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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

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Room 400, City Hall
Philadelphia, Pennsylvania
Monday, 12/10/01
2:25 p.m.

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RESOLUTION 010218 - Authorizing Committee on
Commerce and Economic Development to hold hearings
which investigate planning process, the 1997 HOPE VI
application, and current proposed development plan
for Schuylkill Falls Public Housing Authority site.

PRESENT: COUNCILMAN MICHAEL A. NUTTER, Chairman
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN FRANK DICICCO
COUNCILMAN ANGEL L. ORTIZ
COUNCILWOMAN BLONDELL REYNOLDS BROWN

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1 12/10/01 COMMERCE & ECONOMIC DEVELOPMENT COMMITTEE

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1 12/10/01 COMMERCE & ECON. DEV. - RES. 010218
2 COUNCILMAN NUTTER: Good afternoon ladies
3 and gentlemen. The City Council Committee on
4 Commerce and Economic Development -- this is a
5 reconvened hearing from the original hearing
6 regarding Resolution No. 010218. Attending today's
7 hearing is Councilman DiCicco, Vice Chair of the
8 committee; myself, Councilman Nutter, Chair of the
9 committee. Other Councilmembers are on their way.
10 We had established a quorum at the first hearing, so
11 we'll continue with the proceedings.
12 We have the names of a couple individuals
13 who wish to testify. If we don't have your name and
14 you wish to testify at today's hearing, please see
15 the clerk of the committee, Miss Julia Chapman, who
16 is seated to my left. Let her know of your
17 interests at testifying and she'll get your name and
18 put your name on the witness list.
19 We have -- the first witness for today's
20 hearing will be Miss Judith Robinson.
21 (Witness comes forward.)
22 MS. ROBINSON: Good afternoon.
23 COUNCILMAN NUTTER: Please identify
24 yourself for the record.
25 MS. ROBINSON: My name's Judy Robinson. I

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2 am a licensed real estate broker, and I'm also a
3 resident of North Philadelphia.

4 I am here today to support the people of
5 Schuylkill Falls in their efforts to have diversity
6 in housing in their neighborhood. As a real estate
7 broker, I know a choice piece of land when I see it;
8 it's all about location. And I hope that -- and I
9 encourage you to assist them in any way you can to
10 get multi-use and diversity in housing in that
11 neighborhood.

12 And the reason why I really am quite
13 concerned about this is because in North
14 Philadelphia, where I live, PHA really contributed
15 so much to the conditions that we find our
16 neighborhoods in today. So I really am concerned
17 about how PHA is developing new housing as they have
18 imploded the units that were there in the past.

19 I understood when this project was first
20 put on the boards that things would change. I
21 really am concerned that PHA is allowed to pretty
22 much remain as it was before. And I'll give you an
23 example.

24 Raymond Rosen is the area in which I
25 live -- I live in that area -- and they put in the

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2 newer developments. It's about nine blocks now that
3 PHA has been spread all over. And I brought along
4 some pictures because I'm concerned about the fact
5 that it's sort of like a concentrated area that
6 these properties were put back into.

7 In addition, I'm concerned about the
8 workmanship and the materials. So I'm not proposing
9 to be a major expert in construction, but when I
10 look at what they put back up, the firewall, etc.,
11 it really concerns me that the quality of work and
12 the material is not up to par.

13 So not only do I support these folks
14 getting diversity in housing, but I also am
15 concerned that the condition of the housing that is
16 put back there be of quality, because they're
17 looking forward to trying to build home ownership in
18 the community.

19 So that's just one thing that I would just
20 like you to keep an eye on too, Councilman Nutter,
21 as these properties go back up. There must be some
22 way for them to be mixed use and of quality so that
23 the East Falls community can maintain the value that
24 it has now.

25 I'm sorry, I was looking for my photos

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2 when I was rushing here to try get before you today,
3 so I might have left them, but I can certainly get
4 them to your office.

5 COUNCILMAN NUTTER: Okay.

6 MS. ROBINSON: Because I'm really
7 concerned that because housing is subsidized that
8 people tend to want to grab the money and kind of
9 throw up anything and leave the community in need,
10 is basically what it looks like will happen. And
11 the firewalls were very thin in the Raymond Rosen
12 units, and they just looked like they are built to
13 house very low-income people that will not be
14 concerned about the quality.

15 In East Falls, I know what they're looking
16 for as far as the mixed income, so people who are
17 homeowners would be more concerned about the quality
18 of material. So if these properties are put up and
19 not put up with the quality that a homeowner would
20 be looking for, I think you probably would have
21 problems even selling them, even in the East Falls
22 area.

23 The bottom line is, I'm just here to
24 support the people of East Falls 'cause I don't want
25 their community to look as North Philadelphia does.

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2 PHA has really been detrimental to us, as I live the
3 Susquehanna area and PHA is putting up properties
4 without really being concerned about the
5 neighborhood, in my opinion. They're spread out in
6 almost like a concentration camp-type area. So they
7 went from high-rise to laying 'em across nine
8 blocks.

9 I just want to basically make sure that
10 when we look -- talk about transforming
11 neighborhoods and looking for best practices, etc.,
12 that we look very closely at PHA what they have
13 become now. And I would just encourage you just to
14 be a watchdog on the project, that any project that
15 goes up, but particularly this project, because I
16 think it's a great location, it's not too far from
17 me in North Philadelphia, so I figure as they go, we
18 can kind of get some of that positiveness too.

19 So I'm just here today to encourage you,
20 if at all possible, to assist them in any way
21 possible to have diversity. And I thank you very
22 much for your time.

23 COUNCILMAN NUTTER: Thank you for taking
24 the time.

25 (Applause.)

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2 COUNCILMAN NUTTER: Any questions?

3 COUNCILWOMAN REYNOLDS BROWN: Yes.

4 COUNCILMAN NUTTER: Miss Robinson.

5 MS. ROBINSON: Yes.

6 COUNCILMAN NUTTER: I'm sorry, I can't let
7 you go so quickly.

8 We've been joined at the table by
9 Councilwoman Reynolds Brown, and the Councilwoman
10 has a question.

11 COUNCILWOMAN REYNOLDS BROWN: Good
12 morning.

13 You mentioned in your closing comments
14 that high-rises are unacceptable, residences that
15 are spread out across or around the City are
16 unacceptable. What is your preferred approach
17 and/or appearance of PHA presence?

18 MS. ROBINSON: Well, I would suggest that,
19 first of all, some of the people that live in PHA
20 renting could possibly be homeowners. So instead of
21 having everybody there with the same income, the
22 same outlook, renting, that you could offer some of
23 them to purchase. That's the first thing. So it's
24 not so much the house being closely connected, but
25 it's more so having people all of the same income,

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2 same rental mentality sort of living in the same
3 area, spread out all in the same area together.

4 So I think it breeds sort of the same
5 things that we found in the high-rise basically is
6 what I'm saying because there's nothing really
7 different as far as screening or opportunities to
8 move up, so to speak.

9 COUNCILWOMAN REYNOLDS BROWN: Thank you
10 very much.

11 COUNCILMAN NUTTER: Thank you.

12 Any other questions for Miss Robinson?

13 (No further questions.)

14 COUNCILMAN NUTTER: Thank you, thank you
15 very much.

16 MS. ROBINSON: Thank you.

17 COUNCILMAN NUTTER: Councilman Ortiz has
18 also joined the committee.

19 I'm going to call the next witnesses
20 together; that's the way the names were given to me.
21 Mr. Jonakin and Bryant Feggins.

22 (Witness comes forward.)

23 COUNCILMAN NUTTER: I apologize if I
24 didn't get the pronunciation correctly, but please
25 identify yourself for the record.

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2 MR. FEGGINS: Brian Feggins.

3 COUNCILMAN NUTTER: Spell your last name,
4 please.

5 MR. FEGGINS: F-E-G-G-I-N-S.

6 COUNCILMAN NUTTER: Gotcha, okay.

7 MR. FEGGINS: I am here today to speak on
8 behalf of Schuylkill Falls residents.

9 I've been living there for probably 15
10 years, watching it grow up. It's a beautiful
11 environment. And until probably a couple months
12 ago, I was in the business of selling cars, and I
13 saw that my mom was dedicated into helping everyone
14 get back to the site as well as Mr. Jonakin and Ms.
15 Jonakin, so I decided to come aboard.

16 I'm also a young entrepreneur from the
17 site, in the process of starting my own business,
18 and I would like to see that many more residents get
19 back to work to the site, since this is what the
20 money was, I guess, supposed to be delivered for,
21 the residents; so, therefore, they can get back to
22 the site and work and earn income and purchase, rent
23 and/or both a part of Schuylkill Falls.

24 COUNCILMAN NUTTER: Okay, is that it?

25 MR. FEGGINS: Yes, sir.

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2 COUNCILMAN NUTTER: Okay, thank you.

3 Please identify yourself for the record.

4 MR. MOHAMMED: My name is Prince Mohammed.

5 I think you may have said Melvin Jonakin, so this is

6 for a correction, a name change. This is Prince

7 Mohammed.

8 COUNCILMAN NUTTER: Okay.

9 MR. MOHAMMED: I'm here today to speak in

10 reference of -- I was at the last hearing and I was

11 disturbed greatly at the last hearing when we talk

12 more about money for the top of the hill.

13 (Speaker pauses.)

14 COUNCILMAN NUTTER: Go ahead.

15 MR. MOHAMMED: I'm going to wait for

16 Mr. DiCicco. Thank you.

17 When we talk about money at the top of the

18 hill as opposed to speaking towards the residents

19 that were relocated from the site, I have a

20 tremendous issue with us looking at this site other

21 than for the residents of Schuylkill Falls that have

22 been relocated from the site.

23 My issues are, we now have these public

24 hearings, but where were the public hearings when we

25 were getting letters from PHA to relocate after they

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2 said we could stay on site? Where were the public
3 hearings when we were told down at City Hall, the
4 same place, over a hundred residents to be
5 relocated? Where was the support? Where was the
6 public hearing when we had a pool on a map that was
7 taken off? Where was the public hearings when we
8 had a commercial property that was allocated to the
9 developers based on the revitalizing Schuylkill
10 Falls that was somehow -- that had a meeting and it
11 was somehow removed.

12 You know, when you speak about public
13 hearing, last meeting, we were talking about bricks
14 and mortars, but we didn't talk about the 236
15 head-of-household and over 700 Democratic
16 African-Americans on that site that was voting over
17 80 percent turnout, that we had Councilman Ortiz
18 show up and campaign in that area. We didn't talk
19 about that same area that supported Mr. Nutter when
20 he ran for City Council, that same area where the
21 Tenant Council had gotten in the streets to stop
22 drugs, the same area that had those people whose --
23 however many people that lived up there on that
24 site, come together and take care of their
25 neighborhood in order to be accepted for a HOPE VI

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2 grant. They understand that they were denied the
3 first time and they had to get they act together,
4 and they did that and they were accepted this time.

5 And every time I come to these public
6 hearings, we don't talk about the interests of the
7 residents; we talk about, Where Carl Greene at? the
8 fiduciary. You don't talk to the developers; you
9 talk at PHA. You don't talk to the Tenant Council;
10 you talk and you ask about PHA.

11 Ask the developers who were taking the
12 opportunity to come forth and work with the Tenant
13 Council and employ some of the residents from
14 Schuylkill Falls so they can get the opportunity to
15 work on that site and join the labor unions and earn
16 some income to have a Christmas.

17 We talk about the top of the hill -- we're
18 not even at the top of the hill yet. We talk about
19 the money for the top of the hill. We're still
20 trying to make sure that all of the residents are
21 case-managed, all of the residents are identified,
22 all of the residents who used to vote in that
23 area -- notice I say "used to vote." Notice Bryant
24 and myself didn't come up here and say "former
25 tenants of Schuylkill Falls"; We say "tenants of

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2 Schuylkill Falls." In 1997, when this grant
3 application was awarded, we were tenants. In the
4 year 2000, we are still tenants of Schuylkill Falls.
5 So this past election, when they told me
6 that the redistricting of all these
7 African-Americans, they now have to register where
8 they've been located for the last year, I was
9 appalled, 'cause they had no place to come back to
10 vote. You can't just get rid of a whole ward of
11 African-American Democratic voters and put 'em
12 somewhere else. They don't have a place to work for
13 on site. You want to send them down to South Philly
14 where they're all the way up to the greater part of
15 Germantown, you want to spread it all the way up to
16 {indiscernible}).
17 They can't come back to East Falls,
18 Schuylkill Falls -- they lived there for 20 years,
19 30 years. Imagine taking your mom out her house and
20 relocating her somewhere else after she raised all
21 of her kids there and she lived there through two
22 mortgages.
23 And we come down here and we try to
24 grandstand and appease the surrounding community.
25 We don't do it at the task force meeting, which is

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2 scheduled the last Thursday of each month. There's
3 no one there, there's no representation there.
4 There's no one there taking our views back.
5 Understanding where we're going with this project
6 right here. But yet, you take a few people who are
7 able to sit and draw up legal briefs and were able
8 to communicate with their friends and network,
9 social network. You take their views, you take
10 their complaints.

11 You got folks here who are complaining
12 about Schuylkill Falls, and they can't get
13 Schoolhouse Lane fixed no matter what they try to
14 do. Can't get that raggedly street fixed no matter
15 what. And they don't even live -- their street says
16 traffic's not allowed, private property. You can't
17 even go down their streets, and they're here today
18 campaigning that we should rebuild Schuylkill Falls,
19 that we should have blue shingles as opposed to red
20 shingles, that we should have a separation of a
21 50-unit building that's designed for some of the
22 young grandparents in public housing, you know, the
23 ones that are 40, 45, 50, 55, who have taken on a
24 responsibility of their sons and daughters to raise
25 the kids. That's not fair that's ridiculous.

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2 And I sat here at the last public hearing,
3 and I thought of all the times that we dealt with
4 this issue, and we never dealt with the residents.
5 We've always dealt with the bricks and mortar,
6 always. And you guys got to support us in a way
7 that we -- this is a subsidized project here, a
8 subsidized, the whole thing is subsidized. This is
9 not Beverly Hills.

10 This project didn't become appealing to
11 anyone at all until the HOPE VI grant had shown up.
12 Now, all of a sudden, they want to make it Carnegie
13 Hall. These folks want to make it Beverly Hills.
14 Somebody just came up here and said, Well, we don't
15 want it to be like Raymond Rosen. Well, Schuylkill
16 Falls was never like Raymond Rosen, it will never be
17 like Raymond Rosen.

18 This young man, myself, about 10 other
19 young men, came out of Schuylkill Falls and
20 furthered our education, and we're back, standing
21 strong. We settled down last year so the residents
22 can work. We had asbestos training, we had pharmacy
23 phlebotomy training. We had a night of candidates
24 where Ortiz and Nesmith and all the other ones came
25 up supported us and talked with us and shared with

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2 us. State Rep Kathy (indiscernible) came up.
3 So we're human beings. We care about our
4 site, we care about the development of our site. We
5 now have a working relationship with both
6 developers. They may not have been our choice, but
7 we are dealing with the cards that we have been
8 dealt, and we will not allow anyone to shuffle the
9 deck in midstream. They haven't asked us, Come to a
10 task force meeting before you sit here and convene
11 about what you going to do with Schuylkill Falls, as
12 if those people are insignificant and irrelevant.
13 Because, guess what, at this stage, we're not
14 looking for it to stop, we're not liking for it to
15 halt, we're not looking for a intermission, we're
16 not going to take it, we're not going to let --
17 Surely, who are these people identifying
18 themselves who want this project to stop? Who are
19 the CDCs in that neighborhood? Who are the, all of
20 a sudden, East Falls Business Community, East Falls
21 Committee on Schuylkill Falls? Do they have board
22 members, do they have board insurance? Who do we
23 file a civil suit against when this project stops
24 since they so adamant about stopping this project?
25 And we're not going to let a few folks stop this

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2 project.

3 Now, do we have the opportunity? You guys
4 know that there were far more residents at
5 Schuylkill Falls than there are present right here.
6 We may be represented by a Tenant Council, but
7 surely, when we put the call out and get a hundred
8 to 200 angry residents who have been forced to move
9 out of their homes, who still have merchandise and
10 items and stuff left in their houses of some kind of
11 sentimental value, we'll get 'em all down here, and
12 we'll be here all day, we'll have to reconvene till
13 January sometime.

14 And you guys have been blessed with not
15 having an opportunity. You just got a few elite
16 people down here to speak about how the project
17 shouldn't go on, how the blight should stop. This
18 is the same blight that they live next to, this is
19 the same blight area that these folks cleaned up and
20 made it a better area.

21 Have you taken a walk through East Falls
22 lately? Take a look at the benches that they put in
23 the park and all of the little Caucasian kids that
24 sit on 'em and smoke marijuana and drink beer. Take
25 a look at the destruction on Ridge Avenue that none

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2 of them are telling that you about, that the
3 Schuylkill Falls housing development has cleaned up
4 in their own house. You got a worksite now without
5 us being there than you have when we were there.

6 So we're not about to sit up here and take
7 it on the chin and lay down and let you ridicule and
8 grandstand the developers and Universal and Penrose
9 and keep calling for Carl Greene. He's merely the
10 fiduciary for this project. If you want to know
11 about this project and its success stories, then you
12 ask it to the Tenant Council and you ask the
13 residents.

14 Thank you.

15 (Applause.)

16 COUNCILMAN NUTTER: Let me just ask a
17 couple questions.

18 I mean, obviously, things have gotten
19 better, I guess, from your perspective than -- I
20 seem to recall one time you were trying to access
21 some opportunities up at the site. I think you may
22 have been arrested. I think I had to be in touch
23 with the police about that particular issue while
24 you were in custody in an effort to get some job
25 opportunities and turn things around up at

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2 Schuylkill. So I think since that time things have
3 gotten better?

4 MR. MOHAMMED: You know, I think -- and
5 it's ironic that you would bring that up because if
6 you had a hand in this situation, what I had gone
7 through as an advocate for Schuylkill Falls may not
8 have ever happened, may not have ever happened. If
9 you had had a public hearing prior to me standing up
10 stopping work, then it may have never happened.
11 What you're speaking about is an interesting issue.

12 COUNCILMAN NUTTER: Me having a public
13 hearing wouldn't have stopped you from being
14 arrested. I think --

15 MR. MOHAMMED: No, what you're speaking
16 about is an interesting issue.

17 COUNCILMAN NUTTER: -- that was between
18 you and the police officer.

19 MR. MOHAMMED: It would have stopped the
20 process. It had nothing to do with me being
21 arrested. You asked the question. Have things
22 gotten better? And --

23 COUNCILMAN NUTTER: Obviously, things have
24 gotten better and --

25 MR. MOHAMMED: And we looked at the

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2 situation as the glass being half full than half
3 empty.
4 COUNCILMAN NUTTER: Mm-hmm.
5 MR. MOHAMMED: Okay, half a loaf of bread
6 is better than none, okay, and we've accepted that
7 right there. And if it takes one --
8 COUNCILMAN NUTTER: But you didn't get the
9 whole loaf.
10 MR. MOHAMMED: And my understanding, if it
11 takes one to get arrested, then this young man would
12 have got arrested as well.
13 COUNCILMAN NUTTER: Okay.
14 MR. MOHAMMED: And the other 12 that you
15 were seeing me with would have got arrested, am I
16 correct? Did you really see me as an individual
17 traveling the way I traveled? Didn't you see me
18 with about six other guys?
19 COUNCILMAN NUTTER: Sure.
20 MR. MOHAMMED: I'm quite sure you did.
21 COUNCILMAN NUTTER: Yeah, yeah.
22 MR. MOHAMMED: Right. So --
23 COUNCILMAN NUTTER: You had a whole crew.
24 I mean --
25 MR. MOHAMMED: Exactly. For me to take it

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2 on the chin for the residents who can't defend
3 themselves.
4 COUNCILMAN NUTTER: Mm-hmm, okay.
5 MR. MOHAMMED: And if we're going to get
6 jobs --
7 COUNCILMAN NUTTER: Right.
8 MR. MOHAMMED: We hired 15 people to do
9 asbestos removal --
10 COUNCILMAN NUTTER: Mm-hmm.
11 MR. MOHAMMED: -- after we sent them to
12 school, making \$26 an hour.
13 COUNCILMAN NUTTER: Okay. Are they still
14 working at the site now?
15 MR. MOHAMMED: Are they still working at
16 the site now?
17 COUNCILMAN NUTTER: Mm-hmm.
18 MR. MOHAMMED: No, they're not. There's
19 no more asbestos except for the top of the hill
20 COUNCILMAN NUTTER: What are they doing
21 now?
22 MR. MOHAMMED: What are the residents
23 doing now?
24 COUNCILMAN NUTTER: Mm-hmm.
25 MR. MOHAMMED: Well, then this is a

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2 question I wish PHA was here, because they're now
3 working in the labor union and at various jobs with
4 PHA 'cause they're certified asbestos lead-abatement
5 individuals.
6 COUNCILMAN NUTTER: Okay. How many of the
7 former residents are working there?
8 MR. MOHAMMED: How many of the former
9 residents are working at the site right now?
10 COUNCILMAN NUTTER: Mm-hmm.
11 MR. MOHAMMED: I think about two.
12 COUNCILMAN NUTTER: Two?
13 MR. MOHAMMED: Yes.
14 COUNCILMAN NUTTER: How many people live
15 there?
16 MR. MOHAMMED: Over 700.
17 But let me ask you a question.
18 COUNCILMAN NUTTER: You have two?
19 MR. MOHAMMED: I have two -- we have two
20 at this time.
21 COUNCILMAN NUTTER: Who are they?
22 MR. MOHAMMED: We have Michael Bennett
23 and, I think, a Josh (indiscernible).
24 COUNCILMAN NUTTER: I thought Michael got
25 terminated.

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2 MR. MOHAMMED: Yeah, but, see, this is
3 where -- in the two-week span from the last public
4 hearing and the one prior to this, Michael was
5 readmitted back to the site.

6 COUNCILMAN NUTTER: Do you think that was
7 a coincidence?

8 MR. MOHAMMED: Actually, I think it was a
9 blessing, but let me help you out here.

10 COUNCILMAN NUTTER: Okay.

11 MR. MOHAMMED: There was a meeting with
12 Domus, he's the GC on the site.

13 COUNCILMAN NUTTER: Mm-hmm.

14 MR. MOHAMMED: Okay, do you know that
15 Domus had allowed us to do security on the site?

16 COUNCILMAN NUTTER: I don't talk to Domus
17 on a regular basis.

18 MR. MOHAMMED: Well, neither do you talk
19 to us as well, but Domus had allowed us to do
20 security on the site. We put a proposal in for
21 X-amount of dollars.

22 COUNCILMAN NUTTER: Mm-hmm.

23 MR. MOHAMMED: And now the same amount of
24 residents -- the 12 who had worked with Social
25 Security protecting that site and monitoring that

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2 site, will be allowed to work up under Domus on that
3 site.

4 COUNCILMAN NUTTER: Good.

5 MR. MOHAMMED: You know, construction,
6 there are different phases, different things are
7 happening.

8 COUNCILMAN NUTTER: Mm-hmm.

9 MR. MOHAMMED: So that means when the
10 actual building begins, the residents are already
11 slated to go on the site. Should we just put 15
12 residents on that site because what, what should
13 they do? 'Cause you would like them on that site
14 right now?

15 COUNCILMAN NUTTER: No, I think the
16 residents should have an opportunity to do work at
17 the development. That's why I asked the question.

18 MR. MOHAMMED: And we agree with you, we
19 agree with you, but you just made a statement that I
20 got maced and locked up. Because I feel the same
21 way you do, that they should have an opportunity to
22 work on the site.

23 COUNCILMAN NUTTER: That was a long time
24 ago. Your basic premise is that, as I took the
25 testimony, everything is fine, things are going

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2 well, the residents are working, everyone should
3 pretty much be happy.

4 And all I was saying was, there seemed to
5 be a different point in time when there was a very
6 different view by many of the residents that things
7 were not going well and things were not right,
8 things were not working out. There was a chain of
9 events.

10 MR. MOHAMMED: Right, but now you guys
11 have forced us to take our own responsibility for
12 our own residence in our own hands, and now we have
13 to get out and politic, and now we can't leave it up
14 to you to call public hearings when things aren't
15 working right with PHA or the developers. So --

16 COUNCILMAN NUTTER: Well, the resolution
17 was introduced a while ago.

18 But all of these things, as I best
19 understood them, I mean, City Council does not run
20 PHA.

21 MR. MOHAMMED: Correct.

22 COUNCILMAN NUTTER: PHA is of its own
23 entity, gets its money from the federal government.

24 MR. MOHAMMED: That's correct.

25 COUNCILMAN NUTTER: But it was my

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2 understanding that a number of people have a variety
3 of opinions about this, both residents, as well as
4 neighborhood people. And this is a forum that's
5 been open to anyone. No one has been denied ever an
6 opportunity to come here and speak. I think you
7 were here at the last hearing, a couple of other
8 residents were here at the last hearing, there
9 wasn't that much notice. We said at that hearing
10 that there would be another hearing.

11 We are trying to get to the bottom of a
12 whole host of issues. Some may be addressed by
13 things that you have already done, some may not be
14 addressed by those things, whether it's the Michael
15 Bennett situation or others. It's a public hearing.

16 But PHA --

17 MR. MOHAMMED: That's correct, that's
18 correct.

19 COUNCILMAN NUTTER: -- takes steps that it
20 wants to take for its own purposes and also does not
21 necessarily communicate with its own residents.
22 We've had many, many conversations, you and I, about
23 the actions of PHA and your direct request to even
24 get PHA to meet with you or Miss Jonakin or other
25 people.

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2 So I mean, look, you have the right to
3 jump around from time to time and be on whatever
4 side you want to be on, that's fine. PHA, it is
5 their development. They set up a self-sufficiency
6 program. I think the last hearing, when you were
7 here, there were complaints about the
8 self-sufficiency program. I know over the years you
9 have complained bitterly about the self-sufficiency
10 program, but that's not a City Council program;
11 that's a PHA program. And whether it's working or
12 not, it's a PHA issue, and it's all transitioned
13 from RHD to Universal, who has the information, who
14 doesn't.

15 I mean, all of those issues are really PHA
16 issues.

17 MR. MOHAMMED: Just for a moment, if I may
18 interject.

19 COUNCILMAN NUTTER: But you're working on
20 that program too, right?

21 MR. MOHAMMED: You're making it seem like
22 all of a sudden, you are -- you've been just privy
23 to this information as well as you're able to
24 recount the various entities that are involved.
25 You've known both by correspondence and both

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2 physically and both by phone call of these issues.

3 COUNCILMAN NUTTER: Right.

4 MR. MOHAMMED: So let's not bring them up
5 as if they happened yesterday and you just called a
6 public hearing to resolve some of these issues.

7 COUNCILMAN NUTTER: Many of them have been
8 going on for a while.

9 MR. MOHAMMED: These issues -- you've left
10 us -- you've left us out there and we had no other
11 choice but to do what we needed to do for ourselves
12 to service ourselves. So if you care to speak about
13 issues, then speak about the current issue because
14 this public hearing that you've designed for us
15 surely wasn't for the residents at this time,
16 because if it was, it would have been designed a
17 long time ago to better service the residents.

18 This was merely to discuss East Falls
19 premise on finding money to get the top of the hill
20 fixed up. But yet, East Falls does not speak for
21 Schuylkill Falls. We are our own entity, so when
22 they speak, they just want to see something happen
23 for us. Please, please don't -- please --

24 COUNCILMAN NUTTER: Well, you're entitled
25 to your perspective. It's impossible for you to

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2 know why I do what I do. It's also impossible for
3 you to know --
4 (Unintelligible; parties
5 speaking over each other.)
6 COUNCILMAN NUTTER: -- from your
7 perspective who the ultimate beneficiaries are of a
8 variety of these options. It's not about top of the
9 hill, bottom of the hill, or the side of the hill.
10 It's about the entire site, what goes on over there
11 and then how that relates to a much larger and
12 broader community.
13 If you want to take a perspective that
14 it's only about the site, that it will stay an
15 isolated site, that what happens there has no
16 relationship to what goes on in the neighborhood,
17 then --
18 MR. MOHAMMED: Not understanding the
19 conversation --
20 COUNCILMAN NUTTER: -- you have a right to
21 take that view.
22 MR. MOHAMMED: If you say "isolated site"
23 and you've clearly lived in that community for quite
24 some time now, right?
25 COUNCILMAN NUTTER: I'm sorry?

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2 MR. MOHAMMED: You've clearly lived in
3 that community for quite some time, right?

4 COUNCILMAN NUTTER: Mm, no. You may be
5 mistaken with someone else. I don't live in East
6 Falls.

7 MR. MOHAMMED: There was two ways in and
8 two ways out of Schuylkill Falls. Were you familiar
9 with the site at that time?

10 COUNCILMAN NUTTER: No.

11 MR. MOHAMMED: Of course, you wasn't, but
12 we were.

13 COUNCILMAN NUTTER: Okay.

14 MR. MOHAMMED: We knew that you could come
15 out that side street and go down Calumet Street.
16 When you talk about a isolated site, we didn't build
17 those barriers up there on that site right there.

18 COUNCILMAN NUTTER: I didn't either.
19 You're talking about the Calumet Street site. Sure,
20 there's --

21 MR. MOHAMMED: Of course. I'm talking
22 about when you say "isolated," my residents isolated
23 the folks in there like Brewster Place.

24 COUNCILMAN NUTTER: I'm sorry?

25 MR. MOHAMMED: We had no choice -- we

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2 didn't opt to have bars or poles put up to leave out
3 of a property, which we thought it was unsafe
4 because if someone had gotten sick at the top of the
5 hill, the ambulance could clearly go up Calumet
6 Street and be there.

7 COUNCILMAN NUTTER: Well, I didn't have
8 them put there, but I did insist that in this
9 development -- I said I didn't have them put there,
10 but I did insist that in this development, as it was
11 originally designed, it only had one way in and one
12 way out. And I fought with the same people that
13 you're complaining about to insist that there be two
14 ways to get in and out.

15 Now, maybe you don't know that, but there
16 are now -- and it's because of what I did.

17 I mean, we don't have to have a discussion
18 about who did what to whom and how it got done.

19 MR. MOHAMMED: We applaud you for that.

20 COUNCILMAN NUTTER: I didn't ask for the
21 applause.

22 MR. MOHAMMED: All right, then. So what's
23 the point?

24 COUNCILMAN NUTTER: You asked me, did I
25 know about the site when it had two ways in before,

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2 and now it only has one? I mean --
3 MR. MOHAMMED: But you say you advocated
4 for two ways out; am I correct?
5 COUNCILMAN NUTTER: Yes.
6 MR. MOHAMMED: It should have been that
7 way all along. My point is --
8 COUNCILMAN NUTTER: I didn't draw the map.
9 MR. MOHAMMED: My point is, we're on the
10 same page.
11 COUNCILMAN NUTTER: All right.
12 MR. MOHAMMED: If you want two ways in and
13 two ways out, we're agreeable with that.
14 COUNCILMAN NUTTER: That's wonderful.
15 MR. MOHAMMED: Right.
16 COUNCILMAN NUTTER: Thank you. I
17 appreciate that. I'm glad we found a point of
18 agreement. Thanks.
19 MR. MOHAMMED: Have a great day.
20 COUNCILMAN NUTTER: You too.
21 Can we have the representatives from PHA,
22 please?
23 (Witness comes forward.)
24 COUNCILMAN NUTTER: Please identify
25 yourself for the record.

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2 MS. FLETMAN: I'm Abbe Fletman, and I'm a
3 partner at Wolf, Block, Schorr & Solis-Cohen, which
4 is representing the Philadelphia Housing Authority
5 in pending litigation with the East Falls community.

6 COUNCILMAN NUTTER: Okay. And why don't
7 we establish for the record whatever you might like
8 to tell us today about PHA, their presence or lack
9 thereof, and why is it that the two -- I mean, not
10 that you really need them, but just for-the-record
11 purposes, you had two guys with you at the last
12 hearing and maybe you decided that they didn't
13 provide much worthwhile information at that
14 particular hearing and kind of left them home, but
15 there were three of you at the last hearing.

16 Is PHA still not participate in the
17 hearings?

18 MS. FLETMAN: Yeah, Councilman, our
19 position has not changed since the last hearing;
20 namely, that while there is pending federal
21 litigation covering precisely the issues that your
22 committee is investigating, that there will not be
23 testimony. And we've offered to answer written
24 questions.

25 I mean, the position hasn't changed, and I

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2 was here, frankly, to observe, I was not aware that
3 you were seeking a PHA witness for this hearing.

4 COUNCILMAN NUTTER: Well, I mean, the
5 request had been made for the previous one. I mean,
6 I'm not necessarily surprised; I just want to make
7 sure that we have a clear and consistent record at
8 the second hearing that the agency is maintaining
9 the same position that it had before. But, I mean,
10 I didn't want to make that assumption on the record,
11 and it's better if you put it on the record.

12 MS. FLETMAN: I appreciate that,
13 Councilman. Our position has not changed since the
14 last hearing.

15 COUNCILMAN NUTTER: Okay, all right, thank
16 you.

17 MS. FLETMAN: Thank you.

18 COUNCILMAN NUTTER: Thank you,
19 Ms. Fletman.

20 Mr. Totaro, are you here to finish up our
21 discussion from a couple weeks ago?

22 (Witnesses come forward.)

23 COUNCILMAN NUTTER: Okay. Please,
24 gentlemen, would you please identify yourself for
25 the record and proceed.

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2 MR. TOTARO: Good afternoon. My name is
3 Robert Totaro and I'm Vice President of Penrose
4 Properties, Inc., a partner with Universal Community
5 Homes in the Schuylkill Falls redevelopment.

6 COUNCILMAN NUTTER: Okay.

7 MR. DAWAN: And my name is Shahied Dawan.
8 That's S-H-A-H-I-E-D; the last name, D-A-W-A-N. I'm
9 the Chief Operating Officer for Universal Community
10 Homes.

11 COUNCILMAN NUTTER: Okay, all right.
12 Gentlemen, thank you

13 Mr. Totaro, you sent me a letter recently
14 with regard to some of the discussion that we had on
15 income mix and rental versus housing. I know
16 that -- I know that you want to try to be as helpful
17 as possible. I don't know whether you were trying
18 to keep it down to a two-page letter or just not
19 have it kind of go on and on.

20 I have to tell you that some of the parts
21 of the letter were a little confusing, given the --
22 kind of the jumping around back and forth between
23 the mixes and the numbers and the percentages.

24 So why don't we try to walk back through
25 some of that.

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2 MR. TOTARO: Sure.

3 COUNCILMAN NUTTER: We had also had the
4 discussion last time about some of the other aspects
5 of the proposal with regard to timing of when
6 different elements would be built around, again,
7 kind of rental and home ownership -- I don't want to
8 say "rental versus home ownership."

9 But why don't you kind of refresh our kind
10 of collective memories and then go through your
11 piece as to what, at least by your understanding,
12 Phase I represents and what will be built when.

13 MR. TOTARO: I think I mentioned at the
14 last hearing that the use of the concept "phasing"
15 has been used in two different senses as applied to
16 this development. The one has to do with the
17 phasing of the development of the property, and
18 essentially that property has been divided into an
19 eastern portion and a western portion generally
20 divided by the new Merrick Road, which is similar in
21 path to the existing Merrick Road.

22 COUNCILMAN NUTTER: Are east and west
23 divided by essentially that kind of circular road?
24 I don't remember --

25 MR. TOTARO: Yes.

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2 COUNCILMAN NUTTER: In the middle?

3 MR. TOTARO: Correct.

4 COUNCILMAN NUTTER: So if you're looking
5 at the map, if you're to the right of that circle,
6 you're in the east, and to the left is the west?

7 MR. TOTARO: Generally so. And to the
8 east, or right, has been referred to as Phase I of
9 the site development; and to the left, or west,
10 Phase II.

11 But it's a little bit complicated because
12 that same concept of phasing has been applied to the
13 real estate development, and so Phase I housing
14 development represents 135 units of rental housing,
15 which is now under construction on the eastern
16 portion of the site.

17 But that is not the only housing that is
18 being developed on the eastern portion of the site.
19 As I mentioned at the last hearing, 28 sales housing
20 units are also being developed on the eastern
21 portion of the site.

22 And then the western portion of the site,
23 which is sometimes referred as "the top of the hill"
24 --

25 COUNCILMAN NUTTER: Hold on for one

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2 second. So that takes you 135 plus 28, so now we're
3 in --

4 MR. TOTARO: 163.

5 COUNCILMAN NUTTER: 163?

6 MR. TOTARO: Yes.

7 COUNCILMAN NUTTER: Okay, in Phase I.

8 Go ahead, Mr. Totaro.

9 MR. TOTARO: At the top of the hill, or
10 the western portion of the site, is to be developed
11 for 107 sales housing units.

12 So the two combined should total 300 --
13 though math is not my strong suit.

14 COUNCILMAN NUTTER: I get 270 out of it.

15 MR. TOTARO: Oh, I'm sorry. Yeah, thank
16 you.

17 There are the 30 units of rental housing,
18 which is purely, by everyone's definition,
19 market-rate rental housing, which is on the lower
20 portion of the site west of Merrick Road fronting on
21 Ridge, and it is to be a mixed-use building, 30
22 units of rental housing, about 6500 square feet of
23 retail commercial. And it will line up as a
24 companion building to the 50-unit mixed-use building
25 on the eastern part of the site, east of Merrick

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2 Road.

3 So that's the additional 30 units.

4 COUNCILMAN NUTTER: Okay. Was that the
5 area of when you talk about the lower -- essentially
6 the lower western side of the site, is that
7 originally where the proposed swimming pool was
8 going?

9 MR. TOTARO: Yes, it is.

10 COUNCILMAN NUTTER: Okay. That issue was
11 raised with me actually earlier today. Why don't
12 you tell us for the record what happened with that.

13 MR. TOTARO: When we were introduced to
14 the development, there was still talk about the
15 development of a pool building in that location, and
16 we inquired about the availability of City funds and
17 were advised that the estimated \$2 million to
18 construct that building was not available from the
19 City. And we then began talking about an alternate
20 plan for the development of that parcel.

21 COUNCILMAN NUTTER: So at that time, there
22 were not 30 units designated for that particular
23 area; the units were scattered somewhere else on the
24 site?

25 MR. TOTARO: There actually were several

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2 different concept plans for that portion of the
3 site. Some of them involved multiple buildings,
4 some of which would have been residential in
5 character and another a recreational building. And
6 in one iteration, it was a pool building. I even
7 saw concept plans for a single building
8 incorporating 30 rental housing units and the pool
9 itself, which would have been very difficult and
10 expensive to construct.

11 COUNCILMAN NUTTER: A combination of, I
12 mean, in one building a pool and the residential?

13 MR. TOTARO: (Nods head.)

14 COUNCILMAN NUTTER: I think the
15 residential was going up above?

16 MR. TOTARO: Correct.

17 COUNCILMAN NUTTER: I mean I remember
18 seeing it.

19 Okay, let me -- let me skip for one second
20 and try to get a little bit of information, 'cause I
21 think we didn't get as much as we probably should
22 have the last time.

23 Mr. Dawan, can you tell us what is going
24 on with -- it's my understanding, and it's the
25 reason I'm asking you the question -- and if I'm

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2 asking the wrong person, you'll tell me. It's my
3 understanding that the self-sufficiency program is
4 primarily being run by Universal; is that correct?

5 MR. DAWAN: That's correct

6 COUNCILMAN NUTTER: Okay, can you tell us
7 a little bit about what's going on with that, what
8 its various times elements are, level contact with
9 the residents, what the programs are, and that kind
10 of information?

11 MR. DAWAN: Okay. Currently, we have a
12 couple of people from the Resident Council as staff.
13 We have case workers assigned to form a unit to
14 deliver the services --

15 COUNCILMAN NUTTER: I'm sorry. To form a
16 what?

17 MR. DAWAN: A delivery service unit for
18 the residents.

19 COUNCILMAN NUTTER: The case managers, are
20 they former Schuylkill Falls residents?

21 MR. DAWAN: No.

22 COUNCILMAN NUTTER: Are these just general
23 employees of Universal?

24 MR. DAWAN: That's correct, just general
25 employees of Universal.

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2 COUNCILMAN NUTTER: Okay.

3 MR. DAWAN: And they are currently
4 located -- they have office space in the Universal
5 Workforce Development Center located at 1427
6 Catharine Street in South Philadelphia.

7 COUNCILMAN NUTTER: Mm-hmm.

8 MR. DAWAN: Also in that particular
9 facility, we have our Center for Employment and
10 Training, and we have other service-providers
11 located in that facility -- drug rehab, health.

12 And the process is that we reach out for
13 the particular resident. Once the resident is
14 contacted, we develop a plan for the resident.

15 COUNCILMAN NUTTER: Go ahead.

16 MR. DAWAN: And depending on the level of
17 need of that resident, they will enter the process
18 either for training or employment -- placement and
19 employment, GED. Whatever services are required, we
20 begin the action of the plan for the residents.

21 COUNCILMAN NUTTER: Now, how many of the
22 residents are participating actively in the
23 self-sufficiency program or how many have been
24 contacted?

25 MR. DAWAN: I didn't bring the exact

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2 numbers with me -- we do have the numbers. I would
3 say during this year, roughly about 150 residents.
4 COUNCILMAN NUTTER: 150?
5 MR. DAWAN: Yes.
6 COUNCILMAN NUTTER: And how many residents
7 were on the site?
8 MR. DAWAN: Total -- all of the family
9 members, about 700.
10 COUNCILMAN NUTTER: Okay. And what
11 happened to the other 550 or so?
12 MR. DAWAN: Well, as you know, very well
13 know, early on, we had a problem with transitioning
14 from RHD over to Universal with the case files,
15 which meant we had to start from the beginning, we
16 had to start all over.
17 COUNCILMAN NUTTER: Why?
18 MR. DAWAN: Why? Because a lot of the
19 residents had already had their plans developed.
20 And to develop a plan, you have to do an assessment
21 of the family, and it's a very long process, and a
22 lot of residents -- once you do this particular type
23 of plan for a person, they don't want to go through
24 the process again. So --
25 COUNCILMAN NUTTER: Why can't they get the

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2 information from the previous provider?

3 MR. DAWAN: We were not able to get the
4 information because PHA would have had to obtain the
5 information and provide it to us because it was
6 owned by PHA. They had contracted with RHD for --

7 COUNCILMAN NUTTER: Well, why didn't PHA
8 do it then?

9 MR. DAWAN: They were not -- from what I
10 understand, they were not able to obtain the
11 information.

12 COUNCILMAN NUTTER: They were not able to
13 obtain the information from the contractor that they
14 had hired to do this work?

15 MR. DAWAN: Exactly, that's what I
16 understand.

17 COUNCILMAN NUTTER: So working with the
18 150 people and --

19 MR. DAWAN: Well, what I was -- of course,
20 as the people come in, obviously it's not the same
21 people, so you continue to build your case files,
22 and that's what we're doing. And as a matter of
23 fact, we have even planned to pick up the pace
24 because we want to be able to get to where we need
25 to be to help the residents get back on site. And

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2 the things that we are required to do -- our
3 development partnership is required to do, we know
4 we have to increase the pace. And that's what we're
5 currently doing now.

6 COUNCILMAN NUTTER: Tell me about the
7 contract a little bit. Is it a set sum of money, is
8 it a per-person fee?

9 MR. DAWAN: It's per activity, it's per
10 activity. If we don't perform, we will not get
11 paid. So in other words, if we do not case-manage
12 households, if we do not place people in jobs, if we
13 do not improve people's education, if we do not get
14 people in housing counseling -- so each activity
15 basically has a payment associated with it, and so
16 it's not a flat fee.

17 COUNCILMAN NUTTER: Has PHA provided you
18 with the total list of the 700 people and where they
19 were located to?

20 MR. DAWAN: We have it now.

21 COUNCILMAN NUTTER: So you were able to
22 contact them on your own?

23 MR. DAWAN: Yes, that's correct. With the
24 help of the Resident Council.

25 COUNCILMAN NUTTER: But you're saying that

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2 some are reluctant to go back through the process

3 'cause they did it once already?

4 MR. DAWAN: Well, some people are

5 reluctant to do it, yes.

6 COUNCILMAN NUTTER: Now, of the -- let me

7 make sure I get on the record that Councilman Clarke

8 is here.

9 Now, of the 700 people, how many are

10 relocated relatively near to where you're located?

11 MR. DAWAN: I don't have that information

12 with me.

13 COUNCILMAN NUTTER: I'm sorry?

14 MR. DAWAN: I don't have that information

15 with me.

16 COUNCILMAN NUTTER: Okay. Well, I'll just

17 ask the natural follow-up question. Of the 150 that

18 you're working with, how many of them live

19 relatively near where you're located?

20 MR. DAWAN: I wouldn't have that level of

21 knowledge. I have a vice president at Workforce

22 Development who would have that level of knowledge.

23 COUNCILMAN NUTTER: Okay, can you get us

24 that information?

25 MR. DAWAN: Sure. You want to know how

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2 many people are close to us?

3 COUNCILMAN NUTTER: Yes, the Universal
4 people who are relocated, that's one group; and
5 within that subgroup, how many of the people that
6 you're actually working with, the 150 that you
7 mentioned.

8 I do need you to clear up one thing, if
9 you can just so that, again, we have it on the
10 record. I mean, we get all kinds of information and
11 all kinds of statements are made, and I try to work
12 with facts. Are there any services that you provide
13 that any of the residents have to pay for?

14 MR. DAWAN: Absolutely not.

15 COUNCILMAN NUTTER: There's no payment
16 required for anything?

17 MR. DAWAN: Mm, no. I think there might
18 have been some seminars, business seminars, where we
19 had outside contractors come in and there might have
20 been a \$10 fee for something like that, but that's
21 the only thing I can even think of where there would
22 be any kind of charge. And a lot of times, if a
23 resident is attending it, the fee is waived.

24 COUNCILMAN NUTTER: I'm sorry?

25 MR. DAWAN: If a resident is attending

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2 that, the fee is waived. So, if we have -- well, Of
3 course, we serve a lot of people in the community,
4 so if we just have regular business people come in,
5 they might pay the \$10 fee. But for residents,
6 there's no fee.

7 COUNCILMAN NUTTER: Okay. And how do you
8 deal with transportation issues. If a person
9 doesn't live, you know, kind of somewhere in South
10 Philadelphia and they have to get there --

11 MR. DAWAN: Generally, we provide tokens,
12 we provide transpasses. And so the Resident Council
13 even has a van and they will transport people
14 occasionally to the site.

15 COUNCILMAN NUTTER: Mm-hmm. And tell me
16 about some of the -- maybe not everything, but give
17 us some examples of what the self-sufficiency
18 program is about.

19 MR. DAWAN: Well, the way we see the
20 self-sufficiency program is taking someone who is
21 either under-employed or unemployed, their level of
22 education is not good enough for them to earn a
23 living wage, and that living wage, as we see it, is
24 \$8 plus benefits. And to take those people and
25 increase their capabilities to a level where they

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2 can earn that living wage. That's part of it.

3 The other part of the self-sufficiency
4 program for HOPE VI projects is to be able to
5 develop these individuals in a manner where their
6 creditworthiness, their income, and their knowledge
7 about home ownership is increased to a level where
8 they can return to the site mainly as homeowners.
9 So even we know to return to the site as renters,
10 they have to meet certain qualifications that we
11 have as developers.

12 And so it's the same criteria we use for
13 all of our developments as we return people to the
14 sites.

15 COUNCILMAN NUTTER: And how many of the
16 former tenants -- I'm sorry, how many of the
17 residents who are presently not at the site --
18 because, obviously, no one lives presently at the
19 site -- how many do you anticipate will be in a
20 position to return?

21 MR. DAWAN: I can't give you a number on
22 how many right now, I can't give you that number
23 right now. That's a very difficult question to
24 answer, very difficult.

25 COUNCILMAN NUTTER: Because...?

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2 MR. DAWAN: Well, because, first of all,
3 some of the people that have moved off the site
4 don't even want to return to the site, some of them
5 are purchasing their own homes, they're comfortable
6 where they've been relocated to at this time.

7 The other part of it is really getting
8 people to participate in the self-sufficiency
9 program. It's a very arduous task to get people to
10 participate, so --

11 COUNCILMAN NUTTER: Why is that?

12 MR. DAWAN: As I mentioned earlier, people
13 are kind of worn down, they get worn down in the
14 process. They were relocated, and at this
15 particular site, some people have been relocated
16 twice. The trust diminishes, you have to
17 reestablish the trust; that's why it's very
18 important that the Resident Council works with us on
19 this issue, because there's a level of trust there.

20 So there's a lot of issues involved with
21 getting people just in the process.

22 And the other part of it is, they have to
23 see something built. So we're just starting to
24 construct the site. So as they -- this will build
25 their hope back up, their faith back up as they see

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2 something constructed at the site, that, okay,
3 something is really going to happen there because
4 there is a lot of -- there's a loss of hope as
5 people get moved away from their homes like this.

6 COUNCILMAN NUTTER: Okay. And just a
7 couple last questions, at least for myself.

8 How many of the former tenants -- how many
9 of the residents work for Universal?

10 MR. DAWAN: We have -- we have two that
11 work directly for us.

12 COUNCILMAN NUTTER: Okay. And what do
13 they do?

14 MR. DAWAN: They are what we consider to
15 be our outreach personnel in the HOPE VI office at
16 our site in South Philadelphia.

17 COUNCILMAN NUTTER: And this is to
18 basically try and track down the 700-plus residents
19 and get people to --

20 MR. DAWAN: And also to establish the
21 resident-owned businesses. And they're their two
22 main jobs: To contact former residents and to
23 establish resident-owned businesses and to help us
24 with the employment issue, getting former residents
25 back employed -- as many as we can at the site.

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2 So it's issues like that.

3 COUNCILMAN NUTTER: What are the job
4 opportunities at the site?

5 MR. DAWAN: Currently -- right now,
6 because there's just infrastructure work going on, a
7 lot of dirt being moved around, it's not a lot of
8 opportunities there.

9 As we begin to build, we do expect to have
10 some opportunities during the construction,
11 opportunities during the security. Those are the
12 two main areas for onsite jobs.

13 COUNCILMAN NUTTER: Just for my own
14 information so I can have a better understanding of
15 it, what did happen in the Michael Bennett
16 situation? Why was he terminated?

17 MR. DAWAN: Well, Michael was -- we had an
18 issue with Michael not being on PHA's Section 3
19 list. And because the contractor in his agreement
20 needs to meet certain Section 3 requirements and
21 Michael was not on the PHA list for Section 3, so
22 this conflict arose like that. And they
23 decided that -- well, they weren't going to be able
24 to count Michael in that matter.

25 What they decided was, they would be able

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2 to count Michael just as being a minority former
3 resident of the area. So they took him there.

4 COUNCILMAN NUTTER: Okay. At the last
5 hearing, we heard a fair amount about a newsletter
6 and other ways of contacting or staying in touch
7 with residents. What's going on with that?

8 MR. DAWAN: Well, the newsletter is being
9 revamped. PHA wasn't really that happy with the
10 quality of the newsletters that were going out; they
11 felt as though it wasn't enough base information in
12 the newsletter about the CSS. So they --

13 COUNCILMAN NUTTER: Who is in charge of
14 that?

15 MR. DAWAN: Say that again?

16 COUNCILMAN NUTTER: Who was in charge of
17 the newsletter, Universal?

18 MR. DAWAN: It's a combination of the
19 Resident Council and Universal staff.

20 So we have come up with a new process for
21 issuing the newsletter. As we develop the
22 newsletter, we'll draft it, we'll send it out to PHA
23 for review and comments. And then before we
24 distribute the newsletter, we'll get kind of like
25 their approval.

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2 COUNCILMAN NUTTER: Get...?

3 MR. DAWAN: Their approval.

4 COUNCILMAN NUTTER: PHA's?

5 MR. DAWAN: PHA's approval, yes.

6 COUNCILMAN NUTTER: Okay, all right. So
7 why don't you kind of at least wrap up this part.
8 What is your assessment of how self-sufficiency is
9 going at this point?

10 MR. DAWAN: I think we got a slow start,
11 but right now, we're doing good. And with our
12 current plan to really pick up the pace, we're
13 hiring two new case workers to specifically bolster
14 the team for Schuylkill Falls. They will be
15 dedicated directly to Schuylkill Falls. Then we'll
16 have a stronger team and we plan to pick up the
17 pace.

18 COUNCILMAN NUTTER: Just one last item. I
19 received these materials in the mail, and I'm just
20 trying to understand how they relate to these other
21 activities. One is about a basketball tournament
22 and barbecue over at Gusteen Lake apparently this
23 summer, which, I guess, was from 12 to 8, but
24 apparently from 6:30 to 8, there was going to be a
25 presentation.

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2 MR. DAWAN: That's correct.

3 COUNCILMAN NUTTER: And I guess it costs
4 something to put your team in or play or something
5 like that. I mean, is that a part -- what exactly
6 is that about?

7 MR. DAWAN: The only thing we did as a
8 part of supporting the Resident Council for that
9 particular activity was to make sure that we had at
10 the site -- at this particular event the
11 presentation about what was going on at the site.
12 So that whoever came to participate in that event,
13 the former residents would be able to see something
14 of substance at the event.

15 Basically, we had the presentation boards
16 there for the development at the site.

17 COUNCILMAN NUTTER: What's the \$10 for?

18 MR. DAWAN: Um, I'd have to ask the staff
19 person at Resident Council what happened to the \$10.

20 COUNCILMAN NUTTER: Okay.

21 The other thing that seemed a little
22 unusual was a flyer regarding the opportunity for
23 Schuylkill Falls residents to get to purchase cell
24 phones. What is that about?

25 MR. DAWAN: I have no knowledge of that.

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2 COUNCILMAN NUTTER: Okay.

3 MR. DAWAN: Does it say "Universal" on
4 there?

5 COUNCILMAN NUTTER: Well, it says,
6 "Contact Schuylkill Falls Family Support Center
7 Program," and that any Schuylkill Falls resident --
8 employed, unemployed, retired, good credit, no
9 credit, bad credit, whatever -- that there's a cell
10 phone for them.

11 MR. DAWAN: I don't have any knowledge of
12 that.

13 COUNCILMAN NUTTER: Okay.

14 MR. MOHAMMED: Excuse me. On that
15 particular flyer that you have, does it say
16 "Universal," or does it say "Schuylkill falls Family
17 Support Center"?

18 COUNCILMAN NUTTER: It's all a part of a
19 big package. It says "Schuylkill Falls Family
20 Support Center."

21 MR. MOHAMMED: I really don't know who
22 sent you the package, but let me explain. We
23 negotiated with Sprint.

24 COUNCILMAN NUTTER: Who's "we"?

25 MR. MOHAMMED: Schuylkill Falls Family

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2 Support Center negotiated with Sprint in order to
3 reestablish or construct some credit for those who
4 did not have credit in Schuylkill Falls.

5 Sprint had allowed us a program that will
6 do -- that will allow them, if they purchase the
7 phone, they would do a waiver of credit, meaning if
8 they had good credit, bad credit, or no credit, to
9 restructure, to establish some credit, they could
10 get connected. And that was a program that we had
11 went and sought out, and we had long meetings and we
12 discussed with Sprint. And they allowed us this
13 program, this pilot program, for about three months.

14 So that way, part of the criteria is to
15 have some kind of identifiable credit when you come
16 to purchase a home when this site was revitalized
17 and redone, which I think was -- we should be
18 saluted for. It was remarkable that you could go
19 out there with a big phone entity like Sprint and
20 negotiate a deal like that to reestablish some
21 credit for those folks who do not have credit at
22 all.

23 So -- and if it does not say "Universal"
24 and it's part of a package, you would probably have
25 to reveal the whole package so we can identify each

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2 piece for you.

3 Thank you.

4 COUNCILMAN NUTTER: I appreciate the
5 update.

6 COUNCILMAN DICICCO: My question is to the
7 last gentleman.

8 I'm not clear on that. You were
9 looking -- correct me if I'm wrong, but you were
10 looking for a way in which to establish a credit
11 history for folks who live in the Schuylkill Falls
12 area to -- by way of renting a phone or leasing a
13 phone, what have you, and if they continue to make
14 payments and they make payments on time, that that
15 could be used as a credit history?

16 MR. MOHAMMED: We didn't say lease a phone
17 or rent a phone. They would be responsible for a
18 phone bill, which will show up on their credit
19 history as part of their credit history. That is
20 correct.

21 COUNCILMAN DICICCO: Well, I think,
22 whether it's to lease or rent, whatever the proper
23 term is, so if you get a phone from Sprint in your
24 name and you make your payments and you're current,
25 that would be a part of the credit history so that

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2 when you make application for -- whether it's a home
3 purchase or you're purchasing a car or something --

4 MR. MOHAMMED: That's correct

5 COUNCILMAN DICICCO: -- you have some
6 established credit.

7 MR. MOHAMMED: Yes.

8 COUNCILMAN DICICCO: Is there anything
9 beyond the use of a phone that would be helpful to
10 those folks to look into, or is it just the phone?
11 And how did you get to Sprint, who came up with the
12 idea of Sprint?

13 MR. MOHAMMED: Well, actually, we were
14 looking at a couple of 'em -- Nextel, 'cause folks
15 like the way that the two-way radio works and stuff
16 like that, but for low-income public housing,
17 there's not many folks that will allow someone on a
18 fixed income or allow someone on SSI or no income to
19 purchase a phone, meaning on public assistance,
20 would be considered no income, although it is an
21 income.

22 And this opportunity was afforded to us,
23 and it's a benefit because, once again, one of the
24 criterias [sic] for buying a house or buying a car
25 or something like that is to have some established

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2 credit. And, as you know, no credit is worse than
3 bad credit.

4 COUNCILMAN DICICCO: Are these folks who
5 already have a phone, a hard-line phone, if you
6 will, in their home or residence?

7 MR. MOHAMMED: I think when we had done
8 our survey, we had a population of over 65 percent
9 using prepaid. A prepaid phone is 25 minutes -- \$25
10 for like 100 minutes per month, in our survey. So
11 now we offer them 3500 minutes for \$39.99 per month.
12 In our survey that we had done, they just have to
13 purchase the phone and that will allow them to get a
14 bill per month, no matter how bad they credit was,
15 no matter if they messed it up when they were young
16 or somebody else messed they credit up.

17 COUNCILMAN DICICCO: I can understand the
18 opportunity for maybe a better deal as far as the
19 amount of time you get to use a phone, but if you
20 already have a hard line coming into your home for a
21 phone, whether it's Verizon, whether it's this
22 prepaid phone payment plan, what have you, isn't
23 that sufficient enough to establish a credit
24 history?

25 Why cell phones? I always think of cell

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2 phones -- with no disrespect -- as basically a
3 luxury. I mean, I don't think it's something you
4 have to have.

5 MR. MOHAMMED: Let me ask you this
6 question: Do you have a cell phone?

7 COUNCILMAN DICICCO: Yeah.

8 MR. MOHAMMED: Okay. And I'm sure
9 Councilman Ortiz and Councilman Nutter has a cell
10 phone.

11 Is cable considered a luxury?

12 COUNCILMAN DICICCO: Is cable? I would
13 think so, yes.

14 MR. MOHAMMED: Most people in public
15 housing have cable.

16 COUNCILMAN DICICCO: I consider it a
17 luxury.

18 MR. MOHAMMED: So is that a luxury we
19 should take away from 'em?

20 COUNCILMAN DICICCO: I keep thinking
21 that -- well, no, it's your choice. If you can
22 afford it, you get cable. I keep thinking about
23 discontinuing 'cause I don't get a chance to use it,
24 but that's my choice. But if I didn't pay the bill,
25 obviously, they would cut it off.

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2 If I had to make a choice between cable
3 and --

4 MR. MOHAMMED: But no, you're correct,
5 though.

6 COUNCILMAN DICICCO: -- between cable and
7 electricity and heating, I would certainly opt for
8 electricity and heating.

9 MR. MOHAMMED: You are correct, it is your
10 choice. And what we are doing now in public housing
11 that has not been done before is offer them that
12 choice to purchase that phone. As the flyers say,
13 you have an opportunity. Good credit, bad credit,
14 or no credit, you in public housing have a choice to
15 get a cell phone.

16 Now, I have a cell phone. You don't think
17 my mom would like to contact me? You don't think
18 I'd like to contact her if she's outside of that
19 hard line? I think she would -- I know she would.
20 I want to know where she is, I'm concerned. And I
21 think my outreach worker and I think my mom's
22 girlfriend, and I think the vice president of City
23 Council, when they're in a meeting, they need to be
24 picked up. Down Raymond Rosen or Johnson Homes or
25 somewhere else, they can pick up that cell phone

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2 just as well and use it. So it's their choice.

3 COUNCILMAN DICICCO: Well, personally, I
4 wish some days I didn't have a pager or a cell
5 phone, but I wonder how we all got in touch with
6 each other before.

7 MR. MOHAMMED: Two-way pigeons, pigeons.

8 COUNCILMAN DICICCO: I could go back to
9 party lines but I'm sure you're too young to
10 remember that.

11 Thank you.

12 MR. MOHAMMED: You're welcome, thank you.

13 COUNCILMAN NUTTER: Thank you.

14 Thank you, Mr. Dawan, with regard to the
15 self-sufficiency issues.

16 Mr. Totaro, let's talk about -- in the
17 discussion we had a couple weeks ago, you and I had
18 a Q and A with regard to market-rate issues,
19 subsidized housing. You indicated, and you raise in
20 your letter as well, that basically there's not much
21 difference between the proposal up at Schuylkill
22 Falls and the development at Society Hill as well as
23 the development in Rittenhouse Square. And do you
24 take it that there is no particular definition now
25 of "market rate"?

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2 MR. TOTARO: It's clear to me that there
3 is not one to which everyone involved in this effort
4 can agree.

5 COUNCILMAN NUTTER: Well, what does it
6 mean to you?

7 MR. TOTARO: It means what a willing buyer
8 or renter will pay to a willing, knowledgeable
9 seller or landlord without duress in the open
10 marketplace.

11 COUNCILMAN NUTTER: Right. And how do we
12 know what the market rate is, whether for rental or
13 for sale in that general neighborhood at that
14 particular site is?

15 MR. TOTARO: The conventional way to
16 determine that is to have a qualified real estate
17 appraiser undertake a market study.

18 COUNCILMAN NUTTER: Mm-hmm.

19 MR. TOTARO: And we have actually done
20 that a number of times. And it is only good for a
21 given period of time until that analyst can project
22 market conditions going forward, which is, of
23 course, part of their trade. And some are better at
24 it than others.

25 COUNCILMAN NUTTER: Now, when you say that

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2 you've done that, are you talking about by way of
3 the Delta report?

4 MR. TOTARO: The Delta report is the
5 latest report, yes.

6 COUNCILMAN NUTTER: Okay. And just so I
7 understand this, did you participate in the
8 development of -- I don't know whether it was a
9 scope of services for Delta or --

10 MR. TOTARO: I participated in a number of
11 discussions with the East Falls community and former
12 Mayor Rendell and Schuylkill Falls residents and
13 developer representatives in which the need for an
14 updated market study was discussed. I had no direct
15 input in the formulation of the scope of services.

16 COUNCILMAN NUTTER: Okay.

17 MR. TOTARO: And it was an interesting
18 scope. It was fairly narrowly tailored.

19 COUNCILMAN NUTTER: That's what I wanted
20 to ask you about

21 On Page 2, this is -- well, it's not Page
22 2 of the report, it's Page 2 of a letter. I guess
23 it's a transmittal letter to my good friend
24 Miss Fletman in the back.

25 They talk about the project parameters.

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2 This is Delta's work parameters. And they said that
3 there are certain given that we have been instructed
4 to accept at this HOPE VI-funded project:

5 1. Delta associates work hereunder
6 focuses on 50 townhouse units.

7 2. The general layout of the project is
8 set as shown in Exhibit B.

9 3. The site features and amenities are
10 fixed as planned.

11 4. A total of 300 market-rate and
12 non-market-rate housing units are planned for the
13 site.

14 Do you have any information as to who
15 determined that those four criteria were kind of set
16 in stone, if you will?

17 MR. TOTARO: I have no direct information.

18 COUNCILMAN NUTTER: Do you have any
19 indirect information?

20 MR. TOTARO: My understanding is that the
21 former mayor pretty well laid out the scope.

22 COUNCILMAN NUTTER: Okay. They go further
23 in that same letter, the next paragraph, to say:
24 "We understand that their configuration cannot be
25 altered. The remaining 165 units are planned as

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2 follows: 50 market-rate for-sale townhouses, 30
3 market-rate for-rent apartments, 85 non-market-rate
4 for-sale units.

5 Is it also your understanding that none of
6 the configuration can be altered?

7 MR. TOTARO: Again, it is my understanding
8 that the market analyst was engaged to determine the
9 marketability of that particular development scheme.
10 That is not the development scheme that has been
11 approved by the PHA, the community, and HUD for this
12 development. It is --

13 COUNCILMAN NUTTER: What are the
14 differences or what was approved by --

15 MR. TOTARO: There are --

16 COUNCILMAN NUTTER: -- that group that you
17 just mentioned?

18 MR. TOTARO: In the approved
19 revitalization plan, there are no unsubsidized sales
20 housing units, and I believe the description that
21 you just read posits the development of 50
22 unsubsidized sales housing units.

23 COUNCILMAN NUTTER: Well, there's been a
24 lot of discussion about that. Is that a topic
25 that's still under active discussion, or has that

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2 disappeared?

3 MR. TOTARO: It's still under active
4 discussion from the developer's point of view.

5 COUNCILMAN NUTTER: Okay. Is there a way
6 to do that?

7 MR. TOTARO: We continue to search out a
8 way to do that.

9 COUNCILMAN NUTTER: Mm-hmm. Have you come
10 up with any good ideas recently?

11 MR. TOTARO: We have determined that if a
12 source of funding that has no strings that would
13 limit the beneficiary of that funding being a home
14 buyer by reason of income, then the difference
15 between the value of the completed property, the
16 market value of that property, and the actual cost
17 to develop that property could be covered or funded
18 from that source. The unit could then be sold at
19 market value without regard to the income of the
20 buyer.

21 COUNCILMAN NUTTER: Let me ask this
22 question about configuration: Have you explored any
23 options by way of the discussion again that we had a
24 couple weeks ago on the record and some other
25 discussions that you and I have had and I think John

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2 Rosenthal from the past and also Mr. Raheem -- do
3 you know of any way that the present
4 configuration -- I hate to use the same word in the
5 same sentence but in a different way -- that the
6 present configuration could be reconfigured such
7 that there would be more of a mixing between the
8 rental units, whether subsidized or unsubsidized,
9 and the for-sale units, whether subsidized or
10 unsubsidized in -- you gave me a new description of
11 the property today.

12 You're now talking about Phase I being on
13 the east, Phase II being on the west. And in the
14 past, the discussion was always kind of Phase II
15 closer to Ridge Avenue -- I'm sorry Phase I closer
16 to Ridge Avenue and Phase II a little farther away.
17 However you describe it and whichever it is --
18 whether it's north, south, east, or west -- have you
19 given thought to a way to change the various units
20 around?

21 MR. TOTARO: The rental housing
22 development of 135 units is fixed. We have closed
23 on the financing and started construction.

24 There is really no way without suffering
25 extraordinary financial loss of reconfiguring or

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2 restructuring transaction.

3 The balance of the units --

4 COUNCILMAN NUTTER: You're saying that
5 moving -- 'cause no one's -- I mean, for the most
6 part, you're really not talking about not building
7 them. You're saying that the mere changing of
8 location of where different types of units are on
9 the same site causes fiscal distress?

10 MR. TOTARO: Yes.

11 COUNCILMAN NUTTER: Because...?

12 MR. TOTARO: There are some odd
13 requirements of these various programs. The rental
14 housing units are being developed in part with
15 financing from private activity, tax-exempt bonds.
16 Counsel tell us that the properties that are subject
17 of such financing must literally be contiguous, one
18 to the other, in a specific bond issue.

19 The properties on the site as it is
20 currently delineated --

21 COUNCILMAN NUTTER: If you know, you'll
22 tell me; if you don't know, you'll me. Why?

23 MR. TOTARO: It's a provision of the
24 Internal Revenue code, I am told. I don't know why.

25 COUNCILMAN NUTTER: So that the folks of

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2 the IRS care one way or the other whether one
3 unit -- one type of unit is next to the other type
4 of unit in terms of, you know, their involvement in
5 what is, in essence, a tax credit deal?

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

8 COUNCILMAN NUTTER: Okay, all right.

9 Go ahead. What other factors come into
10 play here?

11 MR. TOTARO: The only other constraints on
12 reconfiguration of the development would be the
13 limitations deriving from the source of funds for
14 each component as it is currently approved and the
15 physical approvals issued by the City in planning,
16 zoning, and permitting. They would be, as I see it,
17 as I sit here this afternoon, the only real
18 constraints on some reconfiguration of the remaining
19 buildings.

20 COUNCILMAN NUTTER: Well, between and
21 among those various agencies, I would have to
22 think -- I mean, I can understand that the City is
23 never, you know, a stroll in the park to deal with,
24 but between the City, PHFA, the IRS, HUD, and PHA,
25 I'm assuming that we've got to be about the easiest

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2 folks to deal with in the context of what unit goes
3 where. I mean, I don't know that we have --

4 MR. TOTARO: I would tend to agree.

5 COUNCILMAN NUTTER: Yeah. I mean, other
6 than general zoning and what you're allowed to put,
7 the site is already -- well, we won't go into the --
8 zoning of a site -- discussion.

9 Okay. What have you looked at by way
10 of -- I mean, there are generally two ways to solve
11 a financial problem. I mean, you either increase
12 the revenues available or decrease the costs.

13 MR. TOTARO: Correct.

14 COUNCILMAN NUTTER: If you take a look at
15 the other side of the equation, which is some
16 options on the decrease the cost, size, keep your
17 expenses down, keep the same amount of revenues that
18 you have and increase your margin that way.

19 MR. TOTARO: Correct. One consideration,
20 an obvious one, is in the size of the units, the
21 type of materials, the type of construction, the
22 amenities. And we have discounted any --

23 COUNCILMAN NUTTER: Well, let me -- I'm
24 sorry, I don't mean to interrupt you. I was not
25 talking about in ways that would in any way, shape,

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2 or form be detrimental to the actual unit or the
3 living space.

4 MR. TOTARO: Right.

5 COUNCILMAN NUTTER: If anything, I think
6 we're trying to make sure that the -- I mean, I
7 couldn't necessarily tell you the exact sizes of any
8 of the particular units; it's in the material. But,
9 I mean, the size will certainly stay the same, every
10 possible effort should be made to have quality
11 construction, design, and materials so that the look
12 and the actual infrastructure of all of the units,
13 whether they're, you know, rental, for sale,
14 subsidized, unsubsidized -- I mean, again, as I best
15 understood the concept here, everything was pretty
16 much supposed to look the same except for some
17 different shapes, if you will, of certain units, as
18 well as interior amenities that go with them.

19 But, I mean, I want to make sure that
20 we're crystal-clear here on the record. I'm not
21 talking about reducing the cost of the development
22 by basically shortchanging or cutting corners in
23 design, materials, and what the units look like.
24 What I was asking was, given the -- what is this,
25 40, \$50 million of development?

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2 MR. TOTARO: Yes

3 COUNCILMAN NUTTER: Maybe close to 60?

4 Whether there were other elements within a fairly
5 large budget that give you any leeway in terms of
6 reducing overall costs and, again, increasing the
7 margins that you have available to do other positive
8 things at the site.

9 MR. TOTARO: I was about to say we had
10 rejected any consideration of reducing quality. As
11 I earlier testified --

12 COUNCILMAN NUTTER: Good, good.

13 MR. TOTARO: -- we were committed to
14 building all of the units the same.

15 COUNCILMAN NUTTER: Mm-hmm.

16 MR. TOTARO: What we have considered is --
17 our current plan and the cost associated with it
18 involves the use of a commercial union contractor
19 for the construction of the sales housing units.

20 (Interruption.)

21 COUNCILMAN NUTTER: Go ahead, Mr. Totaro.
22 I'm sorry.

23 MR. TOTARO: I was saying that our current
24 plan and the costs associated with it involve the
25 use of a union commercial contractor to construct

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2 the sales housing units. You may know that that is
3 not the conventional mode by which sales housing
4 units, even though it's exceeding a million dollars
5 in costs, are constructed.

6 An alternate approach could in fact reduce
7 the cost, and we have explored that, to answer your
8 question. Rather, our principal focus has been on
9 the source side of the dilemma. And we have
10 explored, at least in conversation with some, the
11 potential use of Neighborhood Transformation
12 Initiative funds in a rather modest amount, which
13 could serve to write down part of the excess capital
14 cost; that is, that cost which exceeds the market
15 value of the completed unit.

16 And being derived from proceeds of a
17 general obligation bond, it is my understanding that
18 there would be no strings associated with that
19 source of funds, that there would be no limitation,
20 therefore, on the income of the buyer who would
21 purchase a unit developed through that mechanism.

22 So that certainly is something that we
23 have explored as well.

24 COUNCILMAN NUTTER: Mm-hmm. How far has
25 that discussion gone or what -- I mean, how much

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2 exploration has there been and just where is that?

3 MR. TOTARO: We have certainly talked
4 about it internally, we've talked about it with PHA
5 officials. We haven't taken it any further until
6 this moment.

7 COUNCILMAN NUTTER: Mm-hmm. You still
8 hold to the basic premise, though, that -- and I
9 appreciate your updated information -- 135 rental
10 and now you're saying 28 for sale in Phase I. The
11 28 are in what configuration, 24 and 4?

12 MR. TOTARO: I'm sorry, sir?

13 COUNCILMAN NUTTER: Go ahead. Tell me
14 about the 28 for sale.

15 MR. TOTARO: They would be for-sale
16 housing units developed with support from the Hope
17 VI Program. And, therefore, buyers would be limited
18 to those with incomes not more than 115 percent of
19 median income.

20 But they would be generally three-bedroom
21 units, identical to the three-bedroom townhouse
22 units that are in the 135-unit rental development in
23 the same location.

24 COUNCILMAN NUTTER: I thought if you used
25 the HOPE VI money, you were restricted more by

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2 the --

3 MR. TOTARO: Public housing limit?

4 COUNCILMAN NUTTER: It was -- I know for
5 the 103 rental, I thought it was a third at 40
6 percent or lower, a third between 40 and 50, and a
7 third between 50 and 60. How do you end up at 115?

8 MR. TOTARO: There is a different
9 limitation on the sales housing units, and it varies
10 by program year in which the HOPE VI grant was
11 awarded. This particular award is eligible or
12 permitted to develop sales housing units with HOPE
13 VI funding and make them available to households
14 generally at not more than 100 percent of median,
15 but 15 percent of the units can be sold to folks
16 having incomes of up to 115 percent of the median.

17 COUNCILMAN NUTTER: So of the 28, what's
18 the breakdown on that? I mean, how many fit into
19 which category?

20 MR. TOTARO: They would all be
21 middle-income individuals.

22 COUNCILMAN NUTTER: Mm-hmm. And you're
23 saying that because you have -- and they all get
24 paid for out of the HOPE VI dollars?

25 MR. TOTARO: A portion of the cost to

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2 develop those units would be written down with HOPE
3 VI dollars. The balance, which would be equivalent
4 to the market value of the completed unit, would be
5 financed in the private marketplace. The buyer
6 would put down deposit money as equity investment,
7 and the buyer would obtain private mortgage
8 financing to finance the balance of the purchase
9 price.

10 COUNCILMAN NUTTER: Mm-hmm. Have you been
11 able to mark up a site map and lay out both from a
12 Phase I, Phase II, 135 rental, 28 for sale, where
13 these different units would be on the site?

14 MR. TOTARO: Yes.

15 COUNCILMAN NUTTER: Okay. Could you get
16 me one of those?

17 MR. TOTARO: Certainly.

18 COUNCILMAN NUTTER: Okay. And in this
19 scenario, would the buyers just be out kind of those
20 28 or so people after they maybe saw a sign and
21 called up and said, Hey, I'm interested in what's
22 going on over there, and you tell 'em, We've got 28
23 for-sale units? Would they just go wherever they're
24 going to go and try to get their mortgage, or are
25 you working with them on that? I mean, how does

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2 that happen? And what's the sale price of these
3 houses?

4 MR. TOTARO: The sale price is currently
5 projected at \$115,000.

6 And to answer your question, it would
7 likely be a combination of approaches, depending
8 upon the people who might be interested. Former
9 residents would be working with Universal Community
10 Homes in the self-sufficiency program, preparing to
11 purchase a home. They would have a much greater
12 level of assistance in locating mortgage financing;
13 and, in fact, may have special programs available to
14 them.

15 COUNCILMAN NUTTER: Right.

16 MR. TOTARO: But others who qualify by
17 income coming off the street will likely contact the
18 broker and make their interests known and enter into
19 an agreement to purchase the home.

20 So it would not be very much different
21 from the purchase of a conventional home.

22 COUNCILMAN NUTTER: Mm-hmm. Okay.

23 The map would be helpful. And what I did
24 not understand in what would be, I guess, Page 4 of
25 your letter -- but it's after the letter, it's an

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2 attachment -- the chart that says "Income-Mixing
3 Matrix."
4 MR. TOTARO: Yes.
5 COUNCILMAN NUTTER: For the rental units,
6 I took it that the 17 and 17 is probably the 40
7 percent or less?
8 MR. TOTARO: That is correct.
9 COUNCILMAN NUTTER: The 35, is that 40 to
10 50?
11 MR. TOTARO: 41 to 50, yes.
12 COUNCILMAN NUTTER: But then you have 60
13 in what appears to be the 50 to 60.
14 MR. TOTARO: The 51 to 60, that should be
15 66. That's a typographical error. It's 66 units.
16 COUNCILMAN NUTTER: Well, that's -- I
17 guess that's where I kind of got lost a little bit.
18 MR. TOTARO: Sorry about that.
19 COUNCILMAN NUTTER: So 103 rentals was a
20 third, a third, and a third.
21 MR. TOTARO: Correct.
22 Let me run you through it. The 103
23 rentals are the public housing units.
24 COUNCILMAN NUTTER: Right.
25 MR. TOTARO: If you look at that chart,

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2 it's the first 17, which is up to 20 percent of
3 annual median income.

4 COUNCILMAN NUTTER: Right.

5 MR. TOTARO: The 103 also includes the
6 next 17, which is between 21 and 40.

7 COUNCILMAN NUTTER: Right.

8 MR. TOTARO: The 103 also includes the
9 next 35.

10 COUNCILMAN NUTTER: Right.

11 MR. TOTARO: Which are 41 to 50.

12 And it includes 34 of the next 66, which
13 are between 51 and 60.

14 There are an additional 32 rental housing
15 units which are tax credit-assisted and, therefore,
16 income-limited, and they are within the 51 to 60
17 percent of median. They are non-public-housing
18 tax-credit-assisted units.

19 COUNCILMAN NUTTER: Okay.

20 MR. TOTARO: They make up the difference
21 between the 103 and the 135.

22 COUNCILMAN NUTTER: All right. If you
23 could maybe reconfigure --

24 MR. TOTARO: Sure.

25 COUNCILMAN NUTTER: -- that sheet based on

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2 our consideration here.

3 MR. TOTARO: Yes.

4 COUNCILMAN NUTTER: On the second sheet,
5 again, I have to admit to you, that made --

6 MR. TOTARO: Less sense?

7 COUNCILMAN NUTTER: You have low-income up
8 to 50 percent of median at 69 units, 13 percent;
9 middle income, 51 to 15, 220; and then upper income,
10 115 and above of median at 115.

11 MR. TOTARO: That's -- I'm sorry,
12 that's --

13 COUNCILMAN NUTTER: Those numbers don't
14 add up.

15 MR. TOTARO: That refers to the income
16 limit. It was typed improperly. It's 11 units that
17 are upper-income.

18 COUNCILMAN NUTTER: All right.

19 MR. TOTARO: 60 units are low-income, 220
20 are middle-income, and 11 are upper-income.

21 COUNCILMAN NUTTER: Okay. So you're going
22 to get us some additional information --

23 MR. TOTARO: Yes.

24 COUNCILMAN NUTTER: -- based on today's
25 discussion?

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2 MR. TOTARO: Yes.

3 COUNCILMAN NUTTER: Let me just lastly ask
4 you, I heard what you said with regard to the IRS
5 regulations. Notwithstanding that, have you given
6 any thought or pursued any exploration of in a kind
7 of a perfect-case scenario and if everyone was
8 cooperative, have you seen any way or pursued any
9 way that, again, you might be able to get, for all
10 intents and purposes, a better integrated mix
11 between rental and sale, subsidized and
12 unsubsidized, market rate and non-market rate,
13 whichever terminology you want to use, such that
14 when the sign goes up -- I mean presently, you're
15 anticipating, of all of the work to be done, a
16 fairly significant amount of it -- I guess it's now
17 135 units plus the 28 for-sale -- and I don't know
18 where they're going to be and you're going to get me
19 a site map.

20 I've raised this issue with you before.
21 The concern that kind of how you started does in
22 fact have some impact on how it concludes and what
23 people think is really going on at this site,
24 notwithstanding all of our efforts to change much of
25 the perception of what was there before.

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2 Can you come up with any creative way and
3 the appropriate people to ask -- and I have a
4 document that Miss Fletman got me from a person I
5 understand to be an expert. It seems to me that if
6 there's a fair amount of interest and political
7 will -- there obviously needs to be some additional
8 dollars put on the table to make some other things
9 happen, but is there a process that anyone could
10 walk us through that said, If you did these eight
11 things and got them all right, you might be able to
12 convince someone to change the mix around?

13 MR. TOTARO: Well, we have. I mean, we've
14 looked very carefully at it. We've even looked at
15 the development of the site as if we had a blank
16 slate, as if we were not in any way constrained by
17 what has occurred to date. And we have consulted
18 experts in the field.

19 And I honestly don't believe the final
20 configuration of the development of this site,
21 beginning with a blank slate, would look very much,
22 if at all, different from the way it looks today.

23 Delta, who conducted the most recent
24 study, Real Estate Strategies, who conducted the
25 earlier market study, the prominent local developer,

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2 who was brought in by the former mayor to consult
3 with us regarding this development, other developers
4 with whom we've consulted -- without exception, they
5 have said that the top of the site, the western
6 portion of the site, should be preserved for sales
7 housing. There should not be rental public housing
8 intermixed with that sales housing.

9 Those who have studied mixed income --

10 COUNCILMAN NUTTER: Why do they say that?

11 MR. TOTARO: Because it could very well
12 deter prospective buyers of the housing from buying
13 the home. Those being asked to pay that level of
14 purchase price in this marketplace have enormous --
15 an enormous number of options. And in order to
16 capture that prospective buyer, we are advised that
17 you must design and construct a site which avoids as
18 many disincentives to buy as is possible.

19 The same kind of advice has led to
20 recommendations that the road connecting the site to
21 Schoolhouse Lane be open to public traffic, which,
22 at the moment, it is not.

23 These are the kinds of considerations that
24 have been recommended to us.

25 COUNCILMAN NUTTER: Okay, thank you.

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2 Any other questions?

3 (No further questions.)

4 COUNCILMAN NUTTER: Is there anyone else
5 who wishes to testify? Okay.

6 (Witness comes forward.)

7 MS. SUTTON: Carolyn Sutton from East
8 Falls Development Corporation.

9 Even though I testified last time, I felt
10 the need to come up and present a different
11 viewpoint from some of the things that were said by
12 Prince Mohammed.

13 I really objected to his characterization
14 of Schuylkill Falls standing separately from East
15 Falls and his assertion that the people from the
16 entire East Falls community are looking for Beverly
17 Hills versus a totally subsidized housing project.
18 That has never been our intent. From the beginning,
19 we have been looking for the mixed-income
20 development that was promised us.

21 And these things were said at the last
22 session, but I did feel the need to come in again
23 and just say that that has never been our intent to
24 do Beverly Hills. We were always looking for a
25 mixed-income community that is similar to the mix

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2 that we have throughout the rest of East Falls

3 I also objected to the assertion that

4 after the first application for HUD financing was

5 turned down, that the powers that be prevailed and

6 got the funding the second time around. In fact,

7 the powers that be came to the community and said

8 that they needed the support of the rest of the East

9 Falls community to get this financing. And we gave

10 our support based on the mixed-income community.

11 I also object to the characterization that

12 all of the residents are 100 percent behind what is

13 happening now in terms of the self-sufficiency

14 issues. We heard testimony last time from several

15 residents who delineated a number of problems they

16 have in dealing with the outreach program that

17 Universal is providing.

18 I just also heard something complaining

19 about the task force -- and in fact, the task force

20 was a vehicle that was put in place for everybody

21 who was concerned about the development of that site

22 to come together and discuss concerns. And in fact,

23 we have all done that, and the residents -- the

24 former Schuylkill Falls residents have participated

25 fully in that process.

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2 Something that was absolutely wrong was
3 the characterization of Ridge Avenue staying a
4 deteriorated corridor. In fact, over the past two
5 years, more than 30 buildings have been bought and
6 are being renovated and are leasing up quite nicely.
7 This has involved a number of owners. People who
8 have been there in business are now painting their
9 properties. And we are all working together nicely
10 to try to rebuild that corridor.

11 There's public money in that, there's
12 private money in that, and we continue to put in
13 place programs so that we can turn that into a vital
14 corridor for the community and for the City.

15 I think that's about it. Thank you.

16 COUNCILMAN NUTTER: Okay, I appreciate
17 your testimony. Thank you.

18 Anyone else?

19 (Witness comes forward.)

20 MS. JONAKIN: Good afternoon. I'm Shirley
21 Jonakin, residents representative.

22 Now, I was speaking of from the experience
23 of living in the community how we had grown. I
24 appreciate what Miss Sutton had to say as far as her
25 (indiscernible) who had lived in that community.

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2 Now, residents have experienced a lot of
3 negativity in that community before we got to the
4 growth pattern -- I mean, got to the growth of HOPE
5 VI. Unfortunately, we was going through the process
6 and there were petitions around to be signed that we
7 don't go through with the HOPE Six, and that was at
8 Mifflin School. And it's a lot of unfortunate
9 negativity they had went through emotionally,
10 physically in the community until we all came
11 together collectively.

12 So we can't just overlook -- Mohammed
13 spoke on negativity and how you feel. We lived it,
14 Mr. Councilman, we really lived it. We lived it
15 when Ann (indiscernible) was in office with the
16 posters up there, like we were in the Brewster's
17 Place -- one way in and one way out. The
18 residential people wanted it. Of course, we want it
19 open for passage, but there's always a walk-through.
20 East Falls saying there's two parking lots
21 convenient to them, and that wasn't on the City map.
22 You know, we all going to have our ups and downs
23 too, but we want these houses built.

24 And one thing I do object to what
25 Mr. Totaro said, putting the market-rate homes way

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2 up the hill. Residents have a right to live up that
3 hill too. And all the houses' infrastructures are
4 going to look alike.

5 So you just can't separate us on the back
6 of us. We work hard in that community. And we are
7 (indiscernible) with bricks and mortar.

8 There was a pool there. Who took the pool
9 out? No one notified us. They just told us that
10 the pool is no longer there. You didn't have a
11 right to do that. You come to us with a
12 conversation. We went to them on whatever we was
13 going to do.

14 And that first proposal was support. East
15 Falls never turned around to make their support a
16 commitment to the community. They started acting --
17 CDC, business, master development -- I mean master
18 plan for the whole community, we worked towards
19 that, you know. They had really built -- they
20 building off the back of who? The residents. And
21 the residents have left. It's a residential area.
22 We done been to meetings from Roxborough down to
23 Manayunk to beautify that area up there.

24 Now, of course, the land has already been
25 there. So now you going to put houses there and all

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2 they is bricks and mortar. Residents lived in the
3 house, they had trees. The independent foundation
4 gave them a (indiscernible). Why you can't discuss
5 this pool? This is totally unbalanced of what the
6 people want. It's what we all have discussed at the
7 Thursday meeting. Now I hear you say it's 30 houses
8 going to be there. This is really, really
9 unbalanced for a diverse community. We lived in
10 that community. Those that lived there are still
11 there 30 and 40 years, they still there.

12 And where is the word "isolation"? You
13 can't define that too much, you know, when you put
14 posters up and you have human beings living in the
15 community too. But we making a difference, we
16 working towards that. But you just can't use
17 Afro-Americans for the benefit of the dollar bill.
18 And let's balance the scale for the pool and the
19 dollar bill too.

20 And the self-sufficiency component,
21 residents need -- excuse me. The self-sufficiency,
22 what it consists of is upward mobility for residents
23 hopefully that they can move back and have a better
24 job. What better job can you get at \$5.15 an hour,
25 \$6 hour a hour? What training can you get? It

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2 wasn't the residents' fault that unfortunately that
3 lived in a deplorable area. It really started from
4 the White House down to our house, for people to
5 have allowed things to go on the way they are now.

6 And we see new houses all around this
7 city, but this city here have been talked about near
8 and far, and we should do better. You should take
9 Schuylkill Falls to make example of human beings
10 working together, loving one another, educating one
11 another, with the CDC getting jobs in that area and
12 doing the best we can for everybody. PAll we do is
13 sit up here and hear about the developments, the
14 developments gave you information that I don't even
15 know about.

16 Low-income, median-income, where that come
17 in at? It was about one income when we first
18 started. The houses are written at 42.5. They done
19 escalated to 50, 60, and \$70,000 and two mortgages.
20 It's really looking through this package 'cause
21 we're somebody too.

22 And everything -- and 90 percent has not
23 been sweet and roses at East Falls, and they know
24 that. And Mr. Stout, Miss Wood, they're
25 experiencing some racism in that community really

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2 terribly before I even got there. It's a fact that
3 they wanted the buildings down, but the truth is,
4 they wanted the buildings down, the residents out,
5 and then take control of the community. They don't
6 have the right to do that. Carl Greene makes the
7 final decision and whatever decision we want to
8 make, he makes the final move. And you cannot leave
9 the residents out.

10 We unfortunately didn't have a case
11 manager at Universal since August, and that case
12 manager has assessed every family member, every
13 household, individuals that's listed in that
14 household, from the day care to transportation,
15 health care, whatever their needs are, to better
16 their situations. There was 239 occupied units with
17 family there. And that's what we looking for.

18 COUNCILMAN NUTTER: Have you been through
19 that process?

20 MS. JONAKIN: Beg your pardon?

21 COUNCILMAN NUTTER: Have you been through
22 that self-sufficiency process?

23 MS. JONAKIN: Yes. At the beginning
24 stages, Resources were our partners. Unfortunately
25 now (indiscernible) supposedly is Uni-Penn. So

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2 prior to that, Resources, out of the 239 residents,
3 they did contact 100 or more, contacted 'em to see
4 where they needs were. There was a financial
5 difficulty with PHA paying them they share of how
6 they supposed to pay 'em.

7 Then there was a confidentiality act
8 signed with residents. That information was not
9 going to be released. So when Uni-Penn came, they
10 come with skeleton (indiscernible)and they had to
11 find out where the residents were and take the long
12 journey of contacting them.

13 And unfortunately, residents have been
14 recycled. Ninety percent of residents that left
15 Schuylkill are still in public housing. It was the
16 Housing Authority's responsibility to check all of
17 them. So now they everywhere.

18 COUNCILMAN NUTTER: Now they're what?

19 MS. JONAKIN: They are everywhere around
20 this city. And we're taking the responsibility to
21 do that 'cause those are our residents.

22 COUNCILMAN NUTTER: Right. And are you
23 still having Tenant Council meetings?

24 MS. JONAKIN: Well, we have the task force
25 meeting, but our main goal is and my vision is to

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2 keep in contact with all of the residents that left
3 Schuylkill Falls, whether they want to return or
4 not. They have special needs, especially our
5 elders -- we're still relocating them because some
6 residents were relocated at areas where relocation
7 is going on gain. We're taking our residents out of
8 Tasker. They going to do a implosion down there,
9 you know.

10 And then the Housing Authority is really
11 not taking into consideration the human growth of a
12 human being to be put in one place and have some
13 elderly residents that were located in areas that
14 didn't even meet the 504 Handicap Accessible unit
15 and had to take them out of there. You know, we're
16 talking about human beings that they have enough
17 strength, but unfortunately, the stress going to
18 kill them and they may not get back at all.

19 COUNCILMAN NUTTER: All right, okay.

20 Any questions?

21 (No questions.)

22 COUNCILMAN NUTTER: All right, thank you.

23 MS. JONAKIN: Thank you.

24 (Applause.)

25 COUNCILMAN NUTTER: Hearing no further

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2 testimony, the committee will stand in recess until
3 Wednesday, January 23rd, at 10 a.m.

4 Thank you.

5 (Proceedings end at 4:15 p.m.)

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RE: Resolution No. 010218

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Josephine Cardillo

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