COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEE OF THE WHOLE & HOUSING, NEIGHBORHOOD DEVELOPMENT AND THE HOMELESS

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, June 10, 2004
4:40 p.m.

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RESOLUTION 040525 - Resolution approving the annual Program Statement and Budget for the expenditure of the Neighborhood Transformation Initiative (NTI) Bond Proceeds for Fiscal Year 2005.

PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE BLACKWELL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN W. WILSON GOODE
COUNCILWOMAN JOAN KRAJEWSKI
COUNCILMAN JAMES KENNEY
COUNCILMAN RICHARD MARIANO
COUNCILWOMAN MARIAN TASCO
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL NUTTER
COUNCILMAN BRIAN O'NEILL
COUNCILMAN FRANK DICICCO
COUNCILMAN JUAN RAMOS
COUNCILMAN DAVID COHEN

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I N D E X

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COUNCILWOMAN BLACKWELL: Now we have a resolution from the joint Committees of the Whole and Housing, Neighborhood Development and the Homeless with regard to Resolution No. 040525.

COUNCIL PRESIDENT VERNA: Were the amendments circulated?

MS. SMITH: Yes. They're attached to the letter.

COUNCILWOMAN BLACKWELL: We'll wait a minute to give everybody a chance to see the amendment.

COUNCILMAN COHEN: Madam Chair, point of information. I inquired whether the summary of the amendment --

COUNCIL PRESIDENT VERNA: I'm so sorry, we can't hear you.

COUNCILMAN COHEN: Madam President, I have not heard a reply to my question.

COUNCIL PRESIDENT VERNA: I'm sorry, I didn't hear your question.

COUNCILMAN COHEN: Twice I've asked for someone to summarize the amendment. It ought to be by the sponsor who is familiar

with it and speak not too fast, not to rush it, but to explain so that we understand what's before us.

COUNCIL PRESIDENT VERNA: Fine. I think you have a copy of before you. Maybe Mr. Hanna or Ms. Smith could just walk us through what the amendments are.

COUNCILMAN COHEN: Well, I don't know if they have to walk us through, but they should tell us what it's about so we don't vote blind.

MR. HANNA: In summary, Councilman, what the amendments intend to do are manifold, I guess. We intend to make the $15 million --

COUNCILMAN COHEN: Can I ask you to speak slower and more directly into the microphone?

MR. HANNA: We are intending to make the $15 million in additional acquisition dollars available in Fiscal Year '05.

COUNCILMAN COHEN: You're meeting Councilwoman Blackwell's demand that you live up to the commitment that the Administration made?

MR. HANNA: That is correct, to make 15 available in '05 as opposed three $5 million dollar annual installments. That's one thing.

Another step taken by the amendments is to actually identify by swapping certain dollars among and between NTI bond dollars, CDBG dollars, and state economic development dollars.

COUNCILMAN COHEN: How do you do that? What determines whether it's NTI dollars or any of the other dollars.

MS. SMITH: In the cover page, we have a chart in the cover page to the letter, and we show that we're taking NTI bond proceeds and using those to fund Basic System Repair Program which was previously funded with CDBG. We're also using NTI bond proceeds to fund the HRP Program that had previously funded by CDBG, and we're using NTI bond proceeds to fund the Sharp program which had been previously funded by CDBG. That freed up an additional $10 million in CDBG to use for acquisition. And then there's 5 million that

we received from the State in '05 that we're going to dedicate to acquisition. And that will give us a total $15 million in FY '05 to use for acquisition.

COUNCILMAN COHEN: Are you doing that as a result of the requirements of some law or regulation, or are you doing it as a result of your discretionary power?

MS. SMITH: We're doing it in accordance to the regulation that comply with these funding sources, yes.

COUNCILMAN COHEN: Well, I didn't ask whether you're complying; I asked whether you're required to do it that way or was there an element of discretion in your ability to decide where the money is coming from?

MS. SMITH: Well, again, it's eligible uses. And so we looked among the different programs and figured out which ones we could use bonds proceeds for and which ones we couldn't. And this is what we came up with.

COUNCILMAN COHEN: But you had other choices you could have made also?

MS. SMITH: There were very few other choices that would have met the requirements for the NTI bond program. We thought this was the best way to get 15 million or an additional 10 million and 5 million into one year. This was our best way of doing it and meet all the different regulatory requirements.

COUNCILMAN COHEN: So it would appear that you had some discretion to pick and choose as to which funds you were going to use that seemed the best to use under the circumstances? Is that an accurate description of what you did? Or was it that these were the only monies that you were able to use for this purpose?

MS. SMITH: This was the best use for the NTI bond proceeds, funding these programs. And we previously funded these programs NTI bond proceeds.

COUNCILMAN COHEN: Well, we seem to be fencing Pat Smith, and I don't know why we are. All I'm trying to find out is whether you chose this money because you had to, it

was the only money you could use or whether in fact you had the ability to choose money from different sources but in your judgment this was the best to take place.

MS. SMITH: In our judgment, this was the best way to free up an additional $15 million.

COUNCILMAN COHEN: All right. Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much. So the amendment to the NTI resolution has been circulated.

Madam President.

COUNCIL PRESIDENT VERNA: Thank you, Madam Chair. I move that amendments the as has been circulated regarding Resolution 040525 be adopted.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: It has been moved and seconded that the amendment to Resolution 040525 be adopted.

All in favor?

(Aye.)

COUNCILWOMAN BLACKWELL: So the amendment is adopted.

Madam President.

COUNCIL PRESIDENT VERNA: Madam Chair, I move that Resolution 040525 be reported out of Committee with a favorable recommendation, as amended.

(Duly seconded.)

COUNCILWOMAN BLACKWELL: All in favor?

(Aye.)

COUNCILWOMAN BLACKWELL: Opposed?

(No response.)

COUNCILWOMAN BLACKWELL: Thank you very much. The ayes have it and so finally today we are finished with me and these hearings. We got our resolution done and our bill done. Thank you very much. And I will turn the Chair back over to our President. Thank you everybody.

(Council adjourned at 4:50 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing proceedings of the Council of the City of Philadelphia of Thursday, June 10, 2004, were reported fully and accurately by me, and that this is a correct transcript of the same.

RE: COMMITTEE OF THE WHOLE & HOUSING, NEIGHBORHOOD DEVELOPMENT AND THE HOMELESS

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Lisa C. Bradley, RPR