COUNCIL OF THE CITY OF PHILADELPHIA

JOINT COMMITTEES ON HOUSING,

NEIGHBORHOOD DEVELOPMENT AND THE

HOMELESS AND APPROPRIATIONS

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, June 8, 2006
11:30 a.m.

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PRESENT:
COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN FRANK DiCICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN JUAN RAMOS
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN FRANK RIZZO

BILL 060475 - An ordinance authorizing transfers in appropriations for Fiscal Year 2007 within the Housing Trust Fund from certain or all City offices, departments, boards and commissions to certain or all City offices, departments, boards and commissions.

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COUNCILWOMAN BLACKWELL: Thank you very much. We will begin our joint Committee hearing. Both Chairs are here, Councilwoman Krajewski, Chair of Appropriations; myself, Chair of Housing, Neighborhood Development and the Homeless.

We have a quorum. All who are here, save one, from both Committees are present. We have a quorum.

If it's okay, Madam Chair, the Chair is here of Appropriations, Councilmen Nutter, Clarke, Miller, Goode, Ramos and Rizzo are here, and for the Committee on Housing, Neighborhood Development and the Homeless, all members are present, myself as Chair, Councilman Ramos, Clarke, DiCicco, Miller and Reynolds Brown.

That gives us a quorum on both committees, and the Chair then will take over to entertain a motion with regard to Bill No. 060475.

COUNCILWOMAN KRAJEWSKI: Thank

you.

Will the Clerk please read the bill.

THE CLERK: Bill No. 060475, an ordinance authorizing transfers in appropriations for Fiscal Year 2007 within the Housing Trust Fund from certain or all City, offices, departments, boards and commissions to certain of all City offices, departments, boards and commissions.

COUNCILWOMAN KRAJEWSKI: Thank you.

Is there someone from the Administration here to testify?

Good afternoon.

MS. McCOLLOCH: Is it already afternoon?

COUNCILWOMAN KRAJEWSKI: Good morning.

MS. McCOLLOCH: Good morning. My name is Deborah McColloch. I'm the Director of Housing.

The testimony on this bill was

submitted to you yesterday. Kevin Hanna was prepared to testify. He's downstairs with the Mayor. He's coming up shortly, but I will begin and as soon as he gets here, he can start.

The Administration supports Bill 060475. The bill authorizes the transfer of $15 million from Class 100 to Class 200. When City Council adopted the Fiscal Year 2007 Operating Budget, the entire appropriation for the Housing Trust Fund, $20 million, was placed in Class 100. Class 100 is limited to personal services; that is, to pay for personnel costs of staff employed by the City of Philadelphia. Under both the State enabling legislation and the City Council ordinance establishing the Housing Trust Fund, a maximum of 15 percent of Housing Trust Fund dollars can go to administrative costs and at least 85 percent must go to direct housing activities. It is, therefore, not possible to spend 100 percent of the

Housing Trust Fund on personal services.

Use of the Housing Trust Fund for housing program costs requires that funds be in Class 200 for the purchase of services through contracts. Contracts between the City and providers of housing services are necessary to get Housing Trust Fund dollars to the entities that will carry out the programs funded by the Housing Trust Fund. For example, the City holds a contract with the Philadelphia Housing Development Corporation to carry out the Basic Systems Repair Program and the Adaptive Modifications Program. If the Housing Trust Fund earnings are not placed in Class 200, PHDC cannot access the funds to support the Basic Systems Repair Program and Adaptive Modifications.

Demand on these programs far exceeds the available resources. Currently, there are 988 households on the Adaptive Modifications Program waiting list. For BSRP Tier II, there

are approximately 900 cases that have been approved and are awaiting assignments to contractors. As we move into the fall heating system, demands on these programs will increase.

The City recently issued a request for proposals for affordable housing development, both rental and homeownership, to use $6 million of Fiscal Year 2006 Housing Trust Fund earnings. Twenty proposals were submitted, which may provide 558 affordable housing units. Without the transfer to Class 200, the City cannot award the Housing Trust Funds and these developments will be delayed. Such delays may jeopardize other funding committed to these affordable housing ventures, such as tax credits and Homeownership Choice Program funds.

This transfer ordinance is not directly related to the proposed housing agency reorganization. Whatever the scope of assignments the housing agencies

may have in order to use the Housing Trust Fund for program activities, funds must be appropriately classified so they can be put under contract to the City.

I urge you to pass Bill 060475. Thank you for this opportunity to testify.

COUNCILWOMAN KRAJEWSKI: Thank you very much.

Is there anyone else here to testify for or against this ordinance?

(No response.)

COUNCILWOMAN KRAJEWSKI: Do you have any questions?

(No response.)

COUNCILWOMAN KRAJEWSKI: No one else here to testify for or against the bill?

(No response.)

COUNCILWOMAN KRAJEWSKI: Thank you very much.

Not hearing any more testimony, therefore, the Committee on Appropriations will go into its public

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meeting.

Councilman Ramos, on Bill 060475.

COUNCILMAN RAMOS: Thank you, Madam Chair. I move that Bill No. 060475 be reported out of Committee with a favorable recommendation and further move that the rules of Council be suspended to permit first reading of this bill at our next Council meeting.

(Duly seconded.)

COUNCILWOMAN KRAJEWSKI: All those in favor?

(Aye.)

COUNCILWOMAN KRAJEWSKI: All those opposed?

(No response.)

COUNCILWOMAN KRAJEWSKI: Therefore, Bill 060475 will be reported out of this Committee with a favorable recommendation, with the rules of Council being suspended so as to permit first reading at the next session of Council.

Thank you very much.

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(Applause.)

(Joint Committees on Housing, Neighborhood Development and the Homeless adjourned at 11:40 a.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 on June 8, 2006, and that this is a true and correct transcript of same.

_____

MICHELE L. MURPHY

RPR-Notary Public

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)