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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON RULES

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, January 26, 2005
10:35 a.m.

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BILL 040330 - An Ordinance approving the
second amendment of the redevelopment
proposal for the Kingsessing Urban Renewal
Area...

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PRESENT:

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COUNCIL PRESIDENT ANNA C. VERNA, Chair

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COUNCILMAN DARRELL CLARKE

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COUNCILWOMAN BLONDELL REYNOLDS BROWN

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COUNCILMAN W. WILSON GOODE, JR.

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COUNCILMAN JUAN RAMOS

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COUNCILMAN JACK KELLY

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1 01/26/04 - RULES - BILL 040330

2 COUNCIL PRESIDENT Verna: Good
3 morning, everyone. I apologize for the delay.
4 This is a public hearing of the Committee of
5 the Whole regarding Bill No. 040330. The
6 record will reflect that we do have a quorum.
7 To my left is Councilwoman Brown, Councilman
8 Clarke, and I am temporarily appointing
9 Councilmembers Goode and Ramos.

10 I would ask Mr. McPherson to please
11 read the title of the bill.

12 MR. MCPHERSON: An ordinance
13 approving the second amendment of the
14 redevelopment proposal for the Kingsessing
15 Urban Renewal Area, being the area generally
16 bounded by Chester Avenue on the north, South
17 52nd Street on the east, the AMTRAK
18 right-of-way line on the south and South 61st
19 Street and 62nd Street on the west, including
20 the second amendment to the urban renewal plan
21 and the first amendment to the relocation
22 plan, which provide, inter alia, for the
23 additional land acquisition of approximately
24 24 properties for residential and related
25 uses; the provision of certain relocation

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2 services, as required by law and declaring
3 that condemnation is not imminent with respect
4 to the Project.

5 COUNCIL PRESIDENT VERNA: Thank you.

6 I would ask Herb Wetzel to please
7 take the witness table.

8 Good morning. Kindly identify
9 yourself for the record and proceed with your
10 testimony.

11 MR. WETZEL: Good morning. My name
12 is Herbert Wetzel, Executive Director of the
13 Redevelopment Authority of the City of
14 Philadelphia. Madam Chairperson and Members
15 of the Committee, I'm here to speak in support
16 of Bill No. 040330, the amendment to the
17 Southwest Schuylkill Redevelopment Proposal
18 and the Second Amendment of the Kingsessing
19 Urban Renewal Plan for the Southwest Schuylkill
20 Redevelopment Area and the Kingsessing Urban
21 Renewal Area.

22 This bill would authorize the
23 Redevelopment Authority to acquire 19
24 properties. Six properties are occupied and
25 will require relocation assistance. The

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2 remaining 13 properties are vacant lots.

3 These properties have been requested for

4 acquisition by the Southwest Renewal

5 Initiative, which is a multi-phased project

6 proposed by three developers, Presbyterian

7 Homes and Service, the Board of City Trust and

8 Philadelphia Housing Development Corporation.

9 The properties will be demolished and the land

10 will serve as rear yards for the rehabilitated

11 homes in the 2100 block of South 58th Street.

12 Existing homeowners will be offered an

13 opportunity to purchase homes within the

14 project.

15 The purpose of the these

16 acquisitions is to facilitate the proposal

17 which includes properties to be acquired under

18 the Neighborhood Transformation Initiative, a

19 strategy to rebuild Philadelphia's

20 neighborhoods as thriving communities with

21 clean and secure streets, recreation and

22 cultural outlets and quality housing. Among

23 the central goals of NTI are to eradicate

24 blight caused by dangerous buildings,

25 debris-filled lots, abandoned cars, litter and

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2 graffiti and to promote redevelopment of
3 large-scale land assembly.

4 Madam Chairperson and Members of the
5 Committee, I respectfully request the
6 favorable consideration of Bill No. 040330 and
7 would ask the suspension of Council Rules to
8 allow first reading on the January 27, 2005.

9 COUNCIL PRESIDENT Verna: Thank you
10 very much. This is the Committee on Rules,
11 and I just want to make one brief statement,
12 and that is that I personally am saying on
13 behalf of the entire community that we're
14 talking about that we express thanks to
15 Presbyterian Homes, the Board of City Trust
16 and, of course, PHDC. In fact, we passed that
17 community I guess only last week and we
18 noticed the rehab that was going on. It's
19 absolutely beautiful, and I am led to believe
20 that there are two people who are already
21 interested in purchasing two of the
22 properties.

23 Mr. Wetzel, I know that six of the
24 properties are occupied. And certainly, we
25 cannot at this point in time talk about

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2 relocation because we haven't passed this
3 bill. However, I am led to believe that you
4 and Ms. Murray from my staff have met with the
5 six property owners and you do have a plan in
6 mind for relocation.

7 MR. WETZEL: That is correct,
8 Councilwoman. And I think what's exciting
9 about this initiative is -- and this is the
10 only relocations that are going to be part of
11 this overall initiative. The first phase we
12 acquired almost 30 properties, all vacant
13 structures that are being rehabilitated now.
14 There are four homeowners and two
15 tenant-occupied properties. The homeowners
16 will be given the opportunity to purchase the
17 rehabbed houses that are actually being
18 rehabbed right now. The tenants can, if it's
19 economically feasible, take their tenant
20 replacement housing payment and use that as a
21 down payment if they're able to get a mortgage
22 for the balance of the cost of the new houses.

23 I think one of the exciting things
24 about this is not only the fact that we've met
25 with people substantially before the ordinance

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2 was introduced here at Council. We spent
3 several hours with them walking through
4 relocation benefits, how the process works,
5 what letters they receive, when they will
6 receive those letters, et cetera. And I think
7 that's a very beneficial process that we've
8 tried to repeat several times since then and I
9 think it's working very well. I think one of
10 the greatest fears people have is that the
11 only thing they're going to get is the fair
12 market value for their house; and if their
13 house isn't worth much, they think they're
14 going to be in the street. And at the end of
15 the session, I think everybody understood that
16 they're entitled to a replacement housing
17 dwelling, whether they're an owner or a
18 tenant, and we have an obligation to work with
19 them and provide the resources to make that
20 happen. I think that makes a big difference.

21 COUNCIL PRESIDENT VERNA: Oh,
22 definitely. I think when people are informed
23 of what the rights are, it makes the process
24 much easier.

25 I would like the record to reflect

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2 Councilman Kelly has joined us.

3 Mr. Wetzel, I know that NTI funds
4 are being used for acquisition. Are any other
5 City funds being used for acquisition?

6 MR. WETZEL: No other City funds are
7 being used for acquisition.

8 COUNCIL PRESIDENT VERNA: I'll tell
9 you, I think this is a win/win situation. And
10 I understand if a homeowner who buys the
11 property is a single parent, has children,
12 they're afforded the opportunity to send their
13 children to Girard College. I just think it's
14 a wonderful, wonderful opportunity.

15 Are there questions from Members of
16 the Committee?

17 MR. WETZEL: Councilwoman, I'd just
18 like to make comment. What I think is really
19 interesting about this is that this is a plan
20 that's based upon taking Presbyterian Homes as
21 a strategic investment in an entire City block
22 down there with multiple projects on there.
23 So you have Presby Homes and then the Board of
24 City Trust and PHDC thinking through a plan
25 that says, okay, we have this substantial

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2 investment here; let's strengthen the
3 community around that investment; let's take
4 these vacant properties and get them fixed up.
5 And both that project and that entire block
6 are going to benefit but so is the entire
7 community from this. So it's a
8 well-thought-out, well-conceived plan.

9 COUNCIL PRESIDENT VERNA: I agree
10 with you.

11 Councilman Clarke.

12 COUNCILMAN CLARKE: Thank you, Madam
13 Chair.

14 Mr. Wetzel, a quick question.
15 Actually based on some recent articles with
16 respect to certain areas and changing areas
17 and real estate increased values and
18 relocation. The Redevelopment Authority
19 estimate over the last couple of years have
20 done about how many relocations or offered how
21 many letters of expressions of interest?

22 MR. WETZEL: We've done well over a
23 hundred relocations in the last 14 months.

24 COUNCILMAN CLARKE: And out of that
25 hundred relocations, I'm assuming that all of

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2 those individuals were given notices of their
3 rights, in addition to which they were given
4 notices in the offer letter of organizations
5 that were in place to counsel them or advise
6 them as to their rights as it relates to any
7 challenges to takings?

8 MR. WETZEL: Yes. But actually, we
9 bolstered that. The federal requirement is
10 just to tell people they have rights in a
11 two-sentence part of a paragraph. We met with
12 Community Legal Services, PLA, the Senior Law
13 Project, and other advocates. We now put a
14 separate notice in with our regular notice
15 that essentially says, "You have legal rights;
16 and if you don't have the resources, here are
17 lawyers that can represent you in this
18 process."

19 And so as a result of that, some
20 people have gone to the -- elderly people have
21 gone to the Senior Law Project to get help.
22 And one of the things that's really important
23 is a number of people we've condemned are
24 heirs of the property, but they never changed
25 the deed, for example. And so they're not

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2 entitled to the just compensation until they
3 get the deed in their name.

4 So for us, it's been a real plus.
5 We started doing that after we arranged for a
6 working relationship with these entities, I
7 think probably last April we added that extra
8 notice in with all our notice letters.

9 COUNCILMAN CLARKE: And out of that
10 approximately 100 relocations, how many
11 instances have people actually gone to -- I
12 guess it's to the Board of View to challenge?

13 MR. WETZEL: It's Board of View.

14 COUNCILMAN CLARKE: How many out of
15 that hundred have actually gone to the Board
16 of View?

17 MR. WETZEL: I will have to get back
18 to you on that. I don't have the answer right
19 now, but we'll get an answer for you. It's
20 not many.

21 COUNCILMAN CLARKE: Okay.

22 MR. WETZEL: And just for Council's
23 knowledge here, I'll do a hypothetical. If
24 somebody's house is appraised at \$20,000 and
25 the replacement house that we find for them is

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2 a \$50,000 house, we have to make up the
3 difference between the 20,000 that we're
4 paying for their house and the \$50,000 that
5 the replacement house cost. If their house
6 was appraised at \$30,000 and the replacement
7 house was 50, then our payment would be
8 \$20,000. So it's going to cost us, in that
9 case, \$50,000 no matter how you slice it to
10 relocate that individual, plus other benefits
11 that they have over and above that.

12 COUNCILMAN CLARKE: Thank you.

13 COUNCIL PRESIDENT VERNA: You're
14 welcome.

15 Are there any other questions or
16 comments from Members of the Committee?

17 (No response.)

18 COUNCIL PRESIDENT VERNA: Mr.
19 Wetzel, I didn't hear you say you wanted a
20 suspension of the Rules. Do you?

21 MR. WETZEL: Yes, I did.

22 COUNCIL PRESIDENT VERNA: Oh, you
23 did say it?

24 MR. WETZEL: Yes, I think I did. I
25 hope I did.

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2 COUNCIL PRESIDENT Verna: I'm sorry.

3 I didn't hear you. I was probably distracted

4 when Councilman Kelly walked in.

5 May I ask that you remain, Mr.

6 Wetzel, in the event there are questions from

7 anyone in the community?

8 Angela Wallace. Is Angela here?

9 (No response.)

10 COUNCIL PRESIDENT Verna: Would you

11 approach the witness table, please?

12 Good morning. Would you please

13 identify yourself for the record.

14 MS. McDONALD: My name is Ms.

15 McDonald.

16 COUNCIL PRESIDENT Verna: And are

17 you never in favor of this bill before us

18 today?

19 MS. McDONALD: Yes.

20 COUNCIL PRESIDENT Verna: Are you a

21 property owner?

22 MS. McDONALD: Renter.

23 COUNCIL PRESIDENT Verna: I beg your

24 pardon?

25 MS. McDONALD: Renter.

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2 COUNCIL PRESIDENT VERNA: And you
3 are favor?

4 MS. MCDONALD: Yes.

5 COUNCIL PRESIDENT VERNA: Fine.

6 Any questions?

7 (No response.)

8 COUNCIL PRESIDENT VERNA: Thank you
9 for coming in.

10 Do we have anyone else to testify on
11 this bill? No one else to testify?

12 Kathy, sitting behind you, are they
13 area residents?

14 Anybody interested in testifying?

15 (No response.)

16 COUNCIL PRESIDENT VERNA: I would
17 ask Kathleen Murray to please approach the
18 witness table since she's been working on this
19 project.

20 MS. MURRAY: I will be very brief.

21 Kathleen Murray, Special Assistant to Council
22 President Verna.

23 Mr. Wetzel has said, frankly, most
24 of what needs to be said. We have been
25 working with property owners and renter

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2 residents. We met with them last year. The
3 relocation process and the real offering of
4 benefits can't go forward until Council
5 authorizes the acquisition of these
6 properties, and that's what we're here today
7 to do.

8 COUNCIL PRESIDENT VERNA: And there
9 have been many meetings with the area
10 residents?

11 MS. MURRAY: There are monthly
12 meetings at Presby Homes and Services.
13 Specifically with reference to the relocation
14 on this block, there have been three meetings
15 with area residents.

16 COUNCIL PRESIDENT VERNA: And Mr.
17 Wetzel, I don't know if you have been in the
18 community, but I think the rehab work that's
19 being done is absolutely beautiful.

20 MR. WETZEL: Yes, I've heard. Our
21 inspectors have been out there looking at the
22 project. And not only is the work beautiful,
23 but how it's transforming those blocks that
24 it's being done on is incredible.

25 MS. MURRAY: I would just like to

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2 say that Council President mentioned two
3 people. Those are actually agreements of
4 sales. There's been interest expressed by
5 well over a hundred people in the first 27
6 houses, but there are actually agreements of
7 sale on 2 of the 27 properties.

8 COUNCIL PRESIDENT VERNA: Well, we
9 can be very proud of this project. I think
10 it's wonderful.

11 Do we have anyone else to testify on
12 this bill?

13 (No response.)

14 COUNCIL PRESIDENT VERNA: Seeing
15 none, this will conclude our public hearing.

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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC MEETING

COMMITTEE ON RULES

- - - -

Tuesday, January 26, 2005

- - - -

Public meeting conducted by the
Committee of the Whole, held in Room 400, City
Hall, Philadelphia, Pennsylvania, on the above
date, to consider action on the following:

BILL 040330.

PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA, Chair
COUNCILMAN DARRELL CLARKE
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JUAN RAMOS
COUNCILMAN JACK KELLY

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2 COUNCIL PRESIDENT Verna: We will
3 now go into our public meeting.

4 The Chair recognizes Councilman
5 Clarke.

6 COUNCILMAN CLARKE: Thank you, Madam
7 Chair. Madam Chair, I make a motion that Bill
8 No. 040330 be reported out of Committee with
9 favorable recommendation and request for Rules
10 suspension as to allow reading at the next
11 Session of Council.

12 (Duly seconded.)

13 COUNCIL PRESIDENT Verna: It has
14 been moved and properly seconded that Bill No.
15 040330 be reported out of Committee with a
16 favorable recommendation, also a
17 recommendation that the Rules of Council be
18 suspended so as to permit first reading at our
19 next Council Session.

20 All in favor will indicate by saying
21 aye.

22 (Aye.)

23 COUNCIL PRESIDENT Verna: Those
24 opposed?

25 (No response.)

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2 COUNCIL PRESIDENT Verna: The ayes
3 have it. The motion carries.

4 This concludes our hearing. I thank
5 you all very much for coming.

6 (Council adjourned at 10:51 a.m.)

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RE: COMMITTEE ON RULES

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Lisa C. Bradley, RPR

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