

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON PUBLIC PROPERTY AND
PUBLIC WORKS

Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, June 17, 2014
1:20 p.m.

PRESENT:

COUNCILMAN BOBBY HENON, CHAIR
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN DAVID OH
COUNCILMAN MARK SQUILLA

BILLS 140515 and 140516

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COUNCILMAN HENON: Good afternoon, ladies and gentlemen. The Committee on Public Property and Public Works is now in session.

Would the Clerk please read the titles of the bills.

THE CLERK: Bill No. 140515, an ordinance amending Chapter 16-800 of The Philadelphia Code, entitled "Philadelphia Affordable Housing Opportunity Zones," by designating the Cecil B. Moore Housing Opportunity Zones pursuant to the 1500 New Affordable Housing Units Initiative, all under certain terms and conditions; and

Bill No. 140516, an ordinance establishing a new Chapter of The Philadelphia Code, entitled "Philadelphia Affordable Workforce Housing Opportunity Zones," authorizing the designation of the City in whole or in part as a Workforce Housing Opportunity Zone; establishing definitions; and authorizing disposition of publicly-owned zone

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516
2 properties for nominal consideration, all
3 under certain terms and conditions.

4 COUNCILMAN HENON: Thank you.

5 I first would like to recognize
6 that a quorum is present. To my right I
7 have Councilwoman Blackwell and
8 Councilman Oh, and to my left I have
9 Councilman Greenlee.

10 Is there anyone here from the
11 Administration that wishes to testify on
12 Bill No. 140515 and 140516 today?

13 (Witness approached witness
14 table.)

15 COUNCILMAN HENON: Good
16 afternoon.

17 MS. MCCOLLOCH: Good afternoon.

18 COUNCILMAN HENON: You may
19 state your name for the record and please
20 proceed with your testimony.

21 MS. MCCOLLOCH: Good afternoon,
22 Councilman Henon and members of the
23 Public Property and Public Works
24 Committee. I am Deborah McColloch, the
25 Director of Housing. I am here to

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516

2 present testimony on behalf of the
3 Administration on Bills No. 140515 and
4 140516, which are part of the 1500 New
5 Affordable Housing Units Initiative.

6 Bill No. 140515 will designate
7 the Cecil B. Moore Housing Opportunity
8 Zone in the area bounded by Susquehanna
9 Avenue, Oxford Street, Broad Street, and
10 20th Street. Bill No. 140516 will enable
11 the designation of Workforce Housing
12 Opportunity Zones throughout Philadelphia
13 to facilitate the development of
14 affordable housing for households with
15 incomes between 80 percent and 120
16 percent of the area median.

17 The Administration shares
18 Council's commitment to create a wide
19 range of affordable housing opportunities
20 and to strengthen Philadelphia's low- and
21 moderate-income neighborhoods. We also
22 share Council's goal to maximize
23 available City, state, and federal
24 resources to transform vacant public and
25 private properties into affordable rental

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516
2 and homeownership housing units. For
3 this reason, the Administration is
4 committed to working with Council
5 President Clarke and other members of
6 Council on these bills.

7 We look forward to continuing
8 to work with City Council and affordable
9 housing stakeholders to maximize all
10 available resources to create and
11 preserve affordable rental and
12 homeownership opportunities in these
13 zones and throughout the City.

14 We would recommend the adoption
15 of technical amendments which were
16 drafted by the Law Department and
17 circulated previously. These amendments
18 clarify language and address a question
19 under the Home Rule Charter.

20 Thank you for the opportunity
21 to present this testimony. I'd be happy
22 to answer any questions.

23 COUNCILMAN HENON: Thank you.
24 I just have a few quick questions. I
25 read the report and we had the

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516
2 discussions last week and, as a matter of
3 fact, several of the companion bills here
4 have already passed. Can you just walk
5 us through your vision and how this will
6 work and what are the next steps that
7 will need to be taken to accomplish this
8 program.

9 MS. MCCOLLOCH: Well, these --

10 COUNCILMAN HENON: At least get
11 it off the ground.

12 MS. MCCOLLOCH: These
13 opportunity zones are creating the
14 opportunities to make housing available
15 and the -- to make properties available,
16 and the initiative as prepared by City
17 Council that we've been working with
18 representatives of City Council to work
19 through that really has two components, a
20 homeownership component and a rental
21 component. And on the rental side, we've
22 already begun conversations with
23 representatives of PHA, Kelvin Jeremiah
24 and other members from his staff, to
25 coordinate PHA's request for proposals to

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516
2 allocate its subsidies, which are called
3 ACCs, Annual Contract Contributions, with
4 OHCD's subsidies, which are HOME and
5 Community Development Block Grant. So by
6 coordinating those together, we can
7 maximize the resources that are
8 available, particularly on the PHA side.
9 The ACCs are an underutilized resource.
10 Our resources are fully utilized, but we
11 can better coordinate and then maximize
12 those.

13 So we've already begun that,
14 and we're going to issue coordinated RFPs
15 this year. So I'm hopeful that this fall
16 when the Pennsylvania Housing Finance
17 Agency awards its Low Income Housing Tax
18 Credits, they will be coordinated with
19 our subsidies and PHA's.

20 So that will be work we've done
21 on the rental side. And on the
22 homeownership side, we're already engaged
23 in some of the activities outlined in the
24 Affordable Housing Initiative in which
25 publicly owned land is being sold at

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516

2 nominal value to support affordable
3 housing. So we've already begun that
4 process, and we will continue it. And
5 the homeownership part of the initiative
6 is really to say if we award the land
7 without a cost, that will be enough to
8 promote the development of new housing,
9 that what people need is not so much
10 subsidy that would come from OHCD but the
11 land, and so we've already begun that
12 process.

13 COUNCILMAN HENON: For the
14 record, this is an incredible initiative
15 and undertaking. So I know Council
16 President Clarke has been working long
17 and hard to make this a reality, along
18 with the support of -- in coordination
19 with you guys and the other housing
20 districts.

21 In terms of the usage of the
22 Housing Trust Fund, do you know how much
23 we are talking?

24 MS. MCCOLLOCH: Well, there was
25 a bill that was presented last week, I

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2 guess it was last week, that would have
3 required Housing Trust Fund earnings to
4 be allocated, and it was amended to say
5 that they "may" be, because it really is
6 going to depend on what the specific
7 deals are that get presented to PHFA for
8 the tax credits and what the subsidy
9 level is needed. So we're hopeful that
10 with adding the coordination with PHA and
11 using ACCs, which are rental subsidies,
12 we'll be able to maximize all the
13 resources, and to the extent that we need
14 to use Housing Trust Funds or Community
15 Development Block Grant funds or HOME
16 funds to make the deals work, we'll use
17 them.

18 COUNCILMAN HENON: And the tax
19 credits bridge your shortfall of
20 resources and the under-usage of the
21 ACCs, correct?

22 MS. MCCOLLOCH: Correct.

23 COUNCILMAN HENON: Well, since
24 the Housing Trust Fund has been
25 established, there's been programs that

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516
2 generate initiatives. What types of
3 initiatives have been funded through the
4 HTF?

5 MS. McCOLLOCH: Through the
6 Trust Fund?

7 COUNCILMAN HENON: Yes.

8 MS. McCOLLOCH: We've supported
9 a range of production programs, mostly
10 supporting Low Income Housing Tax Credit
11 deals. So that's affordable rental.
12 We've done some homeownership, a program
13 called the Homeownership Rehab Program,
14 HRP, and then we've carried out a variety
15 of preservation programs, supported Basic
16 Systems Repair, supported targeted
17 preservation, supported UESF, which
18 stands for Utility Emergency Services
19 Fund, supported some homeless prevention
20 programs through the Office of Supportive
21 Housing. So we've done a variety of
22 programs, some production, some
23 preservation.

24 COUNCILMAN HENON: Great.
25 Thank you. I have no further questions.

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2 Anyone else from the Committee?

3 (No response.)

4 COUNCILMAN HENON: Well, thank
5 you for your testimony.

6 Is there anyone here today that
7 wishes to testify on 140515 and 140516?

8 (No response.)

9 COUNCILMAN HENON: With that,
10 we will now say this concludes our public
11 hearing and we will now enter our public
12 meeting.

13 The Chair recognizes Councilman
14 Greenlee on the motion for Bill No.
15 140515 and 140516.

16 COUNCILMAN GREENLEE:

17 Mr. Chairman --

18 COUNCILMAN HENON: We'll do the
19 first motion on 140515.

20 COUNCILMAN GREENLEE: Thank
21 you, Mr. Chairman. I move that Bill No.
22 140515 be moved out of Committee with a
23 favorable recommendation, that the rules
24 of Council be suspended to allow for
25 first reading at our next session of

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516

2 Council.

3 (Duly seconded.)

4 COUNCILMAN HENON: It has been

5 seconded.

6 All those in favor?

7 (Aye.)

8 COUNCILMAN HENON: No opposed?

9 (No response.)

10 COUNCILMAN HENON: The ayes

11 have it. Bill No. 140515 will be

12 reported out of Committee with a

13 favorable recommendation with a

14 suspension of the rules so to allow first

15 reading of that bill at our next Council

16 session.

17 The Chair recognizes Councilman

18 Greenlee on a motion on the amendment to

19 Bill No. 140516.

20 COUNCILMAN GREENLEE: Thank

21 you, Mr. Chairman. I move the adoption

22 of the circulated amendment to Bill No.

23 140516 be approved.

24 (Duly seconded.)

25 COUNCILMAN HENON: All in

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516

2 favor?

3 (Aye.)

4 COUNCILMAN HENON: It's been

5 seconded.

6 All those opposed?

7 (No response.)

8 COUNCILMAN HENON: The

9 amendment to Bill No. 140516 is amended.

10 And can I get a motion on the
11 bill as amended to Bill No. 140516.

12 COUNCILMAN GREENLEE: Thank

13 you, Mr. Chairman. I move that Bill No.

14 140516, as amended, be reported out of

15 this Committee with a favorable

16 recommendation and further that the rules

17 of Council be suspended to allow for

18 first reading at our next session of

19 Council.

20 (Duly seconded.)

21 COUNCILMAN HENON: It has been

22 seconded.

23 All those in favor?

24 (Aye.)

25 COUNCILMAN HENON: The ayes

1 6/17/14-PUBLIC PROPERTY-BILLS 140515 & 140516

2 have it. Bill No. 140516, as amended,
3 will be reported out of Committee with a
4 favorable recommendation with a
5 suspension of the rules as to allow first
6 reading of that bill at our next Council
7 session.

8 This does conclude our public
9 meeting, and I thank you all for your
10 time today.

11 (Committee on Public Property
12 and Public Works concluded at 1:30 p.m.)

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CERTIFICATE

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

MICHELE L. MURPHY
RPR-Notary Public

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