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COUNCIL OF THE CITY OF PHILADELPHIA

3

COMMITTEE ON FINANCE

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, June 8, 2006
11:40 a.m.

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PRESENT:

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COUNCIL PRESIDENT ANNA C. VERNA

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COUNCILWOMAN JANNIE BLACKWELL

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COUNCILMAN FRANK DiCICCO

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COUNCILMAN W. WILSON GOODE, JR.

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COUNCILMAN JUAN RAMOS

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COUNCILWOMAN BLONDELL REYNOLDS BROWN

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COUNCILWOMAN MARIAN B. TASCO

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COUNCILMAN MICHAEL NUTTER

18

COUNCILMAN JAMES KENNEY

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BILL 060499 - An ordinance authorizing the
Director of Housing and Community Development
(Housing Director), on behalf of the City, to
file applications with the United States
Department of Housing and Urban Development
(HUD) for a Community Development Block
Grant...

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V A R A L L O Incorporated

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Litigation Support Services

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Eleven Penn Center

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1835 Market Street, Suite 600

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Philadelphia, Pennsylvania 19103

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215.561.2220 215.567.2670

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COUNCILWOMAN BLACKWELL: We're

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waiting a few minutes to receive the

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language that amends the Executive Order

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dealing with the Housing Trust Funds.

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When we receive that language, then we

7

will resume our Housing hearings.

8

We have two Housing hearings

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and one Finance hearing on CDBG. So as

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soon as we receive the information, we

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will resume our Housing hearings.

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Perhaps, Madam Chair, we can

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have our Finance hearing.

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Sorry we had so many. This

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goes to the prior one.

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(Pause.)

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COUNCILWOMAN BLACKWELL: City

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Council will now call into session our

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Committee on Finance. A quorum is

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present. Councilwoman Blondell Reynolds

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Brown, Vice-Chair, Councilwoman Marian

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Tasco, Councilman DiCicco, Councilman W.

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Wilson Goode and Juan Ramos.

24

We are here. This is a hearing

25

to consider Bill No. 060499.

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2 We will ask the Clerk to please
3 read the title of that bill. This is
4 commonly called the Community Development
5 Block Grant application.

6 THE CLERK: Bill No --

7 COUNCILWOMAN BLACKWELL: Thank
8 you, Madam President.

9 We reported the last bill out,
10 did we not, on the joint committee? So
11 that's fine. The first one we didn't
12 really call into session. We only talked
13 about it.

14 So we're now, for
15 clarification, we're now in the bill
16 reading part of our Finance Committee.
17 After this, we will go back to two
18 housing hearings and then we'll be done.
19 Is it clear? Questions on clarification?

20 (No response.)

21 COUNCILWOMAN BLACKWELL: Thank
22 you. Thank you.

23 All right. The Clerk will
24 please read the title of Bill No. 060499.

25 THE CLERK: Bill 060499, an

1 6/8/06 - FINANCE - BILL 060499
2 ordinance authorizing the Director of
3 Housing and Community Development, on
4 behalf of the City, to file applications
5 with the United States Department of
6 Housing and Urban Development for a
7 Community Development Block Grant;
8 authorizing the Housing Director to file
9 applications with HUD to participate in
10 the HOME Investment Partnership program
11 and the Emergency Shelter Grant program;
12 authorizing the Housing Director, on
13 behalf of the City, to file an
14 application with HUD for Housing
15 Opportunities for Persons with AIDS
16 grant; authorizing the Housing Director,
17 on behalf of the City, to file an
18 application or applications to obtain
19 grants from the Commonwealth of
20 Pennsylvania, under the Act of April 12,
21 1956, Public Law 1449, Section 4, as
22 amended, to prevent and eliminate blight;
23 authorizing the Director of Commerce to
24 use the Section 108 Loan Guarantee
25 Program; and authorizing the Housing

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2 Director and the Director of Commerce to
3 enter into all understandings and
4 assurances contained in such applications
5 and take all necessary action to accept
6 the grants, all under certain terms and
7 conditions.

8 COUNCILWOMAN BLACKWELL: We
9 thank the Clerk for reading that.

10 As soon as we conclude our
11 hearings and enter into the stated
12 meeting, we will submit an amendment that
13 has just been circulated.

14 Is there anyone who would like
15 to speak from members of the Committee or
16 in Council Chambers with regard to the
17 application, with regard to the bill?

18 (No response.)

19 COUNCILWOMAN BLACKWELL: Mr.
20 Hanna.

21 MR. HANNA: Madam Chairwoman, I
22 respectfully request about a five-minute
23 break. Because of the last-minute
24 negotiations, I've had to modify my
25 testimony. That testimony is literally

1 6/8/06 - FINANCE - BILL 060499
2 on its way back up, but it's not here
3 right now, so obviously I can't read it.
4 It's literally being copied. But if
5 anyone else would like to testify before
6 that, I guess we can go ahead and get
7 started.

8 COUNCILWOMAN BLACKWELL:
9 Councilman Nutter.

10 COUNCILMAN NUTTER: Thank you,
11 Madam Chair.

12 COUNCILWOMAN BLACKWELL:
13 Certainly.

14 COUNCILMAN NUTTER: It appears
15 that we're still waiting for something to
16 come up?

17 COUNCILWOMAN BLACKWELL: Yes.
18 We're waiting for language. There was
19 one line added to the amendment, and I
20 assume that's what Mr. Hanna is waiting
21 for.

22 MR. HANNA: No.

23 COUNCILWOMAN BLACKWELL: You're
24 waiting for your testimony.

25 MR. HANNA: I'm waiting for my

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2 testimony.

3 COUNCILWOMAN BLACKWELL: That's
4 fine, but we do have an amendment. I
5 hope --

6 MR. HANNA: And yes, Madam
7 Chairwoman --

8 COUNCILWOMAN BLACKWELL: I hope
9 this has been circulated. There are
10 additional copies.

11 COUNCILMAN NUTTER: Madam
12 Chair?

13 COUNCILWOMAN BLACKWELL: Yes.
14 I'm sorry, Councilman.

15 COUNCILMAN NUTTER: That's
16 okay. Madam Chair, I'm not sure whether
17 it's the Chair from her previous capacity
18 having had much more in-depth discussions
19 and conversations, the result of which
20 appears to be the June 7th letter signed
21 by the Mayor or Mr. Hanna at the table,
22 but if either the Chair or Mr. Hanna or
23 both could possibly explain the
24 intricacies of this letter and its
25 implications as relates to all of the

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2 discussion and the various meetings that
3 have taken place around reorganization,
4 the ramifications of any actions that we
5 might take this morning, since I think
6 this is really the first hearing on the
7 Consolidated Plan, which, mercifully, may
8 be a little shorter than we've had in the
9 past. Can you just -- what does this
10 mean?

11 COUNCILWOMAN BLACKWELL: Thank
12 you. Perhaps what we should do first is
13 have the Clerk read the letter.

14 THE CLERK: Dear, Councilwoman
15 Blackwell --

16 COUNCILWOMAN BLACKWELL: Please
17 read the date as well.

18 THE CLERK: Date, June 7, 2006,
19 letter from the Mayor to the Honorable
20 Jannie Blackwell, City Council. "Dear
21 Councilwoman Blackwell, this letter is to
22 confirm our understanding of the attached
23 amendment to Bill 060499 authorizing the
24 submission of the Year 32 CDBG
25 Consolidated Plan to HUD.

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2 "Pursuant to the Amendment, the
3 Administration will delete the discussion
4 of reorganization on Page 32 of the
5 Consolidated Plan as well references to
6 housing reorganization. References to
7 'OHNP' will be changed to 'OHCD.' These
8 deletions are not intended to imply the
9 Administration is abandoning housing
10 reorganization. We intend to proceed
11 with housing reorganization and will work
12 with the union and members of City
13 Council to develop an effective structure
14 and process to accomplish the
15 Administration's goals.

16 "I also have agreed to amend
17 the Housing Trust Fund Executive Order to
18 include three additional Council
19 appointees to the Housing Trust Fund
20 Advisory Board.

21 "With warmest regards, I
22 remain, sincerely John F. Street."

23 COUNCILWOMAN BLACKWELL: Thank
24 you very much.

25 (Applause.)

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2 COUNCILWOMAN BLACKWELL: Thank
3 you very much. While we are waiting,
4 perhaps Mr. Hanna can come forward and
5 respond to questions, and we are happy to
6 have anybody else testify with regard to
7 the Community Development Block Grant
8 applications and its reference.

9 It has been suggested by one of
10 the members of the Committee -- do you
11 have your testimony now, Mr. Hanna?

12 MR. HANNA: Yes, I do.

13 COUNCILWOMAN BLACKWELL: Thank
14 you. Mr. Hanna, please make your
15 testimony. Thank you.

16 MR. HANNA: Good morning,
17 Councilwoman Blackwell, other members of
18 the Finance Committee and members of City
19 Council. My name is Kevin Hanna. I
20 serve as Secretary of Housing and
21 Neighborhood Preservation for the City of
22 Philadelphia.

23 I am here today to testify on
24 behalf of the Administration on Bill
25 060499, which permits the City to apply

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2 for the federal Community Development
3 Block Grant, HOME Investment Partnership
4 funds, Emergency Shelter Grant and
5 Housing Opportunities for Persons with
6 Aids, commonly as HOPWA, funds, and for
7 state funds from the Department of
8 Community and Economic Development.

9 The bill refers to the Year 32
10 Consolidated Plan, which will be
11 submitted to the U.S. Department of
12 Housing and Urban Development and which
13 details our proposal for spending these
14 and other related funds for affordable
15 housing and other activities. By no
16 later than August 16, 2006, the City is
17 required to submit to HUD the
18 Consolidated Plan, which combines the
19 formerly separate CDBG Final Plan and
20 Statement, the HOME Program Description,
21 Emergency Shelter Grant application, the
22 HOPWA application and the Comprehensive
23 Housing Affordability Strategy.

24 With me here in Chambers are
25 Deborah McColloch, Director of Housing,

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2 Anthony McIntosh, the Executive
3 Vice-President of the Philadelphia
4 Housing Development Corporation. I don't
5 know that Herb Wetzel is in the room, the
6 Executive Director of the RDA. Eva
7 Gladstein, Director of Neighborhood
8 Transformation Initiative, as well as
9 other members of my staff and that of
10 NTI.

11 The Year 32 Consolidated Plan
12 for the fiscal year which begins July 1,
13 2006 details our plans for spending
14 monies from the five primary federal
15 sources. The proposed budget carries
16 forward existing programs and commitments
17 to reinforce NTI activities. The first
18 source of federal funds is the Community
19 Development Block Grant, still the
20 largest source of funding for affordable
21 housing, aside from the subsidies which
22 PHA receives directly from HUD.

23 In Year 32, the City will
24 receive \$53,718,000 in new entitlement
25 funding, a reduction of just over \$6

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2 million, \$6,004,000 to be exact, from
3 Year 31, or about a ten percent cut.
4 Other CDBG-related resources include
5 program income, such as that derived from
6 the sale of land, and prior years'
7 reprogrammed funds, which are funds which
8 can be liquidated from prior years'
9 budgeted activities. Overall, the total
10 CDBG resources which are available for
11 Fiscal Year 2007 are \$67,669,000,
12 \$5,049,000 less than in Fiscal Year 2006.

13 The Proposed Year 32
14 Consolidated Plan builds upon initiatives
15 and programs from prior years, consistent
16 with the Neighborhood Transformation
17 Initiative's housing development
18 strategies. Year 32 is the fifth year of
19 implementation of the NTI program.

20 As you know, the City is facing
21 a \$7.8 million reduction in federal funds
22 for Year 32. While the City will receive
23 ten percent less CDBG funding, the
24 Proposed Plan seeks to keep as much money
25 in programs and projects as possible.

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2 The City remains committed to affordable
3 housing production and other key housing
4 services. Therefore, in order to
5 maintain level funding for core housing
6 programs, the reduction in funds will be
7 met by reducing housing agency operating
8 costs by \$5,151,000, by reducing
9 community economic development programs
10 by \$1.8 million, the bulk of which will
11 be made up by reprogramming prior years'
12 funds from PCDC, and small reductions in
13 a variety of other programs.

14 Within the CDBG budget
15 continued funding is proposed for
16 for-sale housing, including both new
17 construction and rehabilitation.
18 Continued funding is proposed for rental
19 ventures financed in conjunction with the
20 Low-Income Housing Tax Credit application
21 and special needs housing to assist the
22 homeless and those with other special
23 needs.

24 In addition, the homeownership
25 and rental housing production are

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2 proposed for funding using state Housing
3 and Redevelopment Assistance funds,
4 proceeds from the Housing Trust Fund and
5 NTI bond proceeds. Including all
6 proposed sources of funds, the budget for
7 affordable homeownership development will
8 remain level at \$10,308,000 in Fiscal
9 2007. Similarly, the budget for
10 affordable rental housing will face a
11 small reduction, from 17.148 million in
12 Fiscal 2006 to 15.783 million in Fiscal
13 2007. This decrease, however, is due to
14 the reallocation of NTI bond proceeds to
15 support Settlement Assistance grants and
16 the Adaptive Modification Program.

17 The reduction in available CDBG
18 funding has forced very difficult choices
19 among competing and worthwhile
20 initiatives and programs. Many
21 worthwhile activities have been reduced
22 by approximately ten percent. More
23 significantly, in order to continue to
24 fund our core housing programs at level
25 or near level amounts, significant

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2 reductions have been made in total
3 funding for the operating costs for the
4 existing housing agencies: The Office of
5 Housing and Community Development, the
6 Philadelphia Housing Development
7 Corporation and the Redevelopment
8 Authority. The reduction in total
9 operating costs for these three agencies
10 of \$5.151 million for Fiscal 2006 can
11 only be achieved if the proposed housing
12 agency reorganization is accomplished.
13 Absent housing reorg, the \$5.1 million
14 would need to be identified in CDBG
15 resources and taken out of the housing
16 programs in order to maintain the current
17 personnel complement and agency
18 configuration.

19 The Administration's proposal
20 for strategically organizing the three
21 core housing agencies together with other
22 initiatives can save \$5.1 million in the
23 upcoming fiscal year. The savings allows
24 us to continue to invest in housing
25 programs. These savings are achieved by

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2 consolidating redundant functions and
3 activities, streamlining processes and
4 reducing the cost of delivering housing
5 services. The proposed changes have been
6 forced upon us by federal budget cuts.
7 However, the shortcomings of the current
8 structure, together with these cuts,
9 dictate that the Administration pursue
10 change now.

11 The reorganization includes the
12 following: Consolidated administrative
13 services; that is, the merging of
14 back-office functions, including fiscal
15 office services, information technology
16 and audit; organizing agencies along
17 their core business lines. By this, we
18 mean the broadening of the mission of the
19 Office of Housing to support the
20 provision of housing for all
21 Philadelphians, strengthening our
22 planning capacity, consolidating our land
23 disposition activities, streamlining our
24 development activities and expanding our
25 traditional monitoring role to focus on

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2 continually assessing and improving the
3 publicly supported services. We will
4 focus RDA's efforts on eminent domain and
5 bond refinancing activities. We'll
6 redefine PCDC to serve as the entity
7 which delivers all of the City's housing
8 preservation programs, and we'll seek to
9 negotiate new contracts at OHCD, PHDC and
10 RDA.

11 The second primary source of
12 funding for Year 32 is the federal HOME
13 program. Philadelphia has been told that
14 it will receive \$15,375,000 in new HOME
15 entitlement funding in Year 32. That's a
16 decrease of \$919,000. While CDBG funds
17 can be spent on a variety of activities,
18 including economic development, HOME
19 funds are restricted specifically to
20 housing activities, including
21 construction and rental assistance. In
22 addition, in Year 32, the City will
23 receive \$201,000 in HOME funds
24 specifically identified for the American
25 Dream Down Payment Initiative, ADDI, a 50

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2 percent reduction from Year 31. The City
3 uses these funds for down payment and
4 settlement grant assistance to make more
5 affordable for low-income households
6 homeownership projects which it supports
7 in areas of rapid appreciation or where
8 the appraised value of the houses being
9 sold makes affordability difficult for
10 low- or moderate-income families.

11 The third source of federal
12 housing funding which is included in the
13 Year 32 Consolidated Plan is the Housing
14 Opportunities for Persons with AIDS
15 program, which the City of Philadelphia
16 administers for a five-county
17 metropolitan area, including Philadelphia
18 County, Bucks, Chester, Delaware and
19 Montgomery Counties. The federal formula
20 for HOPWA funds is based on historical
21 and contemporary AIDS caseloads in the
22 region.

23 For Fiscal Year 2007, we will
24 receive \$7,083,000 in HOPWA funds for the
25 five-county region. That's a reduction

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2 of \$253,000 from Fiscal Year 2006. This
3 reduction will be absorbed by a small
4 reduction in funding for the new
5 construction of AIDS-related housing.
6 Unexpended funds for AIDS housing
7 construction remain from prior years'
8 allocations. In addition, we will
9 reprogram an additional \$250,000 in prior
10 year HOPWA funds for which activities
11 have been completed and contracts have
12 been closed out.

13 The fourth source of federal
14 funding for housing in Year 323 is the
15 Emergency Shelter Grant, ESG program. We
16 anticipate receiving \$2,297,000 in ESG
17 funds in Fiscal Year 2007. These funds,
18 which support emergency shelter
19 activities, will continue to be
20 administered by the Mayor's Office of
21 Emergency Shelter and Services, OESS.

22 In the past, another major
23 source of funding for housing has been
24 the Section 108 loan program. Under the
25 Section 108 loan program, the City is

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2 allowed to borrow funds against future
3 CDBG entitlement grants. In the past,
4 the City has used the Section 108 loan
5 program to provide debt financing for
6 economic development ventures and to
7 support specific housing development
8 ventures. While economic development
9 Section 108 loans are self-sustaining
10 through the repayment of debt, subsidies
11 for housing funded with Section 108 loans
12 must be repaid with or have been repaid
13 with CDBG subsidies for housing funded
14 with Section 108 loans.

15 The City has nearly reached its
16 Section 108 loan program borrowing
17 capacity and, therefore, in Year 32, no
18 new Section 108 loan authority will be
19 sought for housing activities, and budget
20 authority for relatively modest loan of
21 up to \$15 million is requested for
22 economic development activities
23 administered by PIDC.

24 The Plan identifies \$5,750,000
25 in proposed funding from the State

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2 Department of Community and Economic
3 Development's Housing and Redevelopment
4 Assistance program. These funds will be
5 used to support home repair grants
6 through the Heater Hotline and Tier I
7 parts of the Basic Systems Repair Program
8 and to support large-scale new
9 construction homeownership opportunities.

10 The City looks forward to
11 continuing to work with the Rendell
12 Administration and DCED to bring critical
13 resources for housing to the City. The
14 Plan also contains a recommended budget
15 for funds from the Philadelphia Housing
16 Trust Fund. Line items in the
17 Consolidated Plan reflect the priorities
18 recommended by the Housing Trust Fund
19 Oversight Board as agreed when Council
20 passed the Trust Fund legislation a year
21 ago. Up to 15 percent of total Trust
22 Fund money can be used for administrative
23 costs, and the City is proposing to use
24 the full 15 percent in Fiscal 2007.

25 Madam Chairwoman, that

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2 completes my written testimony. I and
3 members of my staff will be happy to
4 entertain any questions you or the other
5 Committee members or Council members may
6 have at this time.

7 COUNCILWOMAN BLACKWELL: Thank
8 you.

9 Are there any questions? We've
10 worked hard to try to forge some kind of
11 compromise.

12 Councilwoman Tasco.

13 COUNCILWOMAN TASCO: Good
14 morning.

15 MR. HANNA: Good morning.

16 COUNCILWOMAN TASCO: On Page 4
17 of your testimony, you talk about the
18 Section 108 loan program. Do you know
19 how much debt is out there, how much has
20 been lent through this program and how
21 much is due to come in?

22 MR. HANNA: I can't tell you
23 off the top of my head, but if I could
24 have a copy of the Consolidated Plan
25 brought up, I can give it to you in just

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2 a couple of seconds.

3 COUNCILWOMAN TASC0: Okay.

4 MR. HANNA: I can tell you from
5 memory from having looked at that a
6 couple of months ago that a couple of
7 loans, a couple of those loans made
8 during the Rendell Administration will
9 burn off, pay off in the next, I want to
10 say, 18 months or so. And so the level
11 at which we're servicing debt right now
12 will show a significant drop-off in about
13 two years or so.

14 MS. MCCOLLOCH: Good morning.
15 I'm Deborah McColloch, Director of
16 Housing.

17 COUNCILWOMAN TASC0: Good
18 morning.

19 MS. MCCOLLOCH: The question
20 was how many total loans have we taken?

21 COUNCILWOMAN TASC0: How much
22 are we owed from the 108 loan program?
23 How much money have we loaned out and how
24 much is due back or has been paid back?

25 MS. MCCOLLOCH: Okay. I don't

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2 have those figures for you right now.

3 Overall, we've taken out about \$80
4 million in Section 108 loans over the 30
5 years of the program.

6 COUNCILWOMAN TASC0: How much
7 of that -- well, we know 35 million went
8 to Logan.

9 MS. MCCOLLOCH: Right. And the
10 list in the back of the Consolidated
11 Plan, there is a list of all of the
12 Section 108 loan activities.

13 COUNCILWOMAN TASC0: I guess
14 the question I'm asking, what is the
15 pay-back rate? Aren't these loans
16 supposed to be paid back to the fund?

17 MS. MCCOLLOCH: Yes. We pay
18 them back to -- these are actual loans,
19 so we pay them back to the borrowers
20 that -- they're actually bond sold, so we
21 have to pay it back to the bond holders.
22 And we have certain amounts that are
23 budgeted each year to pay back in
24 accordance with how the bonds were sold,
25 and that's listed in the budget.

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2 MR. HANNA: Some of the loans,
3 Councilwoman -- there are really two
4 types of loans that have been made with
5 108 loan funds. One type was for
6 economic development projects. For the
7 most part, those economic development
8 projects, we loan the money to the
9 developer, the developer does what he
10 does, pays us back and then we pay, as
11 Deborah said, the bond holders. So
12 that's how that portion of 108 loans are
13 repaid.

14 Another type of 108 loan is
15 made or were made on behalf of
16 residential, housing deals. Those deals
17 because of their nature cannot repay the
18 loans back to the City, and so the way
19 the federal government structures 108
20 loans is, for those loans that are not
21 repaid by the development itself, the
22 federal government takes its repayment
23 off the top of our CDBG allotment. So
24 before we get our CDBG dollars at all
25 from the federal government, they take

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2 what's owed pursuant to those projects
3 that aren't making payments on their own.

4 COUNCILWOMAN TASC0: Okay.

5 MS. MCCOLLOCH: Based on a
6 specific schedule. So for this year, for
7 example, those loans that Kevin was just
8 describing, what we call the housing
9 Section 108 loans, which are given out by
10 OHCD as grants, that loan payment for
11 this year is \$10,027,000 as listed in the
12 budget. And each year we make payments
13 on those loans, but as Kevin just
14 testified, the old ones are being dropped
15 off, and we can provide you with the
16 complete schedule of repayments.

17 COUNCILWOMAN TASC0: Okay.

18 Thank you.

19 COUNCILWOMAN BLACKWELL: Thank
20 you very much.

21 Are there questions from other
22 members of the Committee?

23 (No response.)

24 COUNCILWOMAN BLACKWELL: Any of
25 our colleagues in Council?

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2 it's the Administration's position that
3 we still need to pursue housing
4 reorganization, that there are
5 efficiencies that will benefit the City
6 and will also enable us to deliver
7 programs more efficiently.

8 So we're going to continue to
9 work on that, work with the unions,
10 consult with City Council in hopes of
11 striking an accommodation that works for
12 the City as efficient and also will
13 enable us to deliver programs more cost
14 effective.

15 We're cognizant of the fact
16 that the operating budget, not the
17 consolidated budget, but the operating
18 budget has moved money out of OHCD Class
19 100 to Class 200 so that, in any event,
20 we'll end up back in City Council to
21 discuss any plan for reorg when we would
22 have to seek a transfer ordinance. So
23 we're going to be working over the course
24 of the summer. We're gathering
25 information, trying to develop job

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2 descriptions, trying to figure out what
3 the impacts might be on individuals and
4 what we might be able to offer
5 individuals to minimize any kind of
6 impact.

7 COUNCILWOMAN TASC0: Excuse me.
8 Let me understand it. In the operating
9 budget, you have to come back to Council
10 to move the CBGD dollars --

11 MS. WILKERSON: CDBG.

12 COUNCILWOMAN TASC0: -- CDBG
13 dollars back to Class 200?

14 MS. WILKERSON: Yeah. We have
15 a problem with Class 100/Class 200, and
16 so most of the OHCD dollars are currently
17 in Class 200.

18 COUNCILWOMAN TASC0: So you
19 would have to come back, once you decide
20 what you're going to do relative to
21 reorganization, come back to Council --

22 MR. HANNA: That's correct.

23 COUNCILWOMAN TASC0: -- to let
24 us know the plan --

25 MS. WILKERSON: In any event,

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2 yes.

3 COUNCILWOMAN TASC0: -- if any
4 plan is developed?

5 MS. WILKERSON: Right.

6 COUNCILWOMAN TASC0: Okay.

7 Thank you.

8 COUNCILWOMAN BLACKWELL: To the
9 members of the Finance Committee and our
10 colleagues and those who are here for
11 this hearing, we tried to work hard to
12 make sure that people who received layoff
13 notices July 1 through their unions with
14 the 30-day notification regulation do not
15 fear that that's going to happen, and the
16 references to have the Consolidated Plan
17 deal structurally with Office of Housing
18 and Community Development gets us where
19 we need to be, in that reorganization is
20 not accomplished.

21 So we fought hard to take us
22 back to, as we've done Year 1 to 31, to
23 now have Year 32 have Office of Housing
24 and Community Development so that we
25 retain our former structure so that we

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2 can slow down any plans to have a process
3 happen that is not even spelled out or
4 organized or communicated to and with us
5 by members of the Administration, the
6 unions or people who work in our City.

7 So this is what we tried to do.
8 So if the Consolidated Plan still lists
9 the Office of Housing and Community
10 Development, we still have the structure
11 we've always had, not a new structure,
12 Office of Housing and Neighborhood
13 Preservation, which is what we've been
14 opposing all this time.

15 Is that clear or not clear,
16 Councilman?

17 Question, Councilman Nutter?

18 COUNCILMAN NUTTER: It might be
19 getting there. Thank you, Madam Chair.

20 COUNCILWOMAN BLACKWELL: Thank
21 you.

22 COUNCILMAN NUTTER: Possibly
23 along the same lines as Councilwoman
24 Tasco, I think I'm just trying to work
25 between or among the letter from the

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2 Mayor, Mr. Hanna's testimony and the
3 discussion about the operating budget,
4 the amendments that we made in the
5 operating budget, and I think the dollars
6 were moved out of Class 100 to 200?

7 MS. WILKERSON: Correct.

8 COUNCILMAN NUTTER: Which is
9 how the budget was passed.

10 MS. WILKERSON: Correct.

11 COUNCILMAN NUTTER: So out of
12 all the things that have happened over, I
13 guess, the past couple days, and the
14 Councilwoman has had, I think, either
15 seven or eight hearings about
16 reorganization, the solution today is the
17 letter from the Mayor saying that OHNP
18 will be deleted from the Consolidated
19 Plan, replaced by OHCD, which I guess in
20 previous years that's what that had been.

21 MS. WILKERSON: Well, it's not
22 exactly the same. In previous years, the
23 City really hadn't tried to address
24 market-rate housing through its housing
25 organization, and so OHNP involves more

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2 than just what OHCD was. But everything
3 that was in OHNP is now, pursuant to the
4 agreement, going to be part of the Office
5 of Housing and Community Development.
6 We'll no longer reference an OHNP.

7 With respect to Mr. Hanna's
8 testimony, that was more of a practical
9 problem. We probably would have
10 testified or had completely different
11 testimony, but the arrangement worked out
12 came late in the day and we didn't have
13 adequate time. I think the references of
14 what it says about housing reorganization
15 continues to reflect the Administration's
16 best thinking on housing reorganization.
17 The commitment is to continue to work
18 through the process, both looking at
19 structure and function, all of those
20 issues, with the goal towards developing
21 a more efficient and effective and
22 cheaper housing delivery system.

23 We understand that there was
24 not enough in place to arrive at a level
25 of comfort. We will continue to work

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2 through the summer. We understand that
3 at the end of the day, we have to come
4 back to City Council for a transfer
5 ordinance. We did not challenge that in
6 the budget. We needed a budget. We
7 could have fought deep into the summer
8 over these things, but I think we
9 recognized that we had more information
10 we had to develop. I think it's probably
11 not until we get more information that we
12 will successfully be able to garner the
13 level of support that we need.

14 COUNCILMAN NUTTER: Mr. Hanna's
15 testimony on Page 3 lays out you can save
16 upwards of \$5.1 million in the upcoming
17 fiscal year as a result of the
18 reorganization. He lays out in three
19 large bullet points the kinds of things
20 that you want to do.

21 First, is it correct that the
22 dollars that you need to put that plan in
23 motion presently are not available to you
24 because of what happened in the operating
25 budget or you can go ahead and do these

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2 things anyway?

3 MS. WILKERSON: We could not
4 deliver on the whole reorg because the
5 dollars are not appropriately authorized
6 in the operating budget.

7 COUNCILMAN NUTTER: So then
8 what happens July 1?

9 MS. WILKERSON: July 1 we --

10 COUNCILMAN NUTTER: How will
11 you do what you want to do if you don't
12 have the dollars?

13 MS. WILKERSON: We can't. July
14 1 we will not, for practical reasons and
15 a whole lot of other reasons, July 1 we
16 will not be setting up new organizations,
17 in part because we've got a commitment,
18 in part because in order to actually move
19 people around, you have to have -- there
20 are discussions with the union that have
21 to move further than they have presently.
22 Their job descriptions, you have to look
23 at what the potential impact would be on
24 everybody. We're simply not ready to set
25 up a new organization on July 1. We

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2 don't have funding in the appropriate
3 line items in order to support a year's
4 worth of reorganized housing agency.

5 COUNCILMAN NUTTER: If the
6 dollars had not been transferred in the
7 operating budget, do you believe you
8 would have been ready on July 1?

9 MS. WILKERSON: No.

10 COUNCILMAN NUTTER: So will
11 anyone either be transferred, laid off or
12 lose their job come July 1st?

13 MS. WILKERSON: No, I don't
14 anticipate that at all. Like I said, we
15 have made a commitment that we will
16 continue to work closely with
17 Councilwoman Blackwell and the other
18 members of Council concerned about this.
19 We'll work with the people who are most
20 directly -- through the representatives
21 of the union.

22 There's a lot of work that has
23 to get done, and we hope through the
24 agreement made, that we will begin to
25 correct some of the dynamics so that we

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2 can have the kind of exchange that you
3 need to have to make this work
4 effectively so that individuals don't
5 fall through the cracks and so we don't
6 end up putting up an organization that
7 doesn't reflect everybody's best
8 thinking.

9 COUNCILMAN NUTTER: Last
10 question. I see what the savings are.
11 Are there any costs to implementing the
12 reorganization?

13 MS. WILKERSON: Sure. One of
14 the things that the housing organizations
15 haven't done effectively in the past is
16 train effectively, and so there's a lot
17 of employee training that probably needs
18 to happen. The housing organizations
19 haven't had the procedural manuals that
20 they ought to have. I think I remember
21 testimony where the last procedural
22 manual at the Redevelopment Authority was
23 done in the '70s. It was on a mimeograph
24 machine. And so part of what you want to
25 do is not simply move people's desks

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2 around; you want to create systems that
3 make sense and you want to have those
4 systems and those processes documented.

5 We've spent over \$5 million to
6 date for the IT system. That also is a
7 part of housing reorganization -- that's
8 a part of creating a new housing delivery
9 mechanism. We are probably going to --
10 I'm sure there are other costs. I can
11 get you a more complete budget.

12 COUNCILMAN NUTTER: So for the
13 moment, the start of the reorganization
14 is on hold, people stay where they are,
15 you're going to continue to negotiate and
16 at some point come back for a transfer
17 ordinance to put into place whatever has
18 been agreed to?

19 MS. WILKERSON: Yeah. That's
20 what I would predict.

21 COUNCILMAN NUTTER: Okay.

22 Thank you, Madam Chair.

23 COUNCILWOMAN BLACKWELL: Thank
24 you very much.

25 We've tried to work diligently

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2 to make sure that no housing reorg
3 begins. I know the Mayor is committed to
4 it, but we're on the opposite end of
5 that. We've fought against it from the
6 beginning. We have our eighth hearing at
7 1:00 as soon as Council concludes, and
8 certainly we've been fighting hard to get
9 to this point.

10 Are there further questions?

11 (No response.)

12 COUNCILWOMAN BLACKWELL: Does
13 anybody else need to testify? We still
14 have two more hearings.

15 Thank you very much. Come
16 forward, Ms. Christian. Thank you very
17 much. Alisa Orduna-Sneed. We all know
18 her a little bit.

19 Please identify yourself for
20 the record and welcome and begin your
21 testimony.

22 MS. ORDUNA-SNEED: Good
23 morning. I'll shorten it. I have
24 written testimony for the record.

25 COUNCILWOMAN BLACKWELL: Thank

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2 you.

3 MS. ORDUNA-SNEED: Good
4 morning, Madam Chair Blackwell and
5 members of the Council Finance Committee.
6 My name is Alisa Orduna-Sneed. As
7 Executive Director of the Partnership
8 CDC, I'm here to express our support of
9 Bill No. 060499, the Year 32 Consolidated
10 Plan, with a few recommendations.

11 Specifically, I would like to
12 request on behalf of our organization the
13 following items: Restoration of our
14 housing counseling budget to its original
15 level of 120,000; reallocation of our
16 remaining \$19,000 in our Targeted Basic
17 Assistance Program; granting our request
18 of 250,000 from the NTI Commercial
19 Corridor program for the West
20 Philadelphia Job Training and Technology
21 Center; and to maintain, despite
22 potential cuts, our core operating
23 funding for Economic Development
24 Department, particularly given the many
25 challenges that businesses in our service

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2 area face with the SEPTA Market Street El
3 Reconstruction Project.

4 In addition, I would like to
5 make the following policy recommendations
6 that would enable organizations such as
7 the Partnership CDC help the City resolve
8 its current housing crisis for low- to
9 moderate-income families. The first is
10 to execute a recycle agreement between
11 the RDA, Water Department and Revenue so
12 that innocent homeowners are not
13 foreclosed upon due to unresolved liens
14 that were placed on properties acquired
15 through public processes; create buyer
16 focused subsidies that empower low- to
17 moderate-income home buyers and allow
18 them choices of housing products and
19 geography; legislate inclusionary zoning
20 to balance the current push for
21 market-rate and inflated sales prices
22 when market-rate sales prices at the
23 level that the median-income households
24 in the City can afford, particularly in
25 light of increasing housing foreclosures;

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2 reduce the land acquisition process to
3 enable non-profit developers and
4 community associations a chance to
5 acquire properties within our service
6 boundaries through lobbying for enabling
7 state legislation; remove the 200 percent
8 bond requirement to acquire targeted
9 vacant and tax delinquent properties for
10 non-profits building affordable housing;
11 expand the role of the Vacant Property
12 Review Committee process to maintain an
13 open, transparent and equitable land
14 distribution process to allow local
15 residents and community organizations the
16 same opportunity as out-of-state
17 speculators; and also to delay the
18 implementation of the housing
19 reorganization until the next
20 Administration to allow existing pipeline
21 projects a chance to come to fruition;
22 and a plan now on how to recapture new
23 tax dollars for affordable housing when
24 the first wave of the ten-year tax
25 abatement ends in 2011.

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2 That concludes my testimony at
3 this time.

4 Thank you.

5 (Applause.)

6 COUNCILWOMAN TASCO: Is there
7 anyone else to testify? This is
8 Councilwoman Tasco. Councilwoman
9 Blackwell had to leave the chair for a
10 moment.

11 Would you please proceed with
12 your testimony.

13 MS. CHRISTIAN: Good afternoon.

14 My name is Alicia Christian and I'm
15 Executive Director of Dignity Housing.
16 Thank you for this opportunity to testify
17 on the Office of Housing and Community
18 Development's Year 32 Plan. We commend
19 the extensive planning effort and
20 laudable goals presented in the Plan.
21 However, we have a specific concern about
22 OHCD's elimination of all contractual
23 support for Dignity Housing. We
24 anticipated that at least \$100,000 would
25 be allotted to our agency in Year 32, the

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2 final year of such requested support.
3 So, in essence, I'm here to testify about
4 and request restoration of an amount that
5 equates to less than a fractional percent
6 of a fractional percent of the overall
7 CDBG budget.

8 Dignity Housing provides
9 transitional affordable housing and
10 social services that are designed to
11 facilitate the self-sufficiency of
12 homeless families and individuals. The
13 agency currently serves over 300 men,
14 women and children who entered our
15 program primarily from the City's
16 emergency shelter system. Over the
17 years, we've helped more than 1,700
18 low-income adults and children.

19 Dignity, established in 1988,
20 works and works well. Issues of our
21 spotlight newsletter provided for review
22 by Councilmembers today attest to the
23 exemplary achievements of tenants in the
24 program.

25 Page 31 of the OHCD Plan speaks

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2 to a continuing need for a wholistic
3 anti-poverty strategy. In fact, on that
4 page, Dignity Housing is noted as one of
5 several agencies that include vitally
6 needed self-sufficiency supports and
7 services in their programs. However,
8 Page 61 of the OHCD Plan eliminates all
9 funding support for Dignity.

10 We are incredulous that in a
11 year when the Mayor unveiled the ten-year
12 plan to end homelessness OHCD summarily
13 eliminates a final year commitment of
14 \$100,000 for our agency, as indicated
15 earlier, a fractional percent of a
16 fractional percent of the overall CDBG
17 OHCD allocation.

18 Dignity's services design are
19 viewed as effective, and its mission
20 embraces major goals in the ten-year plan
21 to end homelessness. Dignity contributes
22 to the availability of high-quality
23 affordable housing. We developed 30
24 units in the Germantown and Oak Lane
25 communities between 2000 and 2003. These

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2 efforts helped to stabilize the
3 Germantown and Oak Lane neighborhoods in
4 which they're based and have in fact
5 spurred other residential development.

6 The overwhelming majority of
7 the tenants who complete our two- to
8 five-year program do not end up in the
9 shelter system again. Our life skills
10 component encompasses, as noted
11 previously, a number of the goals in the
12 ten-year plan and the Neighborhood
13 Transformation Initiative. Our
14 Scholarship Fund has assisted 80 tenants
15 secure trade certifications, Associate
16 degrees and Bachelor degrees. Dignity
17 graduates includes individuals who are
18 now teachers, social work professionals,
19 police officers, an Internal Revenue
20 Service supervisor, retail industry
21 workers, two electricians, a phlebotomist
22 and other health technicians, a Ph.D. and
23 one medical doctor. One of our tenant
24 graduates here today now administers her
25 own affordable housing program.

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2 (Applause.)

3 MS. CHRISTIAN: A significant
4 number of former tenants are now
5 homeowners and viably employed
6 Philadelphians that contribute to the
7 City's tax base. Our agencies work and
8 achievements encompass, as noted
9 previously, the NTI goals. Yet, each
10 year we struggle to secure the support we
11 need to implement our social service
12 design and institute capital repairs to
13 our inventory.

14 Dignity appreciates members of
15 City Council who have stopped every
16 short-sighted effort to dramatically end
17 support of our agency. It often feels as
18 though Dignity must work three times as
19 hard to get a fraction of what we need to
20 operate. Nevertheless, we're still here.

21 The Section 8 monthly rents
22 assigned to our program by PHA are way,
23 way below prevailing market rents. In
24 fact, \$200 to \$400 per unit per month
25 lower than other developers in area

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2 Section 8 rental unit owners secure.

3 Dignity has an inventory of
4 over 100 scattered site rental homes, but
5 until September of last year, two-thirds
6 of our inventory was owned by the RDA,
7 the Redevelopment Authority. An analyst
8 from the Penn Hudson Financial Group
9 determined that Dignity Housing had over
10 a ten-year period in expenditures to
11 repair these RDA-owned units spent \$3
12 million. We had in fact subsidized the
13 City of Philadelphia. This kind of
14 commitment over time has placed strains
15 on resources that we need for social
16 services and general operations.

17 Dignity has consolidated and
18 downsized our inventory. We are pursuing
19 effective debt management. We've reduced
20 an inventory from 160 to 100 units at a
21 time when so many people in the shelter
22 system still have their noses pressed up
23 against the windows of our offices and
24 are calling us desperately in need of
25 affordable housing, but downsize we did

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2 to survive.

3 We simply request a final year
4 \$100,000 commitment in the Year 32
5 contract to complete our recovery. It's
6 a shame that in reality -- I'm sorry. A
7 number of local government plans give lip
8 service and accolades to interconnected
9 strategies that provide services, fight
10 poverty, promote neighborhood stability
11 and support affordable housing. But in
12 reality, when resources must be allotted,
13 these multi-faceted needs are pitted
14 against one another, forced to choose
15 either social services or housing, one or
16 the other. Both are equally needed if we
17 are to help families move up and out of
18 poverty and rebuild their lives. Both
19 are equally needed if we are to truly
20 rebuild and stabilize our neighborhoods.

21 Thank you.

22 (Applause.)

23 COUNCILWOMAN BLACKWELL: Thank
24 you, Ms. Christian.

25 Ms. McColloch.

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2 COUNCILMAN KENNEY: Madam
3 Chair?

4 COUNCILWOMAN BLACKWELL: Yes,
5 sir. Councilman Kenney.

6 COUNCILMAN KENNEY: With all
7 due respect, and I apologize for saying
8 this, but it's a session day today and
9 we're seeming like we're having a
10 full-blown policy discussion on housing,
11 which I think is absolutely needed, but
12 certainly should be done on another day
13 and another forum. I mean, we normally
14 have CDC testimony over a three-day
15 period, and they're very lengthy
16 hearings. I just would recommend if we
17 could get moving with our session, it
18 would be very helpful.

19 COUNCILWOMAN BLACKWELL: Thank
20 you. And certainly we agree and we have
21 two more housing hearings where we need
22 to make motions, so hopefully if it is in
23 agreement, we will try to keep this as
24 brief as possible and perhaps people who
25 would normally testify would be willing,

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2 struggle.

3 What is the struggle? Why is
4 there a struggle?

5 MS. MCCOLLOCH: Why is there a
6 struggle? There's no struggle
7 specifically with Dignity more than any
8 other organization. The agreement that
9 we had was part of the sale of the
10 Redevelopment Authority houses, which
11 Alicia discussed, that the agreement was
12 when those properties were turned over,
13 that would end our commitment of
14 operating support for Dignity Housing.
15 And so that's what we put into the
16 Consolidated Plan, was that we had
17 committed funding through Year 31, the
18 year that will end June 30th as part of
19 the agreement to transfer the properties
20 from the Redevelopment Authority to
21 Dignity Housing.

22 MS. CHRISTIAN: I beg to
23 disagree. That was not my understanding,
24 and that interpretation is like when
25 finally low-income people win elective

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2 office and inherit empty City Hall
3 treasuries. These properties have been
4 online over 18 years. The capital repair
5 needs have been extensive, and over a
6 ten-year period, Dignity poured its own
7 resources because we didn't want to see
8 people on the street. We poured over \$3
9 million into this program. It cannot be
10 viewed as some sort of windfall for the
11 agency. But nevertheless, we are saying
12 that the \$100,000 that we have requested
13 for this Year 32 Plan is the last time
14 we're coming back, the last time.

15 We have downsized our agency
16 and we are diversifying our income base
17 and we are pursuing debt management, and
18 I doubt if very many community
19 development corporations or agencies that
20 have been in the OHCD funding system for
21 ten years or 15 years or 20 years would
22 make a comparable statement.

23 COUNCILWOMAN BLACKWELL:
24 Ms. McColloch, we are requesting that you
25 review her application for \$100,000,

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2 review that of the Partnership CDC for
3 the \$120,000. We're also asking you that
4 you get back to the Chair and members of
5 the Committee with regard to their
6 issues.

7 We've met with Dignity and
8 they've said this is their last time
9 they've asked for this amount of money.
10 It's not a lot of money. Obviously we
11 know the job of Alisa Sneed, who used to
12 be my Director of Projects person and who
13 is head of the Partnership CDC, neither
14 is requesting a lot of money, but we hope
15 that you would review those issues, get
16 back to this Committee to see what you
17 can do to honor these requests.

18 MS. MCCOLLOCH: Okay.

19 COUNCILWOMAN BLACKWELL: Thank
20 you.

21 Thank you both.

22 (Applause.)

23 COUNCILWOMAN BLACKWELL: Again,
24 we are requesting, if possible, patience.
25 We have not two housing hearings, one

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2 housing hearing -- thank you, Councilman
3 Goode -- with two issues. We would like
4 to do that and get our Council session
5 underway, because we do have a housing
6 reorg hearing scheduled for 1:00. So
7 we're really hoping that people would be
8 willing to consider that, forego your
9 testimony. It's taken us a long time to
10 forge an agreement with the
11 Administration. We'd like to move on so
12 that, as Councilman Kenney suggested, we
13 can have our Council session. Thank you.

14 Please identify yourself and
15 please abbreviate whatever your testimony
16 is.

17 Is there anyone else or would
18 you be willing to hold your testimony so
19 that we may complete our agenda?

20 (No response.)

21 COUNCILWOMAN BLACKWELL: Thank
22 you. So this will be the final
23 individual, and we'd appreciate it if you
24 would summarize.

25 MS. BURCHETT: Thank you. My

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2 name is Ruth Burchett and I'm here -- and
3 I will abbreviate my testimony. I'm here
4 to highlight a problem with
5 homeownerships that utilize CDBG funds.

6 I have with me a letter of
7 intent which I submitted to purchase a
8 home with the Cecil B. Moore
9 Homeownership program. Unfortunately,
10 this project was marketed to the public
11 prior to the Redevelopment Authority
12 tending to the needs of people who would
13 be dislocated, and so I have with me my
14 returned deposit.

15 The problem that that creates
16 is that there is -- I was hoping to be a
17 part of the American Dream Down Payment
18 program, and now I am left without a home
19 to purchase. It has tied up my funds for
20 a number of months. And it's not just
21 me, there are other people as well.

22 The problem that this creates
23 even further is that the humongous vacant
24 lots that are surrounding the home I
25 already live in have created a problem

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2 with the water table being changed and
3 there's an overflow of water into the
4 basements. I'm asking that the City,
5 through OHCD or whomever, enlist the help
6 of the Army Corps of Engineers or someone
7 who can survey our areas, because the
8 clearing of all these mass vacant lots to
9 convey the land to RDA to build homes has
10 compromised long-term residents' safety
11 and structure of their homes.

12 COUNCILWOMAN BLACKWELL: Thank
13 you very much.

14 Certainly we will ask, through
15 Councilman Clarke -- you mentioned Cecil
16 B. Moore area, and he's involved in that.
17 I'm sure you're working with him and Deb
18 McColloch, too, and ask them through the
19 District Councilperson to get back to
20 this Committee.

21 Thank you, Ms. Burchett.

22 MS. BURCHETT: But I think
23 there's a greater process. I mean, there
24 needs to be a process -- the RDA and OHCD
25 or whomever needs to handle their

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2 obligation to people who are dislocated
3 prior to these projects being marketed to
4 the community at large.

5 COUNCILWOMAN BLACKWELL: Thank
6 you.

7 MS. BURCHETT: Because it's
8 very hurtful.

9 COUNCILWOMAN BLACKWELL: Thank
10 you very, very much.

11 Is there anyone else or will
12 you folks permit us to move forward?

13 Mr. Sauer.

14 MR. SAUER: Very brief. Thank
15 you. I'll be very brief. My name is
16 Rick Sauer and I'm the Executive Director
17 of the Philadelphia Association of CDCs.
18 I just wanted to make three points.

19 One, around property
20 acquisition. It's a critical issue for
21 our members and many others in the City.
22 There are a lot of properties in the
23 pipeline right now that are being
24 committed to being acquired. We need the
25 City to move forward and get those

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2 through the pipeline so projects can
3 proceed. So we'd appreciate your support
4 on that.

5 Secondly, neighborhood economic
6 development is critical into the recovery
7 of our neighborhoods, in particular
8 commercial corridors, and we want to
9 voice our support for the proposed bond
10 funds to support commercial corridor
11 revitalization.

12 And then, thirdly, I just want
13 to commend Council for reaching an
14 agreement with the Mayor to allow the
15 Housing Trust Fund to move forward.
16 We're very appreciative of that and of
17 the transfer ordinance coming out of
18 Committee today.

19 I just want to make one brief
20 comment on the Executive Order. We
21 welcome the increased involvement of City
22 Council on the Oversight Board. We look
23 forward to working with you on that.
24 When the makeup of the Oversight Board
25 was negotiated between the

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2 Administration, a couple representatives
3 from City Council and the advocates, it
4 was agreed that there should be a balance
5 between public officials and committee
6 representatives. So while we welcome
7 three additional seats for City Council,
8 we think that should be balanced with
9 three additional seats for community
10 representatives.

11 Thank you.

12 COUNCILWOMAN BLACKWELL: Thank
13 you very much.

14 We would now like to -- all
15 right.

16 SISTER ALI: Very brief.

17 COUNCILWOMAN BLACKWELL:
18 Please. We really have a Council
19 session. We ask you to please summarize.
20 We really fought hard to come to a
21 compromise, but certainly -- and this is
22 a Community Development Block Grant
23 application hearing.

24 SISTER ALI: Thank you, Madam
25 Chair Blackwell, Council. Good

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2 afternoon. I will acquiesce to Nora,
3 because I understand the time limit, and
4 perhaps when you reconvene on this
5 matter, I will have a chance to speak.

6 COUNCILWOMAN BLACKWELL: Thank
7 you, Sister Ali. Thank you.

8 MS. LICTASH: My name is Nora
9 Lictash. I work for the Women's
10 Community Revitalization Project, and all
11 of us are part of the Philadelphia
12 Affordable Housing Coalition.

13 When we worked together with
14 Councilwoman Blackwell and Reynolds
15 Brown, it was clear that many, many
16 hundreds of constituents who needed
17 affordable housing were part of this
18 work, and we really appreciated your
19 including us in it, and we demand a
20 continuation of the spirit of that where
21 we work together to decide who was going
22 to be on the Oversight Board and that
23 there would be parity --

24 COUNCILWOMAN BLACKWELL: This
25 is a Community Development Block Grant

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2 application hearing. We're not to the
3 Housing Trust Board yet.

4 MS. LICTASH: So there is going
5 to be a time to speak to the Housing
6 Trust Board?

7 COUNCILWOMAN BLACKWELL: Well,
8 if you allow us to get this bill out, but
9 it will still be just as brief, because
10 we have two bills before that committee.
11 But this is not that forum.

12 MS. LICTASH: So we'd
13 appreciate a time to be heard. Thanks.

14 COUNCILWOMAN BLACKWELL: Thank
15 you.

16 If there is no one else to
17 speak with regard to Bill No. 060499,
18 this will end our hearing and we will
19 enter stated meeting.

20 There is an amendment that has
21 been circulated, I believe, if I'm not
22 mistaken, that we have read the
23 amendment. We've talked about the
24 paragraph that does make sure that -- and
25 we are going to ask the Clerk, since we

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2 did receive a change, to read in the
3 proposed amendment to Bill No. 060499.
4 Again, we are in the stated meeting.

5 Please start from No. 1 and
6 read through. Then we will vote and we
7 will have completed our Finance hearing.

8 THE CLERK: Proposed amendment
9 to Bill No. 060499. One, delete all
10 Section 8 of the bill and replace it with
11 new Section 8 to read as follows:
12 Section 8. The applications for CDBG,
13 HOME, HOPWA and ESG funding which the
14 Housing Director is authorized to file
15 shall be substantially in the form set
16 forth in Exhibit A hereto and known as
17 Year 32 Consolidated Plan, with the
18 following changes. (A), all references
19 to housing reorganization listed in the
20 section of the Plan entitled "Strategy
21 for Improving the Institutional
22 Structure" beginning on Page 32 shall be
23 deleted in their entirety, as shall any
24 other references in the Plan to the
25 reorganization of housing agencies as

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2 described in that section. The Plan
3 shall be revised so that the housing
4 agencies the City will use to administer
5 housing programs shall be the same
6 agencies that were used to administer
7 housing programs during Year 31, and all
8 references in the Plan to the "Office of
9 Housing and Neighborhood Preservation" or
10 "OHNP" shall be changed to "Office of
11 Housing and Community Development" or
12 "OHCD."

13 The Year 32 Consolidated Plan,
14 if changed in accordance with this
15 Section, is approved and incorporated
16 herein. The provisions of this Section
17 making Council's approval of the Year 32
18 Consolidated Plan contingent upon the
19 changes to the Plan set forth in this
20 section are not severable from the
21 remainder of this ordinance, it being
22 Council's intent that it would not have
23 approved the Year 32 Consolidated Plan or
24 authorized its filing with HUD if it were
25 not first changed in accordance with this

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2 Section.

3 The Chief Clerk of the Council
4 shall keep copies of Exhibit A on file
5 and make them available for inspection
6 and review by the public.

7 COUNCILWOMAN BLACKWELL: Thank
8 you very much.

9 Are there questions with regard
10 to the amendment?

11 (No response.)

12 COUNCILWOMAN BLACKWELL: The
13 Chair recognizes Councilwoman Reynolds
14 Brown and ask that the amendment be
15 adopted.

16 COUNCILWOMAN BROWN: Thank you,
17 Madam Chair. I make a motion that the
18 amendment for Bill No. 060499 be adopted.

19 (Duly seconded.)

20 COUNCILWOMAN BLACKWELL: It has
21 been moved and seconded that the
22 amendment to Bill No. 060499 be adopted.

23 All in favor will say aye.

24 (Aye.)

25 COUNCILWOMAN BLACKWELL: The

1 6/8/06 - FINANCE - BILL 060499
2 ayes have it and so the amendment is
3 adopted.

4 The Chair recognizes
5 Councilwoman Tasco for a motion with
6 regard to Bill No. 060499 as adopted that
7 this be reported out of Committee and for
8 a suspension of the rules.

9 COUNCILWOMAN TASCO: Madam
10 Chair, I move that Bill 060499 as amended
11 be reported out of Committee with a
12 favorable recommendation and that the
13 Council rules be suspended so this bill
14 can be heard at its next session.

15 (Duly seconded.)

16 COUNCILWOMAN BLACKWELL: It has
17 been moved and seconded that Bill No.
18 060499 as amended be reported out of
19 Committee and further that the rules of
20 Council be suspended so as to permit
21 first reading at our next session of
22 Council.

23 Thank you very much. All in
24 favor?

25 (Aye.)

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2 COUNCILWOMAN BLACKWELL:

3 Opposed?

4 (No response.)

5 COUNCILWOMAN BLACKWELL: The

6 ayes have it and so the bill as read and

7 amended is reported out.

8 That concludes our business

9 with regard to the Finance Committee.

10 (Committee on Finance adjourned

11 at 12:50 p.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the

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proceedings, evidence and objections are

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contained fully and accurately in the

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stenographic notes taken by me upon the

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foregoing matter on June 8, 2006, and that

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this is a true and correct transcript of same.

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MICHELE L. MURPHY

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RPR-Notary Public

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