER: So you're living at
3 Fairhill also?

4 MR. MUHAMMAD-EL: That is correct, I am
5 down Fairhill.

6 COUNCILMAN NUTTER: Now, Miss Woods, did
7 you want to speak, or you're just kind of here for
8 support?

9 MS. WOODS: I'm here for support, but I'd
10 really like to say that I'm disappointed in the
11 self-sufficiency because the people cannot buy the
12 homes that they want to come back to. We'd like to
13 see that 50-unit building there.

14 COUNCILMAN NUTTER: Okay. Do me a favor:
15 Just identify yourself for the record.

16 MS. WOODS: I'm Doris Woods, Vice
17 President, Schuylkill Falls Tenant Council.

18 COUNCILMAN NUTTER: All right. Thank you.

19 MS. WOODS: That's pretty much it. They
20 pretty much said what was needed to be said at this
21 moment.

22 COUNCILMAN NUTTER: I think you were
23 counting on that.

24 MS. WOODS: Yes, I was. I've lived in
25 Schuylkill for 26 years.

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2 COUNCILMAN NUTTER: Gotcha, I know.

3 MS. WOODS: And it's disappointing.

4 COUNCILMAN NUTTER: I understand.

5 Thank you all very much. Thank you.

6 COUNCILMAN NUTTER: If we can have the
7 representatives of the Housing Authority come up to
8 the table, that would be -- the Executive Director
9 of PHA was invited to these hearings. I'm made
10 aware by way of a letter that I think we received on
11 Friday that --

12 (Witnesses come forward.)

13 COUNCILMAN NUTTER: Why don't we get
14 everyone identified at the table and then we'll deal
15 with the letter. I think it's probably fairly
16 obvious to everyone here in the room that none of
17 these individuals are actually Carl Greene. Why
18 don't you identify yourselves and get started.

19 MR. KESSLER: Thank you, Mr. Chairman.

20 Mr. Chairman, my name is Alan Kessler; I
21 am not Carl Greene. I'm an attorney and a partner
22 with the law firm Wolf, Block, Schorr and
23 Solis-Cohen. With me is Abbe Fletman, a partner of
24 mine at Wolf Block; and John Estey, a partner at the
25 Montgomery McCracken law firm.

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2 COUNCILMAN NUTTER: This is an impressive
3 array of representatives from the legal community.
4 I am almost feeling somewhat intimidated here as the
5 chair, and I will try to do my best to conduct this
6 hearing, notwithstanding the fire power from the
7 other side.

8 Now, let me just try to understand who all
9 is who and why do we have three attorneys at the
10 table and who represents who and in can what
11 capacity.

12 MR. KESSLER: Thank you, Mr. Chairman.

13 Well, Mr. Chairman, you are so
14 intimidating that it took three lawyers from
15 Philadelphia to kind of counter --

16 COUNCILMAN NUTTER: Right. Flattery will
17 get you nowhere, Mr. Kessler.

18 MR. KESSLER: Mr. Chairman, Ms. Fletman
19 and I represent the Philadelphia Housing Authority
20 in federal litigation filed by both East Falls
21 Community Council and East Falls Business
22 Association amongst some others, some individuals.
23 And Mr. Estey is here for his wise counsel and
24 advice, who represents Carl Greene, the Executive
25 Director of the Housing Authority individually.

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2 Mr. Greene is no longer a party; he was a party to
3 the litigation, but Mr. Estey continues to represent
4 Mr. Greene in that capacity.

5 COUNCILMAN NUTTER: Okay.

6 MR. ESTEY: Excuse me, Mr. Chairman. I'm
7 John Estey. In addition to Mr. Greene, former Mayor
8 Rendell was also a party to that lawsuit. I and my
9 firm represent him as well as Mr. Greene. In
10 August, Mr. Greene and Mr. Rendell were dismissed
11 from the litigation. We continue to be involved to
12 monitor the litigation on their behalf, as their
13 dismissal was without prejudice, meaning that there
14 is a possibility that they might be joined in the
15 litigation at some point in the future.

16 COUNCILMAN NUTTER: Okay, all right. Now
17 that everyone has appropriately covered themselves.

18 Mr. Greene has sent me a letter, which I
19 will read into the record, and then we will have
20 some discussion about that. This is a letter dated
21 November 16, 2001.

22 "Dear Councilman Nutter: I am in receipt
23 of your letter dated November 8, 2001, which I
24 received on November 13, 2001. You requested my
25 participation in the public hearing before the City

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2 Council Committee on Commerce and Economic
3 Development on November 19, 2001 'to investigate the
4 HOPE VI planning process, the 1997 HUD application,
5 and the current development plan for the Schuylkill
6 Falls Housing Authority site.' For the following
7 reasons and after consultation with counsel, I
8 regret that I will be unable to appear to testify at
9 the hearing on the 19th.

10 "I was unaware of the hearing until
11 Tuesday, November 13th and already had commitments
12 out of town on the hearing date.

13 "More importantly, as you know, the same
14 subject matter to be addressed at the hearing is at
15 issue in a federal lawsuit brought by the East Falls
16 Community Council, the East Falls Business
17 Association, and four individuals against the
18 Philadelphia Housing Authority, the United States
19 Department of Housing and Urban Development, and HUD
20 Secretary Mel Martinez."

21 There's a footnote at that point with
22 reference to the fact that the individuals, former
23 Mayor Rendell and Director Green, have been
24 dismissed personally from that lawsuit.

25 "Motions to dismiss the complaint in that

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2 litigation are now pending before the court, and we
3 do not wish to prejudice our position in the lawsuit
4 through testimony before your committee.

5 "Moreover, there are two other pieces of
6 litigation concerning the Schuylkill Falls project
7 that could be affected by these hearings: A matter
8 now pending before the Zoning Board of Adjustment
9 and a state court action brought by the Resident
10 Advisory Board Incorporated and others parties
11 against the plaintiffs in the federal litigation.

12 "I know that PHA has provided you with
13 substantial information concerning the Schuylkill
14 Falls project. In particular, on or about October
15 5, 2001, our counsel in a six-page letter with 25
16 exhibits responded to your questions about the
17 funding stream for the project. In late July, we
18 provided you with a market study report by Delta
19 Associates on the feasibility of building
20 market-rate housing at the site. In addition, both
21 my counsel and I have met with you concerning the
22 project and have invited you to a number of the more
23 than eight meetings we have had with members of East
24 Falls Community Council in an attempt to resolve the
25 issues raised in the litigation.

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2 "PHA is committed to a quality
3 mixed-income project at Schuylkill Falls. We will
4 be pleased to participate in any informal meetings
5 you might convene to engage in constructive dialog
6 with the interested parties.

7 "I would appreciate it if you would
8 include this letter in the official record of the
9 November 19, 2001 hearing. In addition, I've asked
10 PHA's counsel in the federal litigation to attend
11 the hearing to further explain PHA's position if
12 necessary.

13 "Very truly yours, Carl Greene, Executive
14 Director."

15 (Copy of Greene letter
16 attached hereto.)

17 COUNCILMAN NUTTER: While we're dotting
18 I's and crossing T's, why don't I mention that the
19 letters that were sent out were dated November 8th,
20 they were mailed on November 8th, and everyone, to
21 the best of my knowledge, received theirs in a
22 timely fashion. I will not take responsibility for
23 the untimely delivery to Mr. Green or what may have
24 happened in the PHA mail system that may have
25 affected his receiving the letter in a more timely

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2 fashion.

3 Second, this is a matter that we have
4 discussed in the past, as well as the fact that this
5 resolution was introduced back on April 5, 2001, and
6 it's unfortunate if the director thought that
7 because there had not been an immediate hearing at
8 that time, that there would not be a subsequent
9 hearing on this matter. I think the director, and
10 certainly his counsel, know me well enough to know
11 that I wouldn't have introduced it if I hadn't
12 planned to have a hearing on it.

13 Third, let me ask this question: Where is
14 Mr. Greene?

15 MR. ESTEY: I don't know where Mr. Greene
16 is today.

17 COUNCILMAN NUTTER: Counsel, you're saying
18 you don't know where your client is?

19 MR. ESTEY: That's what I said.

20 COUNCILMAN NUTTER: Okay. And where is
21 any of the leadership of PHA?

22 MR. KESSLER: Mr. Chairman, I assume the
23 leadership is either at PHA offices or elsewhere.

24 COUNCILMAN NUTTER: Okay. And did they
25 all decline to come to the hearing as well?

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2 MR. KESSLER: Well, first off, you know,
3 we talk about dotting I's and crossing T's. I don't
4 mean to be hypertechnical, but I think we understand
5 the intent of the letter, but the letter was
6 directed to the Executive Director, Carl Greene; it
7 was not directed to PHA. And, again, I say that
8 with due respect and I am not intending to dance
9 around the --

10 COUNCILMAN NUTTER: Well, I didn't send it
11 Mr. Greene at his house; I sent it to him at the
12 agency where he works. I assume that someone else
13 over there either sees the mail, reads the mail, or
14 might have an inclination to say, "Oh, we got this
15 letter, what do you think about it?" Or, "I can't
16 go, what about you?"

17 MR. KESSLER: Mr. Chairman, I think
18 Mr. Greene went on to say in his letter -- more
19 importantly, I think it's important -- I think the
20 first thing that you said indicates that we knew --
21 as you said, the authorization to hold hearings was
22 in April. We're well aware -- we assumed that East
23 Falls Community Council, East Falls Business
24 Association was well aware that there might be
25 hearings, or probably would be hearings at some

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2 point; yet, they selected, they decided to institute
3 suit some three, four, months after these hearings
4 were authorized in Federal Court. They selected
5 that forum, Mr. Chairman, not us. We would have
6 preferred to continue meeting with you and with the
7 community groups, but that kind of decision was
8 taken out of our hands by the federal litigation.

9 And I want to emphasize, it's not just the
10 mere fact that suit was filed in Federal Court.
11 Suit was filed in Federal Court. It is-- I don't
12 remember exactly, but with over 100 allegations, 6
13 or 7 causes of action, it's a very lengthy
14 complaint. We, on behalf of the Housing Authority,
15 as Mr. Estey said, Mayor Rendell and Mr. Greene are
16 out of the case.

17 We filed a motion to dismiss; that's a
18 motion seeking disposition at this stage by the
19 federal judge. It's a very important motion, it's a
20 very sensitive motion. And it was on that basis --
21 and we're not hiding behind the fact that
22 Mr. Greene's out of town. The more important reason
23 why he's not here is because it was our considered
24 opinion that because of the very sensitive nature of
25 the dispositive motion that's now pending, that he

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2 cannot be here to answer questions.

3 COUNCILMAN NUTTER: Well, I appreciate
4 your zealous representation of your client. At the
5 same time, I think both myself, as the chair and as
6 well, the rest of the members of the committee,
7 would appreciate both a little more consideration,
8 if not respect, from the Executive Director. I
9 cannot control whether people seek their legal
10 redress in whatever court that they may want.
11 That's not within my purview. This is-- last I
12 checked, this is still the United States of America,
13 and anybody can sue anybody about whatever they
14 want. If they can get past, you know, the first
15 hurdle and get the thing stamped, they're in.

16 At the same time, as a member of city
17 Council, I'm not involved in the litigation. I do
18 have a responsibility to represent my constituents,
19 and so whether some group of people file a lawsuit
20 or not should negatively impact my ability to not
21 only a represent people but have a decent hearing
22 that allows for an open exchange at least of some of
23 the information.

24 Many of these matters, whether people
25 debate them or not or have a different perspective,

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2 I mean, there are a multitude of documents that were
3 signed relative to this. Those facts will not
4 changed. Whether they're discussed in this Council
5 chamber, down in Federal Court, around the corner in
6 the Common Pleas Court, or somewhere in Harrisburg,
7 the facts are the facts, and whatever was signed and
8 agreed to was agreed to.

9 Now, you know, notwithstanding the
10 litigation, you did send me a ton of stuff over, I
11 read the stuff, and I'm sure it will also become the
12 subject of whatever's going down at Sixth Street,
13 but, I mean, this is not the first time that we've
14 had a difficulty in some level of communication with
15 the director. I take it as a personal affront and
16 I've not heard from him. He can put in writing all
17 he wants about how many meetings I've been invited
18 to. The fact of the matter is, I don't know how
19 many meetings the Authority had with the East Falls
20 Community Council; I was invited to one, I went to
21 one, and to the best of my knowledge, there hasn't
22 been another once since. And my recollection is
23 that it was actually at the offices of your firm in
24 a conference room. I came, I participated, and
25 haven't heard a word since.

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2 The next thing I got was the package from
3 Mr. Jacobs from the firm and those materials. There
4 are other things that I've asked for that have never
5 been received. And it appears that there is no
6 intention of ever providing that level of
7 information so that we can get on with the process
8 of people actually living at the site in decent
9 housing that is comparable to what was promised back
10 at the time that -- with every respect to you, you
11 weren't involved in this, in any of the meetings and
12 discussions about this particular issue.

13 So let me just try to be very clear.

14 One, Mr. Greene is going to come to a
15 hearing convened by this committee at some point in
16 time. And I know that you want to represent your
17 client and you want to try to do a good job.
18 Federal litigation is what it is, and to the extent
19 that between and amongst yourselves, a half a dozen,
20 at least, I know of my constituents who are also
21 members of the Bar, you guys will argue till the
22 cows come home about whether a client should be in
23 or a client should be out. I'm not in that.

24 But your client is going to come to a
25 hearing here and explain, as the director of this

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2 agency, what is going on with this development, why
3 things are the way they are. And if the lawsuit,
4 whatever happens with the lawsuit, where the issue
5 goes away, one way or the other, I expect you will
6 bring your client to a hearing.

7 MR. KESSLER: Mr. Chairman, you said a lot
8 of things, some of which I agree with, some of which
9 I do not agree with.

10 I'm sorry that you took is his
11 non-appearance here today as an affront, because it
12 was not his decision. Ultimately, it was his
13 decision, it was a decision made on the advice of
14 counsel. So if there is anyone to blame or take an
15 affront to, I guess it's the three of us.

16 But, Mr. Chairman I also agree that
17 anybody has the right to institute litigation. It's
18 a part of what -- I mean, it's a part of what
19 actually keeps us in business.

20 COUNCILMAN NUTTER: I understand.

21 MR. KESSLER: So the more litigation, the
22 more, the merrier.

23 However, we don't think it's fair to just
24 say -- and I say this with all due respect,
25 Mr. Chairman, that that's somebody else's problem,

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2 that's not my country. As you know, this is a
3 country of laws, and I think Council has a duty and
4 an obligation to respect and understand those laws.

5 We have a motion, as I said before, a very
6 sensitive motion outstanding. Now, you can tell me,
7 "That's not my problem," but it's our, and you can
8 choose to ignore it or not ignore it, but that's our
9 job to do, that's what we do, and we have to do what
10 we think is right to protect our client's interests
11 in not just an adversarial proceeding but an
12 adversarial proceeding in Federal Court.

13 So it's not as simple for us as it may be,
14 with all due respect, for you as a Councilman.

15 We have -- perhaps there is some other
16 way -- and I do appreciate at least noting what
17 we've offered, referring to our letter, which
18 indicates the kinds of information we have produced.
19 This is not -- and I wouldn't want the record, you
20 know, to be reviewed and anybody to think that we've
21 stonewalled; that has absolutely never been the
22 case. We're trying to walk the fine line between,
23 on the one hand, the federal litigation and the
24 other litigation; and on the other hand, trying to
25 supply information, trying to meet with people.

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2 Although you've indicated you attended one meeting
3 with the community, there have been at least eight
4 meetings. In fact, somebody earlier referred to --

5 COUNCILMAN NUTTER: I attended the
6 meeting, Mr. Kessler, that I was notified about and
7 informed of. The fact that seven meetings had taken
8 place before then and no one thought it either
9 necessary, important, or relevant that they let me
10 know about them, you know, I can't attend what I
11 don't know about. But when the notification was
12 provided, I was there, and I fully participated from
13 the beginning to the end.

14 I interrupted you, go ahead.

15 MR. KESSLER: Well, what I was about to
16 say is perhaps I would hope that the Chair would
17 keep open to other ways to possibly address the need
18 for information so that we could get the Chair of
19 this committee additional information, while at the
20 same time attempting to protect the litigation
21 process that's proceeding, unless, of course --

22 COUNCILMAN NUTTER: Well, let me mention
23 one other thing to you. When you talked about
24 whether there's been any stonewalling or not, I
25 mean, let me just continue to make sure the record

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2 is absolutely crystal-clear, and I think this took
3 place before you came on in this particular
4 capacity. It was mentioned earlier, and I'm very
5 mindful of the fact, that when the community
6 attempted to get certain documents and information
7 from the Authority, I think their last resort was to
8 file a Freedom of Information Act lawsuit.

9 So, I mean, you usually don't file that
10 kind of suit if you're getting all of the
11 information that you want.

12 MR. KESSLER: Mr. Chairman, can I let
13 Miss Fletman, 'cause she was involved in that
14 proceeding, address that?

15 COUNCILMAN NUTTER: Sure.

16 MS. FLETMAN: Mr. Chairman, I was not
17 involved before that lawsuit was brought; that was
18 my first involvement. But since that lawsuit was
19 brought, being the Right to Know Act, we provided
20 box upon box of information to the community, and
21 there was reference to us only doing it pursuant to
22 order. That was simply not the case.

23 There was one document, the Master
24 Development Agreement, which was not a signed
25 complete document.

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2 COUNCILMAN NUTTER: I understand that, and
3 I don't mean to interrupt you. The only reason I
4 raised that is in the context, if the case is going
5 to be, we've always been open and honest, we've
6 shared everything anybody ever wanted, I just think
7 it's important to at least note for the record that
8 at some point in time, that wasn't the necessarily
9 the philosophy, the result of which resulted in the
10 filing of that kind of action.

11 So, I mean, it hasn't been a complete free
12 flow of information from the start. Maybe that's
13 the new -- you know, maybe that's the benefit of you
14 guys being there that information is flowing, and
15 now, because of this other action, I'm sure you've
16 had to truncate to some extent what you're sharing.

17 Let me go back to the last question that I
18 asked. You have a matter pending in Federal Court;
19 whatever is going to happen with that is going to
20 happen with that, and you will battle that out in a
21 different forum. What I want to know is, when that
22 matter is disposed of, when do you propose to bring
23 your client to this chamber and give testimony
24 before this committee?

25 MR. KESSLER: Mr. Chairman, we will --

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2 Mr. Greene is ready, willing, and able, when that
3 matter is disposed of, to come before this committee
4 and testify.

5 COUNCILMAN NUTTER: And what are you
6 prepared to offer us today? Are you in a position
7 to now take questions about the matter in front of
8 us?

9 MR. KESSLER: Mr. Chairman, again, because
10 of litigation, I think what we can offer is to
11 provide to this committee Mr. Greene's written
12 testimony. It's going to be understood again that
13 it's not going to -- it's not going to be as
14 complete or specific as it -- or detailed as it
15 might be absent the litigation.

16 And secondly, I think we're prepared to
17 recommend or suggest that if this committee were to
18 forward written questions to Mr. Greene, that those
19 questions Mr. Greene could review with counsel and
20 respond to.

21 MS. FLETMAN: And, Mr. Chairman, let me
22 just jump in here. This is not a case where the
23 subject matter of your resolution is tangential to
24 the subject matter of the litigation; they're
25 totally consistent. I mean, the questions that

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2 you're asking are exactly the issues that the
3 plaintiffs have brought an action about. So that
4 just heightens the sensitivity of giving testimony
5 in that situation.

6 COUNCILMAN NUTTER: Well, Ms. Fletman, I
7 think as long as we understand that the resolution
8 itself and the components of it were introduced back
9 in April of this year -- I don't remember when the
10 lawsuit was filed, but I am sure that you are not at
11 the moment trying to make any connection between the
12 resolution introduced in Council in April and the
13 pending litigation, notwithstanding any similarities
14 that you may read into it or the like. Are you
15 trying to say something that you're not saying?

16 MS. FLETMAN: No, Mr. Chairman, I was not,
17 I was not. All I was saying is that the subject
18 matter of the questions here is exactly the subject
19 matter of the federal lawsuit. I certainly didn't
20 intend to suggest that there was a connection; only
21 that that is the source of our concern in terms of
22 having our client come and testify.

23 COUNCILMAN NUTTER: With regard to the
24 issue of submitting questions, you know, I think the
25 last time I sent a paper into the teacher was about

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2 4th grade. And so I'm not going to get into sending
3 a whole host of questions over and then we're going
4 to have a poring over them by three expert lawyers
5 and whoever else might be involved in this
6 particular process.

7 The job I do in this kind of forum is, I
8 ask my questions. I haven't even thought of all the
9 questions that I might have for Mr. Greene in this
10 particular circumstance. What I want is the
11 director and all of the pertinent people associated
12 with PHA or any other agency that's been involved in
13 this process, I want them here, I want them in those
14 chairs, and I want to ask my questions directly.
15 I'm not going to send over a list of questions and
16 get back whatever response is legally allowable at
17 the time.

18 MR. KESSLER: Mr. Chairman, I didn't mean
19 to suggest that if we were to proceed in that
20 fashion, written testimony, written questions, that
21 would be the end of it. What I meant to suggest is
22 kind of an interim measure, that that's what we
23 would suggest or recommend, an interim measure
24 until, as you suggested, the litigation is disposed
25 of.

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2 COUNCILMAN NUTTER: Well, again, that will
3 be handled by, you know, other parties, and
4 certainly not by myself.

5 Let me ask this question, then. I don't
6 necessarily know that this is either the subject of
7 the suit, because I haven't read the suit, I'm not
8 in the suit, but I think it is pretty much a yes or
9 no issue. There's been a lot of discussion here
10 this morning, for instance, about the issue of the
11 self-sufficiency part of this HOPE VI application.
12 Can you tell us, based on whatever knowledge or
13 information you have, what is going on with that,
14 who's doing what with that, and is that component
15 working?

16 MS. FLETMAN: No, Mr. Chairman, I don't
17 have information that I can provide you on that
18 issue.

19 COUNCILMAN NUTTER: Okay. Do you have any
20 information with regard to the Delta report that was
21 done during, I believe, the course of the summer
22 that was forwarded to me back in July?

23 MR. ESTEY: Information of what type?

24 COUNCILMAN NUTTER: Can you respond to any
25 questions about it? Have you read it, have you

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2 looked at it?

3 MR. ESTEY: That report is part of and is
4 a potential piece of evidence in the litigation that
5 is ongoing. I don't think any member of this panel
6 is prepared at this time to discuss that particular
7 report.

8 COUNCILMAN NUTTER: Because it might be a
9 part of the evidence?

10 MR. ESTEY: Because I think the
11 circumstances surrounding it, whatever you mean by
12 "information," could lead to certain avenues of
13 inquiry that would not be appropriate, given the
14 pendency of the litigation.

15 COUNCILMAN NUTTER: Well, let me ask this
16 question, 'cause it's mentioned in the director's
17 letter that there are some, I guess, counter suits
18 that may have been filed against some of the
19 individuals who live in the neighborhood. Now, why
20 is it that they're able to be here with us today and
21 testify about whatever it is that they want to
22 testify about, but on the PHA side, there's no
23 ability to say anything about anything about
24 documents that are kind of signed, sealed, and
25 delivered from many, many years ago that I assume

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2 are not going to change? Can you explain that to
3 me>

4 MR. ESTEY: I assume they either have not
5 consulted with their counsel or they have gotten
6 different advice from their counsel as to what is
7 appropriate in this forum.

8 COUNCILMAN NUTTER: Okay, all right. So
9 what -- why don't we -- let's kind of cut to the
10 chase. What is it that you want to share with us
11 today other than the fact that your client can't be
12 here today?

13 MR. ESTEY: The willingness of Mr. Greene
14 to -- and the Housing Authority to respond to
15 written inquiries at this stage, and the commitment,
16 once the federal litigation is resolved, for
17 Mr. Greene and other members of the Housing
18 Authority to appear before this committee and make
19 whatever appropriation is appropriate at that
20 juncture and to answer whatever questions might be
21 appropriate at that juncture.

22 COUNCILMAN NUTTER: Okay, let me ask this
23 question. Let me go back to the Delta report for a
24 second; you've seen this report?

25 MR. KESSLER: Yes.

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2 MS. FLETMAN: Yes.

3 MR. ESTEY: Yes.

4 COUNCILMAN NUTTER: Do you have any
5 reaction to the statement in the report that East
6 Falls is an average location?

7 MR. KESSLER: Mr. Chairman, I think what
8 you're hearing -- we are counsel, and I appreciate
9 your stating that maybe we've been helpful in
10 expediting somewhat the flow of information. What
11 we think or don't think is, with all due respect,
12 not entirely relevant. It's the Housing Authority,
13 you know, that is -- that is the party that's going
14 to make things happen or not, and what it thinks
15 about that report or doesn't think is what's
16 relevant.

17 And what we've tried to say is had the
18 residents, had the community not seen fit to file
19 the federal litigation, but instead, play out the
20 proceedings that were authorized in April, and then
21 they weren't pleased or happy with the testimony,
22 perhaps then filed suit, we'd be in a much better
23 position to answer your questions.

24 We understand you want answers, you want
25 information. We've tried to do that in an informal

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2 context. We can't do that, we don't believe, in a
3 formal context.

4 COUNCILMAN NUTTER: Give me a sense of the
5 status of this much-discussed litigation.

6 MS. FLENMAN: We have a fully briefed
7 motion to dismiss pending before Judge DuBois of the
8 Eastern District of Pennsylvania.

9 COUNCILMAN NUTTER: When was that filed?

10 MS. FLETMAN: It was -- I want to say late
11 August.

12 COUNCILMAN NUTTER: Okay, and what happens
13 next?

14 MS. FLETMAN: The judge either asks us for
15 oral argument or he rules.

16 COUNCILMAN NUTTER: And do you have a
17 sense of what's going to happen either way, or when,
18 or is there a schedule, a timetable

19 MS. FLETMAN: There's not -- a federal
20 judge decides when he or she decides. I mean,
21 there's no schedule, you know --

22 COUNCILMAN NUTTER: What happens if the
23 judge rules against your motion?

24 MS. FLETMAN: If the judge rules against
25 our motion, the litigation would proceed, and we

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2 would go into discovery.

3 COUNCILMAN NUTTER: Okay. And what
4 happens as it relates to the development while all
5 of that is going on?

6 MS. FLETMAN: The plaintiffs did not move
7 for a preliminary junction, so construction goes
8 forward.

9 COUNCILMAN NUTTER: So you just keep doing
10 whatever you want to do.

11 (No immediate response from
12 panelists.)

13 COUNCILMAN NUTTER: It's a yes or no
14 question.

15 MR. ESTEY: They keep constructing,
16 consistent with the plan that's been approved by the
17 various regulatory agencies. There is nothing at
18 this stage, nor was there when the lawsuit was
19 initiated, that precluded the plaintiffs from
20 bringing a temporary restraining order motion and/or
21 a preliminary injunction motion seeking to stop the
22 construction at the site. They chose, for whatever
23 reason, not to do that. Therefore, the construction
24 is proceeding on phase one, which, as you know, is
25 fully financed upon closing, it was in December.

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2 COUNCILMAN NUTTER: Right.

3 MR. ESTEY: And that does not impact phase
4 two of the project.

5 COUNCILMAN NUTTER: Well, is phase two
6 fully financed?

7 MS. FLETMAN: No.

8 MR. ESTEY: No.

9 COUNCILMAN NUTTER: How is it going to
10 happen?

11 MR. ESTEY: Those issues have not yet been
12 resolved.

13 COUNCILMAN NUTTER: Why would you start it
14 if you don't know how you're going to end it?

15 MR. ESTEY: There are a number of factors
16 that go into deciding what will and will not be
17 built in phase two, contingent in part upon phase --
18 the completion of phase one successfully. That is a
19 matter that is at issue in the lawsuit and the other
20 ancillary pieces of litigation.

21 COUNCILMAN NUTTER: Okay. Do you have any
22 anticipated -- now, you filed your motion to dismiss
23 in August.

24 MS. FLETMAN: Correct. And then the
25 plaintiffs responded.

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2 COUNCILMAN NUTTER: So everybody's
3 responded to what they need to respond to.

4 MS. FLETMAN: Yes.

5 COUNCILMAN NUTTER: And when was the suit
6 filed?

7 MR. ESTEY: July.

8 COUNCILMAN NUTTER: So we've got a July
9 filing and we've got an August motion to dismiss,
10 and everybody's fully briefed on that.

11 MS. FLETMAN: Yes.

12 MR. ESTEY: There are, in fact, two
13 motions to dismiss. Outstanding there is a motion
14 from the Housing Authority and a motion from the
15 United States Department of Housing and Urban
16 Development.

17 COUNCILMAN NUTTER: Okay. What's going on
18 at the site right now?

19 MR. ESTEY: Last time I drove by,
20 construction was underway.

21 COUNCILMAN NUTTER: Construction or site
22 prep?

23 MR. ESTEY: I -- you're asking -- I'm not
24 sufficiently versed in the difference between the
25 two. I know that there were machines moving earth

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2 about.

3 COUNCILMAN NUTTER: Construction generally
4 means that something is actually built, site prep
5 usually means something's either being taken down or
6 earth is being moved around. Those are -- I mean --

7 MR. ESTEY: And my answer is, I don't know
8 the difference. With respect to what I personally
9 viewed at the site, which is what I'm basing my
10 answer on -- I don't know the difference -- I assume
11 that they are engaged in site preparation.

12 COUNCILMAN NUTTER: Okay, all right.
13 Anything else?

14 MR. KESSLER: I don't have anything,
15 Mr. Chairman. Thank you.

16 COUNCILMAN NUTTER: Well, this has been
17 very fruitful. Thank you so much.

18 (Laughter.)

19 COUNCILMAN NUTTER: Are there
20 representatives from the various development
21 companies here?

22 (Witnesses come forward.)

23 COUNCILMAN NUTTER: Identify yourselves
24 for the record.

25 MR. TOTARO: Mr. Chairman, Councilman

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2 DiCicco, my name is Robert Totaro, T-O-T-A-R-O. I
3 am Vice President of Penrose Properties. Penrose
4 Properties has partnered with Universal Community
5 Homes through an entity known as Penrose UCH LLC,
6 which is the managing member of the developer
7 entities, Schuylkill Falls Redevelopment, LLC.

8 Thank you for the opportunity to appear
9 this morning, or this afternoon. I would be --

10 COUNCILMAN NUTTER: Why don't we get the
11 other gentleman identified and then we'll know who's
12 who.

13 MR. DAWAN: My name is Shahied Dawan, and
14 I'm the Chief Operating Officer of Universal
15 Community Homes.

16 COUNCILMAN NUTTER: Okay, thank you.
17 Please proceed.

18 MR. TOTARO: Mr. Chairman, I would be
19 happy to do a variety of things, whichever you think
20 is more useful to you. I would be happy to address
21 the --

22 COUNCILMAN NUTTER: Do you want to spell
23 those things or do you want to leave it to my
24 imagination?

25 MR. TOTARO: Either way. I would be happy

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2 to address the provisions of the resolution, the
3 comments that various parties testifying this
4 morning have made, and/or respond to questions that
5 you or other committee members may have.

6 COUNCILMAN NUTTER: Why don't we do a
7 combination of that, although, again, to the extent
8 that you can --

9 MR. TOTARO: Merge them?

10 COUNCILMAN NUTTER: -- kind of not --
11 well, it's a fairly long story. If we can, you
12 know, operate, maybe within the last year or so and
13 not go back to the history of clock-making, I'm sure
14 we'd all appreciate it.

15 MR. TOTARO: That's convenient for me
16 because we have only been involved -- that is,
17 Penrose UCH LLC -- since February of the year 2000.

18 COUNCILMAN NUTTER: How did you get
19 involved?

20 MR. TOTARO: We were invited by the
21 development of record, Integral Group, in
22 partnership with Enterprise Social Investment
23 Corporation to compete with three other
24 locally-based -- that is Philadelphia-based --
25 developers to be admitted to the partnership they

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2 had established to act as developer.

3 COUNCILMAN NUTTER: Who are the other two?

4 MR. TOTARO: I honestly don't recall. I

5 believe one was Michael's Development Corporation.

6 Another one may have been Beacon, although I believe

7 they declined to participate.

8 COUNCILMAN NUTTER: Did Michael's express

9 an interest?

10 MR. TOTARO: Yes. They did compete.

11 COUNCILMAN NUTTER: So what was the

12 process?

13 MR. TOTARO: The process was that Integral

14 Essex circulated a RFP, if you will, a document to

15 which they asked each prospective developer to

16 address in written form. We did that, were

17 subsequently contacted by representatives of

18 Integral Essex, and negotiated an agreement by which

19 we would be admitted as the controlling member of

20 the developer entity.

21 COUNCILMAN NUTTER: Okay. And what did

22 you start doing from that point?

23 MR. TOTARO: We -- the very first thing I

24 did was to meet with the Schuylkill Falls Resident

25 Council leadership, even before meeting with

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2 Integral and Essex, and even before meeting with
3 Director Carl Greene. And as a matter of fact, for
4 the next two weeks, met seven times with the
5 Schuylkill Falls residents to determine their needs
6 and interest in moving the development forward.

7 COUNCILMAN NUTTER: Well, let me ask this
8 question: From your perspective, what are the
9 changes or the differences between the 1997 plan and
10 the plan that you're embarking upon now?

11 MR. TOTARO: There is more unsubsidized
12 market-rate housing in our current plan than there
13 was in the application itself. That's the basic
14 difference.

15 COUNCILMAN NUTTER: There's more
16 unsubsidized market-rate...

17 MR. TOTARO: There was no -- not a single
18 unit in the HOPE VI grant application was an
19 unsubsidized housing unit, not a single unit. And
20 in our current proposal --

21 COUNCILMAN NUTTER: What do you mean by
22 that?

23 MR. TOTARO: The document is very clear,
24 and it's a shame because language is subject to
25 interpretation, and I'm not here to argue any

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2 particular definition of specific phrases. I have
3 no vested interest in the original plan. We are
4 essentially mechanics, we are implementers. We
5 would love to see the project achieved, the interest
6 of all of the constituencies in this development,
7 and I think you recognize there are many, and their
8 interests vary, and it is a difficult and delicate
9 balancing act.

10 COUNCILMAN NUTTER: Let me make sure I'm
11 understanding what you're saying. Are you saying
12 that the original plan, and as we've heard from many
13 of the people testifying today, in the concept of
14 the 50/50, 50/50, are you saying that the original
15 plan did not include 50 percent home ownership and
16 50 percent rental, 50 percent subsidized and 50
17 percent unsubsidized?

18 MR. TOTARO: It did include 50 percent
19 rental and 50 percent home ownership. However,
20 100 percent of the rental and home ownership -- that
21 is, 100 percent of all the units -- were subsidized
22 in some fashion.

23 And I've heard some of the comments about
24 what constitutes market rate, and it means no
25 subsidy in support of the housing. I mean, Society

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2 Hill Towers was heavily subsidized through the urban
3 renewal program. Every suburban development which
4 occurs is heavily subsidized.

5 COUNCILMAN NUTTER: What are the rents at
6 Society Hill Towers?

7 MR. TOTARO: I don't know, sir.

8 COUNCILMAN NUTTER: Are they \$500? I
9 mean, do they sell for \$40,000, do they sell for
10 \$200,000? I mean, what are you talking about?

11 MR. TOTARO: I don't know. I simply am
12 trying to make the point that --

13 COUNCILMAN NUTTER: Are you saying that
14 there is any public money in something, it is,
15 quote/unquote, subsidized?

16 MR. TOTARO: I think that's a fair
17 statement.

18 COUNCILMAN NUTTER: Okay. And do you
19 think that the average person would consider -- oh,
20 let's say the Rittenhouse, which was the subject of
21 a massive tax abatement, do you consider that to be
22 subsidized housing?

23 MR. TOTARO: Yes, I do.

24 COUNCILMAN NUTTER: Okay. Do you think
25 that any average, regular person walking up and down

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2 the street would consider the Rittenhouse over at --
3 I don't know what the address is over there -- 210
4 Rittenhouse Square, that that would fit anyone's
5 normal definition of, quote/unquote, subsidized
6 housing, as compared to this discussion about public
7 housing?

8 MR. TOTARO: No, I do not. And that makes
9 the point that the phrase has meaning to various
10 people.

11 COUNCILMAN NUTTER: All right.

12 MR. TOTARO: And we're dealing with
13 programs that have specific definitions and specific
14 limitations and specific constraints, and we have to
15 live within those.

16 Again, seriously, we would welcome any
17 modification to the plan or proposal which
18 adequately addresses the interests of all of the
19 constituents, not one side or the other, which is
20 financially feasible for implementation.

21 COUNCILMAN NUTTER: Mm-hmm.

22 MR. TOTARO: And which the agencies
23 involved will approve. And that includes the PHA,
24 the City, the Pennsylvania Housing Finance Agency,
25 the Redevelopment Authority.

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2 COUNCILMAN NUTTER: Right.

3 MR. TOTARO: The U.S. Department of
4 Housing and Urban Development, they all have a say.

5 COUNCILMAN NUTTER: I understand that. So
6 tell me, what steps have you taken to try to make
7 that happen?

8 MR. TOTARO: We convened a meeting with
9 the director of the program, the federal program

10 COUNCILMAN NUTTER: Which program?

11 MR. TOTARO: The HUD HOPE VI Program last
12 year.

13 COUNCILMAN NUTTER: Who was the person?

14 MR. TOTARO: Eleanor Bacon at the time was
15 the director of the program. We worked with her
16 staff and with Senator Specter's staff.

17 COUNCILMAN NUTTER: When was this?

18 MR. TOTARO: I'm going to say summer of
19 the year 2000.

20 And we proposed converting 50 of the home
21 ownership units to market-rate units without subsidy
22 and without restriction on the income of the buyer.

23 COUNCILMAN NUTTER: Okay. So tell me
24 what's happened in almost a year and a half since
25 then.

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2 MR. TOTARO: Well, that has yet to be
3 formally approved through the official process of
4 modifying the revitalization plan, and we have --

5 COUNCILMAN NUTTER: Do you have a formal
6 application or a formal request to do that?

7 MR. TOTARO: Certainly a formal written
8 request.

9 COUNCILMAN NUTTER: And it's been there
10 for a year and a half, and you have no approval?

11 MR. TOTARO: It's been to the Housing
12 Authority, and we --

13 COUNCILMAN NUTTER: Has the Housing
14 Authority requested it from HUD?

15 MR. TOTARO: I don't know that for a fact.

16 COUNCILMAN NUTTER: Well, now, you're
17 working with the Housing Authority, right?

18 MR. TOTARO: Yes.

19 COUNCILMAN NUTTER: You talk to them from
20 time to time?

21 MR. TOTARO: Yes.

22 COUNCILMAN NUTTER: On a fairly regular
23 basis?

24 MR. TOTARO: Yes.

25 COUNCILMAN NUTTER: It's your project,

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2 right?
3 MR. TOTARO: It's a joint effort, yes.
4 COUNCILMAN NUTTER: All right, but you
5 don't know whether they've actually made a formal
6 request to HUD about your project?
7 MR. TOTARO: I don't know whether a formal
8 submission for revision to the home ownership plan
9 has yet been made. Understand, Councilman --
10 COUNCILMAN NUTTER: Have you ever asked?
11 MR. TOTARO: Yes, of course, I've asked.
12 COUNCILMAN NUTTER: And what did they say?
13 MR. TOTARO: Because of the continuing
14 discussion regarding what shape and form the home
15 ownership on this site will take, because of the
16 pending litigation, because of the --
17 COUNCILMAN NUTTER: Don't, don't --
18 Mr. Totaro, don't insult me now, okay? We could
19 have a fairly decent session here or we could
20 really, like, get into something.
21 MR. TOTARO: No, that's in my interests.
22 COUNCILMAN NUTTER: All right, okay.
23 Because the litigation was just filed in July and
24 you tell me you had the meeting with HUD in Senator
25 Specter's office in July of 2000.

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2 So tell me, before the litigation was
3 filed, tell me what happened for that year that you
4 guys were having these discussions.

5 MR. TOTARO: Well, I can tell you that I
6 convened meetings in our offices with the
7 representatives of the East Falls Community Council,
8 and I'm going to guess --

9 COUNCILMAN NUTTER: I'm not interested in
10 those meetings at the moment. You said you had a
11 meeting with HUD and Senator Specter's office,
12 trying to get a proposed amendment, which was your
13 idea for 50 non-subsidized for-sale houses.

14 MR. TOTARO: Correct.

15 COUNCILMAN NUTTER: What I want to know
16 is, in a year, what happened to that request and
17 what did you do to get to try to get to the bottom
18 of it?

19 MR. TOTARO: Well, I -- we've made
20 repeated requests of the PHA.

21 COUNCILMAN NUTTER: To do what?

22 MR. TOTARO: To consider modification of
23 the revitalization plan and --

24 COUNCILMAN NUTTER: And have they said yes
25 or no?

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2 MR. TOTARO: They have said that they're
3 considering it, and they're taking into account all
4 of the discussions and deliberations affecting the
5 ultimate shape of that program.

6 COUNCILMAN NUTTER: So in the course of a
7 year, you have not gotten a straight yes or no
8 answer to that question, which is central to what
9 might happen at this particular site.

10 MR. TOTARO: It is essential; however, it
11 is part of the phase two development for which --

12 COUNCILMAN NUTTER: So phase two is an
13 unfunded idea.

14 MR. TOTARO: It's not a fair statement to
15 say it's an unfunded idea.

16 COUNCILMAN NUTTER: It is unfunded, isn't
17 it?

18 MR. TOTARO: To the extent that some of --

19 COUNCILMAN NUTTER: Yes or no? Is phase
20 two funded? Tell me where the funding is.

21 MR. TOTARO: It is funded.

22 COUNCILMAN NUTTER: Where?

23 MR. TOTARO: It's funded from the
24 anticipated proceeds of the sales of the housing
25 units and subsidization through the HOPE VI Program.

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2 COUNCILMAN NUTTER: Okay. Mr. Totaro?

3 MR. TOTARO: Yes.

4 COUNCILMAN NUTTER: Is it fully funded
5 money in hand or in the bank, similar to the funding
6 for phase one? 'Cause you have the money for phase
7 one, correct?

8 MR. TOTARO: Yes

9 COUNCILMAN NUTTER: Okay, do you have the
10 money today as speak we speak for phase two?

11 MR. TOTARO: No, because the --

12 COUNCILMAN NUTTER: So it is not fully
13 funded, correct?

14 MR. TOTARO: The funding has been
15 committed; the financing hasn't closed.

16 COUNCILMAN NUTTER: The funding's been
17 committed by whom?

18 MR. TOTARO: Well, whenever you're doing
19 financing of market-rate or partially subsidized
20 sales housing units, a major portion of the
21 financing is going to come from private mortgage
22 sources.

23 COUNCILMAN NUTTER: Okay. So we have
24 mortgage sources for phase two?

25 MR. TOTARO: Correct.

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2 COUNCILMAN NUTTER: Who are they?

3 MR. TOTARO: Well, there are probably
4 fifteen of them.

5 COUNCILMAN NUTTER: Name them.

6 MR. TOTARO: Virtually any mortgage lender
7 would love to participate.

8 COUNCILMAN NUTTER: No, I'm asking --
9 you're telling me that it's funded and that the
10 money's going to come from mortgage lenders. That
11 means to me that you have talked to them, you've
12 identified them, and you can tell me where the money
13 is coming from for phase two, because you know where
14 money is for phase one.

15 See, in my universe, "fully funded" means
16 identified, encumbered, available. Three elements.

17 I think you've thought about where it
18 would come from, you don't have it specifically
19 identified, and it is clearly not available at the
20 moment; is that correct?

21 MR. TOTARO: Do I have legal access to it
22 at the moment? If you mean that by availability,
23 then no, it not available. Is it available in the
24 marketplace, have we had discussion with prospective
25 lenders? Yes, we have. Are they interested?

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2 They're banging-down-the-door interested.
3 COUNCILMAN NUTTER: Well, if they're so
4 interested, then what's the problem?
5 MR. TOTARO: Because we don't have a
6 project to close; we don't even have the
7 infrastructure funding for the phase two, which
8 constitutes the majority of the home ownership
9 development at the site.
10 COUNCILMAN NUTTER: So it's not fully
11 funded.
12 MR. TOTARO: The infrastructure is not,
13 correct.
14 COUNCILMAN NUTTER: Well, you're not going
15 to build the houses if you don't have the
16 infrastructure, right?
17 MR. TOTARO: That's correct.
18 COUNCILMAN NUTTER: Okay. So let me ask
19 one more time: It is not fully funded; is that
20 correct?
21 MR. TOTARO: That's correct.
22 COUNCILMAN NUTTER: Thank you.
23 Go ahead, tell me something else. What
24 else do you want to tell us?
25 MR. TOTARO: I think important, in view of

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2 some of the comments, to understand that there were
3 714 public-housing units on that site, and even at
4 the time of the HOPE VI grant application --

5 COUNCILMAN NUTTER: That was fairly long
6 ago, wasn't it?

7 MR. TOTARO: Yes.

8 COUNCILMAN NUTTER: Okay. Now, when you
9 entered the universe, how many occupied houses were
10 there on that site? 'Cause didn't the towers have
11 like a few hundred?

12 MR. TOTARO: There were 338, I think,
13 remaining at the site and 200 --

14 COUNCILMAN NUTTER: Okay. And the towers
15 have been vacant for how long?

16 MR. TOTARO: The towers were already
17 demolished at the time of the HOPE VI grant
18 application.

19 COUNCILMAN NUTTER: Okay, all right. So
20 we don't really have to go back and talk about the
21 initial creation of Schuylkill Falls and how many
22 people lived there because there was never, ever any
23 notion that the same number of people that were
24 originally on the site 40 years ago were going to be
25 on the site today, right?

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2 MR. TOTARO: And I certainly didn't imply
3 or say that.

4 COUNCILMAN NUTTER: Okay, all right, so
5 don't tell me about the history.

6 Where are we now and why can't we do the
7 kinds of things that have been discussed here this
8 morning?

9 MR. TOTARO: Let me finish and say that
10 whatever the number of public housing units or
11 residents at the site at the time of the HOPE VI
12 grant application -- and it was several hundred --
13 there will be only 103 public housing units in the
14 redeveloped site. And I think --

15 COUNCILMAN NUTTER: I want to make sure I
16 understand your language. What you're saying is 103
17 public housing-eligible units, correct?

18 MR. TOTARO: No, 103 public housing units.

19 COUNCILMAN NUTTER: All right, okay.

20 MR. TOTARO: 103 units subsidized as
21 public housing.

22 COUNCILMAN NUTTER: Okay, why don't we do
23 this as an information request. The letter that I
24 received from Mr. Jacobs at Wolf, Block, Shorr talks
25 about one of the documents that I received which

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2 lays out some of the elements of that 103 units that
3 you've just discussed. Now, if you could send to me
4 subsequent to this hearing -- he's telling me that
5 the regulatory and operating agreement between PHA
6 and the partnership dated December 7, 2000 provides
7 that one-third of the 103 public housing units shall
8 be rented to households with incomes at or below 40
9 percent of area-median income, provided that at
10 least 50 percent of such households shall be at or
11 below 20 percent of AMI. That's one. One-third
12 shall be above 40 percent, but no higher of AMI.
13 And the remaining one-third shall be above 50
14 percent but not to exceed the tax credit limits,
15 which is 60 percent of AMI of Section 42 of the
16 Internal Revenue Code.

17 Now, what I'd like for you is to do is
18 prepare a chart showing me the breakout of the 103
19 units, the schedule that's in the letter that I
20 received, and tell me what those actual numbers are
21 from an income standpoint. Can you do that?

22 MR. TOTARO: Certainly, certainly.

23 COUNCILMAN NUTTER: And then I'd like you
24 to do that for the rest of the units on the site.
25 Is that 197?

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2 MR. TOTARO: I've actually done that, but
3 I'd be happy to do it again.

4 COUNCILMAN NUTTER: Okay, I'd be
5 interested in seeing that.

6 Now, when we talked about this report that
7 was developed, is it your considered opinion as a
8 developer out in the community that East Falls is an
9 average location? Is that your perspective?

10 MR. TOTARO: Yes, it is.

11 COUNCILMAN NUTTER: Okay. I'm sure folks
12 from the community appreciate that perspective.

13 What does that mean? What does "average"
14 mean?

15 MR. TOTARO: Well, it's means that it's
16 not inferior and it's not outstanding.

17 COUNCILMAN NUTTER: Okay.

18 MR. TOTARO: It is not Rittenhouse Square,
19 to use your example. It is, as they described it
20 themselves, a well-integrated community in terms of
21 income, social status, race and other
22 characteristics. And it is, as a result, a very
23 vital community.

24 It is not, however, an outstanding real
25 estate location. And that's what the appraiser is

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2 assessing.

3 COUNCILMAN NUTTER: Really? Why do you
4 say that?

5 MR. TOTARO: Because it is it has, as I
6 recall --

7 COUNCILMAN NUTTER: What's the range of
8 the prices of homes over in the East Falls
9 community?

10 MR. TOTARO: They range from \$50,000 to a
11 million dollars plus.

12 COUNCILMAN NUTTER: Okay, are there many
13 other neighborhoods in the City that have that kind
14 of real estate market?

15 MR. TOTARO: No. The question was not, Is
16 this an average community within the Philadelphia
17 market? The question is, How does an appraiser
18 assess the quality of this real estate location?
19 And they've concluded that it is average. That's
20 their prerogative.

21 You asked me if I agree with it and I've
22 said I do.

23 COUNCILMAN NUTTER: Okay. So it's average
24 kind of living up on a hill, almost literally part
25 of Fairmount Park, you get the river right outside

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2 of you, easy access to Center City or anywhere else
3 that you want to go, and from your perspective,
4 that's an average neighborhood?

5 MR. TOTARO: Within the appraiser's world
6 of definitions of rating real estate sites, I would
7 say yes.

8 COUNCILMAN NUTTER: Well, I guess in that
9 environment, I mean, do you think that market-rate
10 houses don't work, and what do you think the market
11 is over there?

12 MR. TOTARO: I believe that there are
13 still remaining impediments to immediate and
14 vigorous marketing and sale of unsubsidized units at
15 that location, but I also firmly believe that --

16 COUNCILMAN NUTTER: Do you think that's
17 impacted at all by the fact that you propose to
18 build almost all of the rental and a little bit of
19 the sale first?

20 MR. TOTARO: Absolutely not

21 COUNCILMAN NUTTER: That's not a problem.

22 MR. TOTARO: No. In fact --

23 COUNCILMAN NUTTER: Really?

24 MR. TOTARO: Correct. And we are
25 following the prior market analyst urging that the

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2 developer and the PHA overcome some of the stigma
3 associated with the previous use of the site by
4 building out high-quality rental housing at the site
5 in order to allay --

6 COUNCILMAN NUTTER: First, first?

7 MR. TOTARO: First. In order to allay the
8 fears and concerns of prospective buyers,
9 particularly --

10 COUNCILMAN NUTTER: If you build the
11 low-income first, you attract the high-income
12 buyers; is that the concept here?

13 (Applause.)

14 COUNCILMAN NUTTER: I mean, you know, I've
15 never built anything, so I don't really know. So is
16 that what you're telling me?

17 MR. TOTARO: Yes, sir. And may I explain?

18 COUNCILMAN NUTTER: Sure. Full
19 opportunity, go ahead.

20 MR. TOTARO: The site has acquired an
21 enormous stigma. And, in fact, these kind of
22 proceeding and a lot of other public utterances and
23 issuances by the East Falls community regarding the
24 terrible character of the proposed redevelopment and
25 how it's doomed to failure and how it's totally

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2 subsidized and totally public housing will all serve
3 to negatively impact the prospect for marketing this
4 site for home ownership units. So there's a --

5 COUNCILMAN NUTTER: Let me make sure I
6 understand you. You're saying that the public
7 discourse on this, which the essential elements of
8 this difference of opinion is around the mix of the
9 units, the much talked about 50/50, 50/50, is one.
10 The fact that the units would be integrated and
11 dispersed around the site as opposed to congregated.
12 Your statement here is, is that the mere having of
13 that discussion to try to make it the best possible
14 development and site is detrimental to the future
15 marketing of this site?

16 MR. TOTARO: No, sir, I would not say that
17 at all, but they're not the --

18 COUNCILMAN NUTTER: Okay, I'm sorry. I
19 thought that that's what I heard you say.

20 MR. TOTARO: They're not the only things,
21 and the record will show, they're not the only
22 things being said in the public forum.

23 COUNCILMAN NUTTER: Okay.

24 MR. TOTARO: There has been a drumbeat of
25 allegations that what is proposed for development is

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2 detrimental to the community, to the City, to the
3 neighborhood, to the residents, to the government.

4 I mean, that is not positive. That does
5 not help to boost the image of this rebuilt
6 community, which is so critical in the successful
7 marketing of anything approximating market-rate
8 housing, whether sales or rental.

9 So even without that reinforced criticism,
10 the actual existence of the community in its form
11 over the past several decades, deserved or not, has
12 created a stigma.

13 COUNCILMAN NUTTER: Mm-hmm.

14 MR. TOTARO: And unless that can be
15 overcome -- and keep in mind, this is not, Oh,
16 here's a site and isn't it a wonderful site, maybe
17 above average, and we wish to redevelop it in the
18 best possible way and let's set our minds to do
19 that; this is a revitalization of public housing
20 funded largely from a public housing capital grant
21 program.

22 So that, combined with the prior
23 experience with the community is a -- has created a
24 stigma that must be overcome. So if it is
25 revitalized, is it going to be public housing as we

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2 have known it? is it going to be ill-managed; is it
3 going to concentrate poor people and social
4 progress? The answer is no. But how do you convey
5 that message except to do it?

6 COUNCILMAN NUTTER: Right, I understand
7 that. My only sense of disagreement is what you do
8 first and what you do simultaneous. And I guess
9 where I'm having a little bit of difficulty is if
10 you're trying to get away from something in
11 particular, it seems a little weird to me that you
12 would start with the same thing that you're trying
13 to get away from. I don't understand that.

14 MR. TOTARO: But it's not -- but it's not
15 the same thing. And to the point that several --

16 COUNCILMAN NUTTER: Why isn't it?

17 MR. TOTARO: To the point that several
18 people made in testimony, you're not supposed to
19 tell the difference between home ownership and
20 sales, you're not supposed to tell the difference
21 between upper income, middle income, lower income.
22 That's absolutely true and that is the fact. There
23 is no difference between the rental townhouses and
24 the sales townhouses. There is no difference
25 between the subsidized rental and the

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2 non-subsidized. There is no difference between home
3 ownership for middle income or home ownership for
4 lower income. They are exactly the same --
5 COUNCILMAN NUTTER: Well, if there's no
6 difference between them, then tell me what the
7 average person would think if in phase one, close to
8 100 of the 130 or so units that you build are all
9 rental? I assume within that, there will be some
10 level of a number then that would be the subsidized
11 rental. I mean, while we're having this discussion.
12 MR. TOTARO: There are actually 163 units
13 in the lower portion of the site.
14 COUNCILMAN NUTTER: Right.
15 MR. TOTARO: 135 of them are to be rental.
16 COUNCILMAN NUTTER: Right.
17 MR. TOTARO: 15 of those 135 are to be
18 leased to purchase.
19 COUNCILMAN NUTTER: Mm-hmm.
20 MR. TOTARO: Okay, 28 of those are to be
21 for sale.
22 COUNCILMAN NUTTER: Right.
23 MR. TOTARO: Okay, now, think about the
24 remaining --
25 COUNCILMAN NUTTER: What's the percentage

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2 on that?

3 MR. TOTARO: Think about the remaining
4 rental. I don't have those percentages on the tip
5 of my tongue. Think about the remaining rental.
6 Fifty of the 135, including the 15 for sale, 50 are
7 in the senior building, okay? And the notion that
8 the senior building somehow has been taken off the
9 table is absurd; I have a copy and a resolution by
10 the Board of Directors of the Philadelphia Housing
11 Authority asserting that it will be a senior
12 building.

13 Fifty of the units of the rental units are
14 in the senior building, with 17,000 square foot of
15 commercial space along Ridge Avenue. That's what
16 the community wanted, that's what everyone wanted.
17 That's a separate entity.

18 COUNCILMAN NUTTER: Mm-hmm.

19 MR. TOTARO: The site on the eastern
20 portion of the site --

21 COUNCILMAN NUTTER: Now, is this building
22 that you were just talking about, is that the -- was
23 it originally called the "Empty-Nester Building?"

24 MR. TOTARO: That's correct.

25 COUNCILMAN NUTTER: Now it's a senior

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2 building.

3 MR. TOTARO: Yes.

4 COUNCILMAN NUTTER: And is there any
5 distinction between the two?

6 MR. TOTARO: There's no such thing as an
7 "Empty-Nester Building" in the federal jargon;
8 that's why the nomenclature is no longer being used.

9 MR. TOTARO: Okay, so what is the senior
10 building?

11 MR. TOTARO: It is a building reserved for
12 senior-only occupancy. It is 40 one-bedroom units
13 and 10 two-bedroom units, as originally designed,
14 and it does contain 17,000 square feet of commercial
15 space for retail use. It is the building that
16 everyone wanted.

17 COUNCILMAN NUTTER: And what's the age of
18 a senior in your jargon?

19 MR. TOTARO: 62 years of age or older

20 COUNCILMAN NUTTER: I thought I heard some
21 allowance for a lower number.

22 MR. TOTARO: Well, that's a federal law
23 over which we don't --

24 COUNCILMAN NUTTER: Well, from time to
25 time, we actually pay attention to those, so do you

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2 want to enhance your answer or --

3 MR. TOTARO: By citing the law or --

4 COUNCILMAN NUTTER: No. Is there an
5 allowance that there is a number below 62?

6 MR. TOTARO: If in fact there are not
7 adequate seniors who make application to apply, the
8 law and the regulations do permit what they call
9 "near elderly," which is 50.

10 COUNCILMAN NUTTER: All right. Let me ask
11 this question, 'cause I know I've made this request.
12 Have you ever put together a proposal that would get
13 to what is, I guess, kind of the number-one item
14 that has been raised by a variety of people here
15 today, which is this 50/50, 50/50 concept and laid
16 out what it would take -- I know I've asked you this
17 before -- what it would take to actually accomplish
18 that? Or do you have do you think that that has any
19 merit whatsoever? I mean, maybe I should ask you
20 that question.

21 MR. TOTARO: I think we're there. I mean,
22 I was curious and interested and pleased to hear
23 Mr. Lampert testify that this was intended for
24 lower- and middle-income residents, and that is
25 crystal-clear in every document that --

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2 COUNCILMAN NUTTER: I don't think there's
3 been any debate about that.

4 MR. TOTARO: Well, okay. There's been --

5 COUNCILMAN NUTTER: If you say that we're
6 there, then what I would like you to provide to us
7 is a schedule that lays that out.

8 MR. TOTARO: Okay. In doing so, would it
9 be fair to assume that everyone who might have
10 interest in that would agree that median income by
11 definition is middle, because otherwise, there's no
12 technical definition of middle income, there's no
13 federal law or program that defines middle income,
14 but is it fair to assume that --

15 COUNCILMAN NUTTER: Well, what does middle
16 income mean to you?

17 MR. TOTARO: Median.

18 COUNCILMAN NUTTER: I'm sorry?

19 MR. TOTARO: Median, the middle of the
20 income ranges within the jurisdiction.

21 COUNCILMAN NUTTER: So in your mind, the
22 median income is a middle-income person.

23 MR. TOTARO: Yes. Those clustered around
24 the median would be considered middle income. I
25 mean --

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2 COUNCILMAN NUTTER: Is that a person
3 that's at 100 percent of median or --

4 MR. TOTARO: Some would be below and some
5 would be above.

6 COUNCILMAN NUTTER: Okay. Well, whatever
7 your definition is, you lay out a schedule that you
8 think addresses the kind of the quad 50 concept, and
9 I'd be interested in seeing that.

10 MR. TOTARO: Mm-hmm.

11 COUNCILMAN NUTTER: And what is median
12 income in Philadelphia?

13 MR. TOTARO: About 57,000.

14 COUNCILMAN NUTTER: 57,000. For a family
15 of four?

16 MR. TOTARO: Yes.

17 COUNCILMAN NUTTER: Okay, all right.

18 Now, before we kind of wrap things up,
19 because I'm going to give you an adjournment date,
20 the gentleman from Universal, do you have anything
21 you wish to share with us?

22 MR. DAWAN: Well, I know there was a lot
23 of mention about the community support services, and
24 when we were transitioned into the responsibility
25 for providing the supportive services, there's a

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2 plan that exists, and we were following that plan.

3 Needless to say, when you transfer work from one

4 agency like RHD over to Universal, there is a lag in

5 the transition.

6 And we've been working very hard with the

7 Resident Council staff that is currently located at

8 Universal to overcome these -- the things that

9 happened in the transition. And we have a very good

10 plan for moving forward, and I think that the staff

11 of the Resident Council would agree with that.

12 So we should be on track with delivering

13 these services as we move forward.

14 COUNCILMAN NUTTER: Okay.

15 MR. DAWAN: Thank you.

16 COUNCILMAN NUTTER: Thank you, anything

17 else?

18 I'm going to need to recess this hearing

19 to Monday, December 10, at 2 o'clock p.m.

20 Mr. Totaro, as you well know, I made a

21 couple of information requests. To the extent that

22 you can get that information and any other

23 information that you think is relevant to the

24 discussion that we've had earlier, if you could get

25 that to me as soon as possible, I would greatly

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2 appreciate it so that we can be prepared to go more
3 in depth in these particular discussions. I will
4 send you a letter, but given the mail problems, as
5 articulated by Director Greene, you are now formally
6 invited and expected at the hearing on Monday,
7 December 10th, at 2 o'clock. I do not know how more
8 direct I could be in sharing that information. I
9 will share you a confirming letter.

10 Thank you. This hearing is recessed until
11 that time.

12 (Proceedings end at 1:56 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia's meeting of the Council Committee on
Commerce and Economic Development of Monday,
11/19/01, 2001, are contained fully and accurately
in the stenographic notes taken by me upon, and that
this is a true and correct transcript of same.

RE: Resolution No.010218

_____,
Josephine Cardillo
Registered Professional Reporter
and Notary Public

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