COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE OF THE WHOLE

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, April 23, 2025
10:20 a.m.

PRESENT:

COUNCIL PRESIDENT KENYATTA JOHNSON
COUNCILWOMAN NINA AHMAD
COUNCILWOMAN CINDY BASS
COUNCILWOMAN KENDRA BROOKS
COUNCILMAN MICHAEL DRISCOLL
COUNCILWOMAN JAMIE GAUTHIER
COUNCILWOMAN KATHERINE GILMORE RICHARDSON
COUNCILMAN JIM HARRITY
COUNCILMAN CURTIS JONES, JR.
COUNCILWOMAN RUE LANDAU
COUNCILWOMAN QUETCY M. LOZADA
COUNCILMAN NICOLAS O'ROURKE
COUNCILMAN ANTHONY PHILLIPS
COUNCILMAN MARK SQUILLA
COUNCILMAN ISAIAH THOMAS
COUNCILMAN JEFFREY YOUNG, JR.

BILLS: 250195, 250196, 250197, 250198,
250199, 250200, 250201, 250202,
250210, 250211, 250212
RESOLUTION: 250214

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COUNCIL PRESIDENT JOHNSON: Good morning, everyone.

(Good morning.)

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(Good morning.)

COUNCIL PRESIDENT JOHNSON: This is the public hearing in the public meeting of the Committee of the Whole regarding Bills No. 250195, 250196, 250197, 250198, 250199, 250200, 250201, 250202, 250210, 250211, 250212 and Resolution No. 250214.

Ms. Loughead, will you please call the attendance.

THE CLERK: Councilmember Squilla.

COUNCILMAN SQUILLA: Present.

THE CLERK: Councilmember Gauthier.

COUNCILWOMAN GAUTHIER:

Present.

THE CLERK:

Councilmember Jones.

(No response.)

THE CLERK:

Councilmember Young.

(No response.)

THE CLERK:

Councilmember Driscoll.

(No response.)

THE CLERK:

Councilmember Lozada.

COUNCILWOMAN LOZADA:

Present.

THE CLERK:

Councilmember Bass.

(No response.)

THE CLERK:

Councilmember Phillips.

COUNCILMAN PHILLIPS:

Present.

THE CLERK:

Councilmember O'Neill.

(No response.)

THE CLERK:
Councilmember Gilmore Richardson.

COUNCILWOMAN GILMORE RICHARDSON: Present.

THE CLERK:
Councilmember Thomas.

COUNCILMAN THOMAS:
Present.

THE CLERK:
Councilmember Harrity.

COUNCILMAN HARRITY:
Present.

THE CLERK:
Councilmember Ahmad.

COUNCILWOMAN AHMAD:
Present.

THE CLERK:
Councilmember Landau.

COUNCILWOMAN LANDAU:
Present.

THE CLERK:
Councilmember Brooks.

COUNCILWOMAN BROOKS:
Present.

THE CLERK:
Councilmember O'Rourke.

COUNCILMAN O'ROURKE:
Present.

THE CLERK:
Councilmember Bass.

COUNCILWOMAN BASS:
Present.

THE CLERK: Council President Johnson.

COUNCIL PRESIDENT JOHNSON: Present. Thank you. A quorum of the Committee is present and this hearing is now called to order.

Ms. Loughead, will you please read the titles of the resolutions.

Bill No. 250195, an Ordinance amending Chapter 19-1500 of the Philadelphia Code, entitled "Wage and Net Profits Tax," by revising certain tax rates, under certain terms and conditions.

Bill No. 250196, an Ordinance adopting the Operating Budget for Fiscal Year 2026.

Bill No. 250197, an Ordinance to adopt a Fiscal 2026 Capital Budget.

Bill No. 250198, an Ordinance to adopt a Capital Program for the six Fiscal Years 2026-2031 inclusive.

Bill No. 250199, an Ordinance amending Chapter 19-2600, of The Philadelphia Code, entitled "Business Income and Receipts Taxes," to revise certain tax rates and end certain exclusions from the tax on receipts, all under certain terms and conditions.

Bill No. 250200, an Ordinance amending Chapter 12-1000, The Philadelphia Code, entitled "Traffic Code," to revise the fee for the use of parking meters; all under certain terms and conditions.

Bill No. 250201, an Ordinance amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," to provide for an increase in the tax of the Board of Education of the School District of Philadelphia is authorized to impose on real estate; and amending Chapter 19-1300, entitled "Real Estate Taxes," to establish an equivalent reduction the tax rate for the City real estate tax; all under certain terms and conditions.

Bill No. 250202, an Ordinance amending Section 19-1806 of The Philadelphia Code, entitled "Authorization of Realty Use and Occupancy Tax," to eliminate certain exemptions, all under certain terms and conditions.

Bill No. 250210, an Ordinance amending Section 10-1001, of the Philadelphia Code, entitled

"Fees of Commissioner of Records" to increase the portion of fees for the recording of deeds and mortgages and related documents to be used for Housing Trust Fund purposes, under certain terms and conditions.

Bill No. 250211, an Ordinance amending Chapter 19-1400 of The Philadelphia Code, entitled "Realty Transfer Tax," by revising the rate of the tax, all under certain terms and conditions.

Bill No. 250212, an Ordinance to amend Chapter 19-4400 of The Philadelphia Code, entitled "Development Impact Tax," to end the imposition of a tax, under certain terms and conditions.

Resolution No. 250214, Resolution providing for the approval by the Council of the City of Philadelphia of a Revised Five Year Financial Plan for the City of

Philadelphia covering Fiscal Years 2026 through 2030, and incorporating revisions with respect to Fiscal Year 2025, which is to be submitted by the Mayor to the Pennsylvania Intergovernmental Cooperation Authority pursuant to an Intergovernmental Cooperation Agreement by and between the City and the Authority.

COUNCIL PRESIDENT JOHNSON: Thank you very much. Today we continue the public hearing of the Committee of the Whole to consider the bills read by the Clerk that constitute proposed operating and capital spending measures for Fiscal Year 2026, a Capital Program and a Forward-looking Capital Plan for Fiscal Year 2026 through Fiscal Year 2031.

Today we have scheduled testimony regarding the Housing Opportunities Made Easy Home

Initiative. Ms. Loughead, will you please call the first witness to testify.

THE CLERK: The first person to testify is Tiffany Thurman, Chief of Staff, Office of the Mayor.

(Witnesses approached Witness table.)

COUNCIL PRESIDENT JOHNSON: Good morning.

MS. THURMAN: Good morning. Good morning, Council President Johnson and members of City Council. My name is Tiffany Thurman, Chief of Staff to Mayor Parker. And I'm honored to testify in support of the Housing Opportunities Made Easy Initiative.

Joining me today are Chief Housing and Urban Development Officer Angela Brooks, Department of Planning and Development Director Jesse Lawrence and our

Consultant Greg Heller, along with our entire team of senior leaders working around the clock on this very important initiative.

Council President, we all know the vision to make Philadelphia the safest, cleanest and greenest big city in the nation with access to economic opportunity for all. Advancing each pillar of this vision is essential to improving the quality of life for every Philadelphian. But as the Mayor has said, there is no single issue other than public safety that is more important in our city than access to housing. This is why we are truly grateful for your leadership, Council President, and also for City Council's partnership in pursuing our shared vision. Without this, getting big things done just isn't possible. The special attention this body is devoting to housing is again showing your continued dedication to the City of Philadelphia and all of our residents.

Some have suggested we don't have a housing crisis. Council President, I am confident you believe us when I say we have a housing crisis now in Philadelphia and we need to address it together. We need more housing and we need it now. Grounded in data, leading national practices, hearing residents as voices and what has been known to work in Philadelphia, the Home Initiative centers access to affordable, quality, safe housing as our top city priority.

But why now? Why this big, why this scale? Is this the right time giving all the uncertainty in our country? Council President, Mayor Parker and this Administration respectfully submit to you we cannot afford to wait. We cannot hedge our bets against going small. We cannot and must not be paralyzed by what is happening in Washington.

Philadelphians of many social economic brackets need access to housing and they need it now. We also know we cannot do this alone. Intergovernmental collaboration is a hallmark of this Administration. If we work together side-by-side, as we have done consistently since day 1, there is nothing that we cannot accomplish together, including a $2 billion historic and unprecedented housing plan to build, preserve and restore 3000 units of housing in Philadelphia.

Some have also suggested that our H.O.M.E. plan, scope and scale is too large and not focused enough on those citizens who are the mos income-challenged. Council President, we cannot and will not create boxes for access to housing in Philadelphia. We will not pit the have-nots against those that have just a little bit. The need is too broad, the demand is too strong and our plan must be that comprehensive.

Today we are proposing the creation of a new housing ecosystem for Philadelphia. It is desperately needed. We are establishing a track record of results. And in collaboration with this Council, we can and we will do that for Philadelphia. Fortunately, we still have some considerable advantages that Chief Housing and Urban Development Officer Brooks and Director Lawrence will speak to shortly.

But these are just several of the critical factors driving the urgency around this issue I know that we all feel. First, most of our housing stock is old and built before 1960 with nearly 40% of the current supply built in 1939 or earlier and a quarter built between 1940 and 1959.

In the region, roughly 2 of 5 homeowners and renters face critical repair needs. Councilmembers Jones, Phillips and O'Neill, we know housing and home preservation is a priority and this is a huge part of our H.O.M.E. Initiative. Our inventory is also shrinking the number of vacant housing units in Philadelphia, both for sale and for rent, have declined over the past two decades.

The simple economics of this declining supply has pushed prices up, squeezing out both renters and aspiring homeowners.

At approximately 52%, our rate of homeownership is relatively high compared to other cities, and that's been validated. And owner-occupancy rates, including for Black and Brown residents, have remained relatively stable over the span of a decade.

Despite this baseline, significant racial and ethnic home ownership gaps remain and must be closed in our lifetime under our leadership. Considering our more vulnerable residents, Councilmembers Lozada, Driscoll, Harrity and Squilla have been laser-focused on the complex and intertwined challenges facing the Kensington community.

One of these is addressing housing stability, especially for renters, and ensuring that our homeless residents can access not only wraparound services but shelter and permanent housing. Many Philadelphians are cost-burdened, paying more than 30% of income towards housing. Some are severely cost-burdened paying a staggering 50% or more. What does this leave for groceries, eggs, travel, school supplies or many other basic necessities?

Councilmembers Gauthier, Brooks and O'Rourke have been raising these points repeatedly. For that, I say thank you. This is putting tremendous -- that's right, it deserves an applause.

(Applause.)

MS. THURMAN: This is putting tremendous pressure on families to make ends meet, and those who have the least are at risk of housing instability and homelessness.

Finally, seniors.

Seniors need more access to housing, so do our veterans who serve their country and so do our tremendous municipal workers, our teachers, our firefighters, police officers, sanitation and street workers, our entire municipal workforce. We're going to build housing for the people who make the city work.

The massive scale of the need is why our goal is to build, preserve and restore 30,000 units of housing over the next four years. The H.O.M.E. Initiative, as we'll discuss today, is not just a housing plan, but a bold and ambitious and attainable strategy with a comprehensive array of action steps that will deliver results.

To meet this moment, the Administration is proposing a $2 billion financing strategy, a historic investment unlike any seen in generations. This includes nearly $1 billion in funding from the public sector, a sum of the $800 million in borrowing in Fiscal Years '26 through '35 year plan and approximately $20 million in other local, state and federal funds. Another 1 billion will come from the value of the City's land and assets that will contribute to housing production. That methodology we're prepared to speak to.

Councilmembers Thomas and Landau have smartly been inquiring about whether we can actually afford this. And we can, we must. So let's be clear together, Council President. This $800 million borrowing is a drop in the bucket of what we need to build, preserve and restore more housing right now in Philadelphia.

Critically, our public total investment will be leveraged further by philanthropic community, private capital and our union partners that will add millions more. And while the construction and preservation of housing is our goal, we cannot overlook the powerful opportunity this offers for family-sustaining jobs and workforce development, issues that Councilmembers Gilmore Richardson and Ahmad have raised.

This is a huge part of the initiative and we've planned for months, over a year in close coordination with the Building Trades, GBCA and BIA. We'll be investing in workforce development for apprenticeship programs with the trades and through the Sam Staten Sr. Pre-Apprenticeship Program and have an accounting of the people coming through these programs into those good-paying jobs.

And why are we doing all of this? Because the H.O.M.E. plan is pro-growth, pro-jobs and pro-economic opportunity for every Philadelphian. Our City College for Municipal Employment is both integrated into this plan for exactly that reason. I cannot emphasize this enough, the focus, the urgency, our commitment the Mayor and our Administration is bringing to bear on these very critical issues for Philadelphians.

When the Mayor says she wants shovels in the ground, she means it, and we intend to deliver that as early as this fall. This includes swift efforts to cut red tape and streamline internal processes, a roadmap for which is already drawn up. These recommendations and report pursuant to Executive Order 3-25 now live on our website for every resident to see how we plan to make real changes.

Councilmembers Bass and Young, this means that the Land Bank too which will need to move hundreds of properties back into productive use, mitigating blight and revitalizing communities. We'll expand programs like Turn the Key and Basic Systems Home Repair Plus to meet the demand while creating new programs to fill gaps, reaching not only lower-income residents but those middle income bands who also urgently need help throughout the city.

These programs work, Council President. And you and Mayor Parker helped launch Turn the Key together under our friend and ally, the previous Council President Darrell Clarke. This is a critical program under our H.O.M.E. Initiative. And the Mayor wants to put Turn the Key on steroids.

And we'll take a hard look in collaboration with this body at policy changes that are needed now, from zoning to tax initiatives -- or tax incentives to stimulate construction. We'll be transmitting legislation in the coming weeks with some of these policy changes which we hope will be passed by this legislative body by the end of the session that will allow us to begin to implement this plan.

Thank you again for your commitment to all of these issues and for today's discussion and how we address them together. And now, I'd like to turn it over to my colleague Chief Housing and Urban Development Officer Brooks to offer an overview of the initiative and how this unique opportunity for us to become a national leader. Brooks.

MS. BROOKS: Thank you, Chief Thurman. And thank you, Council President and Councilmembers, for the warm welcome since I joined the Administration last month. One of the questions I've been asked most often is what made me leave a city that I love to come work in Philadelphia. And that answer really directly leads to why we're here today.

As the immediate past President of the American Planning Association, the largest urban planning organization in the world, I had the privilege of co-chairing the Housing Supply Accelerator. This was a national campaign that's working to improve local capacity, identify critical solutions and accelerate reforms to enable communities and developers to collaborate on producing, preserving and providing diverse, quality, attainable housing options for all.

In partnership with the National League of Cities, we produced the Housing Supply Accelerator Playbook for local elected officials and community planners working to boost attainable and equitable housing options nationwide. Throughout my travels speaking about increasing housing supply, I Heard from planners and elected leaders like you about meeting housing needs in vastly changing communities.

The consistent challenge everywhere, lack of housing supply. This isn't just a Philadelphia issue. Up For Growth's annual

Housing Underproduction Report continues to show that the U.S. is underproducing by approximately 4 million units per year, with suburban and rural areas seeing increasing shortages each year as well.

While Philadelphia has experienced a surge in housing production over the past five years, this growth hasn't addressed the full housing need, leaving a shortage of approximately 17,000 new units. When I saw this opportunity and learned about the plans for the largest housing investment in the city's history with Mayor and Council collaboratively working together to meet the needs of a legacy city, I knew I had to be a part of it.

Ensuring Philadelphia offers diverse housing options for people of all income brackets, races, veteran status, ages and physical abilities, et cetera, is why the H.O.M.E. Initiative is so vital at this time. The initiative includes a comprehensive set of targeted recommendations and city investments allocated across the following areas: Preserving homes so they remain livable, healthy, safe and high quality, ensuring all Philadelphians can afford quality homes in amenity-rich communities with access to jobs, building more housing in all income levels, in all neighborhoods by unlocking the potential of our land, making the city work better for people by improving city processes and enhancing customer service, reducing housing instability and preventing homelessness through interventions like rental assistance and investing in permanent supportive housing because we know the wraparound services are important, making our homes and communities resilient by investing in infrastructure and housing to withstand natural disasters, reducing blight and improving our communities by redeveloping vacant lots and buildings while greening and beautifying our blocks.

With Philadelphia's aging housing stock, we need to preserve approximately 16,500 units evenly split between homeownership and rental properties. The H.O.M.E. Initiative provides a comprehensive housing needs assessment that outlines tenure type, rental or owner, target income levels and preservation or creation requirements.

At the same time, we're thrilled to lift up striking a complementary strategy put forward by the Philadelphia Housing Authority to meet the City's total housing needs. Again, as a Housing Authority alum I am super excited about the work PHA is doing. I've seen how this is playing out in other cities.

The Opening Doors planned by Kelvin Jeremiah's leadership to redevelop, build or acquire roughly 2000 units over eight years will put Philadelphia on the map and is complementary to the work that we're proposing here. No city in the country has a single major initiative with the ambition and possibilities that we're talking about today, let alone two that have been developed and rolled out together.

As for the city, the Department of Planning and Development will play a pivotal role in achieving the unprecedented goals of the H.O.M.E. Initiative. Director Jesse Lawrence and his team have been working relentlessly and in close collaboration with other city departments to stand this initiative up.

He'll conclude our opening remarks by briefly discussing DPD's role and how investments in continuing, expanding and launching effective housing programs will propel us toward achieving this initiative's goals. Thank you for your time and consideration.

MR. LAWRENCE: Thank you, Angela. And thank you, Council President, and thank you, Councilmembers, for providing this particular opportunity for us to take this deeper dive into the H.O.M.E. Initiative and the plan. The Department of Planning and Development stands ready to take on its central role in the H.O.M.E. Initiative.

We have the benefit of an experienced team and subject matter experts in development, project financing, affordable housing, land management, zoning and land use, city planning, evaluation and monitoring and funding streams that have been established at the federal, state and local levels.

Many of these experts are joined with me here today, including John Mondlak, First Deputy and Chief of Staff; Mark Dodds, Interim Director of the Division of Housing and Community Development; Octavia Howell, Deputy Director for the Division of Planning and Zoning; Emily Persico, Deputy Director for Development Services; and Kathleen Grady, our Deputy Director for Finance and

Administration. We're also joined here today by leaders of our quasi public partner, the Philadelphia Housing Development Corporation, PHDC, including Dave Thomas, our President and CEO of that; and Angel Rodriguez, who is the Senior Vice-president of Land Services.

We work hand-in-hand with PHDC, the quasi governmental agency that's been created by City Council for the very purpose of administering programs to implement city housing objectives, sharing key staff in office management, IT, communications roles as well and even working side-by-side and colocated office space as well.

We support the Philadelphia Land Bank in similar ways. We are fully aligned with the core H.O.M.E. tenet of cross-departmental, cross-governmental and cross-sector collaboration, as we're working on a daily basis with elected officials, numerous city departments, developers, foundations, financial institutions, nonprofits and organizations of that nature, neighborhood groups, state and federal agencies and business and civic and community leaders as well.

This uniquely suits us for our role under the H.O.M.E. Initiative for convening stakeholders and using their feedback to improve our proposed policies, plans and programs. The H.O.M.E. plan calls for continuing and expanding our existing successful housing programs, many of which our research has shown are considered some of the best in the country, national models even.

Our research has also shown however that there are gaps in our housing coverage of issues and our H.O.M.E. plan proposes 19 new programs specifically designed to fill these gaps. One such program is a new One Philly Mortgage program that will help Philadelphian households at or under 120% of AMI to become first-time homebuyers. We expect at least 3000 households to benefit from One Philly Mortgages with 30% -- excuse me, 30-year fixed rates, low down payments, very low interest rates and perhaps most impactfully, no private mortgage insurance.

Meanwhile, H.O.M.E. will drastically expand the popular Basic Systems Repair Program, a program that is already helping 20 households a day, but that can certainly do much more if we get what we propose. Eligibility at 100% of AMI and more is where we're looking to expand those eligibility levels and income levels, along with a more comprehensive portfolio of repair services as well.

But those are just two of the several dozen programs that have been outlined in the H.O.M.E. Initiative, and we look forward to discussing those goals that they meet and all of this ambitious initiative efforts that we can achieve with our residents.

So as I conclude I thank you again, Council President, for the opportunity as we stand ready for questions and feedback at the moment.

COUNCIL PRESIDENT JOHNSON: Thank you very much for your testimony. And before I turn it over to my colleagues, I just have a couple of questions that I want to ask.

Tiffany, I like how you

talked about that we're pushing back on this notion that there isn't a housing crisis in the city of Philadelphia. And you said, in fact, it is indeed a housing crisis.

And I remember when we did the press conference for the executive order, I ultimately believe that we are in a housing crisis simply for the fact that as a District Councilmember, day-in and day-out we have individuals coming to our office seeking some type of housing assistance.

And so, can you and your team give us the overview on the data that was used specifically for the city of Philadelphia that shows that we have an actual housing crisis? And then also, I know we talked about the issue of affordability that was mentioned by Ms. Brooks, particularly around those who are renting. People spend more than 50% of their income just actually renting a rental unit.

And so, let's talk about the affordability and the housing crisis, but give me the data that shows that in the city of Philadelphia we are indeed facing a housing crisis.

MS. THURMAN: Absolutely, Council President. I'll start with the data and Angela Brooks will talk about that based on her national experience and even international experience and then compared to what we're seeing here locally in the city of Philadelphia, then I'll turn it over to Greg.

And to the point that you raised, you're absolutely right. I'm getting those calls from your Chief of Staff, your

District Chief of Staff Tiffany White, right, from sun up to sun down. The waiting list for Turn the Key, Basic Systems Home Repair, it's long, it's growing. People need rental assistance. That list is long and growing.

We're working with OHS with Cheryl Hill making sure that we're able to meet the needs there and through the Planning Department. And it's just not enough. It's not enough. So absolutely we know it.

But when I look at you, I think about the calls that I receive myself regarding the long list that are in your District alone. And it's not just unique to your District. It's throughout the entire city. But in terms of the data, I'll kick it over to Angela now to answer that.

COUNCIL PRESIDENT

JOHNSON: Thank you very much.

MS. BROOKS: I'm pulling up so I can quote specific Philadelphia data. And actually, I'm going to tag in Ira because he's going to have a lot of the local Philadelphia data since you asked specific to Philadelphia.

So we're calling up now Ira Goldstein, another one of our consultants from the Reinvestment Fund.

(Witness approached Witness table.)

COUNCIL PRESIDENT JOHNSON: Mr. Goldstein, just state your name for the record.

MR. GOLDSTEIN: Yes sir. My name is Ira Goldstein. And to answer to your question first of all, I think that it is a little bit sort of a false choice to talk about there being a housing crisis or an income crisis. I think the fact is that we really have both.

And if you look at the best thinking about what's going on in the housing market right now, people point to issues that take us to where we are right this moment based on structural issues in the housing market, like, for example, over the last several decades, home prices have risen and rents have risen faster than people's incomes. Those are the structural things.

You have dynamic things like issues that attach to the pandemic that created supply chain crises, thereby driving up those prices, and those will go up and down as the things resolve. But then you also have self-imposed things. And every community around the country has self-imposed things. Do we do things quickly enough, do we do things efficiently enough. All of those things add to cost.

So do you have a housing crisis? I think the answer is yes. Some of the Philadelphia specific data points to things like, for example, our typical home price over the last several years has gone up from 175,000 right before the pandemic to over 240,000 now. That's a 37% increase. But if you look at the first quartile, the 25% of housing units that sold at sort of the lowest range, those jumped up from 93,000 to 145,000, which represents a much larger proportionate rise.

So what that means is Philadelphia's portion of the housing mark where more modest income people were able to get in has become much more difficult. Our interest rates have gone up. When you pair those rises of interest rates with the rising amounts of the home prices, it makes it doubly difficult for people to --

COUNCIL PRESIDENT JOHNSON: Let me do a deeper dive.

MR. GOLDSTEIN: Yes.

COUNCIL PRESIDENT JOHNSON: And I think Jesse might also answer this as well. So just give me an overview, Jesse, on -- and maybe I know we have folks who are here from PHDC.

MS. THURMAN: Yes.

COUNCIL PRESIDENT JOHNSON: So how many people are on a waiting list for Basic Systems Repair?

MR. LAWRENCE: So I think that waiting list spans a series of months. But I'd like to call up David Thomas to talk about how exactly those numbers populate.

COUNCIL PRESIDENT JOHNSON: Because what I want to do, right, I want to frame that here's the foundation of why we have a crisis, this is the methodology as to why we came up with this particular initiative, right --

MS. THURMAN: Yes.

COUNCIL PRESIDENT JOHNSON: -- and the data that shows that we have this many people in the waiting line for BSRP --

MS. THURMAN: Yes.

COUNCIL PRESIDENT JOHNSON: -- this many people apply for our first-time homebuyers program just to show the level of need. I want to see it crystallized for the body.

MR. LAWRENCE: So I'd like to kick it over to Dave that can give you the specific numbers I think you're talking about.

MR. THOMAS: Good morning, Council President.

Morning, Council. To be clear, I'm not too certain what you asked me so I want to be specific --

COUNCIL PRESIDENT JOHNSON: So I want to get an idea of all the programs that operate under your purview that deals with housing, right, tell me the numbers. How many people in the Basic Systems Repair? I know we're talking about keeping NPI moving forward, right. How many people are on the waiting list as it relates to utilizing those particular programs that's showing that there's an actual crisis that we're dealing with. And I'm sure we have the data that shows here's why I need to ramp up and borrow $1 billion to address the issue.

MR. THOMAS: So for BSRP, currently I have a waiting list of about 7000. I can't tell you all --

COUNCIL PRESIDENT JOHNSON: And clarify for the record what is BSRP for those who do not know, to the listening public.

MR. THOMAS: BSRP is the Basic Systems Repair Program. It provides emergency repair to homeowners, for homeowners --

COUNCIL PRESIDENT JOHNSON: What type of emergency repairs?

MR. THOMAS: Roofing, plumbing, electric, structural as well as some cosmetics but very few. But most of it is major.

COUNCIL PRESIDENT JOHNSON: So 7000 on the waiting list?

MR. THOMAS: 7000 on the waiting list. We do about $1 million a week in repairs. I have about 100 contractors, so we certainly have the capacity. But obviously, we have some challenges because the need is great.

I get about 200 expressions a week looking for services or support. And those numbers ramp up when we have bad weather, torrential rain, things of that nature.

COUNCIL PRESIDENT JOHNSON: So that's just to address the aging infrastructure that we have in the city of Philadelphia?

MR. THOMAS: That is correct.

COUNCIL PRESIDENT JOHNSON: Let me go into first-time homebuyers. Just talk about that particular program as well.

MR. THOMAS: That program which would be Turn the Key?

COUNCIL PRESIDENT JOHNSON: Yes.

MR. THOMAS: Turn the

Key, we have a great -- we have a large demand for that as well. The challenge that most people have obviously is the affordability, the cost of purchasing a new home or just purchasing a home at all.

COUNCIL PRESIDENT JOHNSON: Pause right there. But we have a program --

MR. THOMAS: Yes.

COUNCIL PRESIDENT JOHNSON: -- that was created to help with first-time homebuyers down payment. And the name of that program is what?

MR. THOMAS: Turn the Key.

COUNCIL PRESIDENT JOHNSON: No. What's the name of program that gives in -- that the person can sign up for --

MR. THOMAS: Philly First.

COUNCIL PRESIDENT

JOHNSON: Philly First. Elaborate on it. Is that program in high demand or I want you to crystallize it to us. So you should be laying out and saying, here's all of our key programs, here's the demand for the programs. Hence, why we need $1 billion to continue this initiative.

But a point of information with Councilmember Nicolas O'Rourke.

COUNCILMAN O'ROURKE: I just wanted to get what the actual number is. He said there's roughly 7000 on the list. What is the actual number that is on the waiting list as it relates to BSRP?

MR. THOMAS: That number moves daily, so I'll give you what I have in front of me. And that number was 7054.

COUNCILMAN O'ROURKE: Thank you.

COUNCIL PRESIDENT JOHNSON: Thank you very much. Talk about Philly First program.

MR. THOMAS: Philly First --

COUNCIL PRESIDENT JOHNSON: And the level of demand for it when we talk about affordability.

MR. THOMAS: Philly First Program, that too has a huge demand. Philly First is a program for first-time buyers. It provides settlement assistance up to 10,000 or 6% of the sale price. That program too, I think we started that program quite some time ago.

And truth be told -- I'll just say this, we thought, I certainly thought that after the pandemic that that program would diminish or something because we thought it was a big challenge. But that program has remained relatively steady throughout this time.

So we're getting I want to say -- I haven't looked at that number too much, but we are looking at several million dollars in first-time grants. So I have to say several thousand people who have tried to become first-time homebuyers through that program.

COUNCIL PRESIDENT JOHNSON: Does that exemplify you a need for continued investment?

MR. THOMAS: The need is great. The need is continuing to be there. I don't see that need coming down any time soon, especially given the rising prices of housing and the interest rates that people are being faced with.

COUNCIL PRESIDENT JOHNSON: And out of the 7000 that's on the waitlist, how many have we actually served -- I mean, we have 7000 on the waitlist. How many have we actually served just in total?

MR. THOMAS: Of the 7000 on the waitlist for?

COUNCIL PRESIDENT JOHNSON: No, the waitlist is the amount that haven't been addressed, right?

MR. THOMAS: Mm-hmm.

COUNCIL PRESIDENT JOHNSON: But on average --

MR. THOMAS: I get about 3500 a year.

COUNCIL PRESIDENT JOHNSON: 3500 a year.

MR. THOMAS: Yes.

COUNCIL PRESIDENT JOHNSON: And I'll come back to you later on. But I just want to -- again, we're crystallizing this whole conversation around affordability and crisis, right?

MR. THOMAS: Yes.

COUNCIL PRESIDENT JOHNSON: That's a part of the H.O.M.E. Initiative. We say we don't want to pit the haves versus the have-nots, right. We had a town hall last night. And again, the debate is that the area median income for the federal level doesn't respect our District Council constituencies that we represent, right.

And so, how do we strategize to make sure that we're not amplifying gentrification based upon the NPI -- based upon the AMI method that we're using, right. Because obviously when you build more houses, value goes up, taxes goes up, right. And again, want to be clear it's not one group versus the other, but really being sensitive to that population of individuals who may be at an economic price point that they can only purchase a home at a certain level.

So talk about the strategy of -- and that's not for you, Mr. Dave Thomas. It's for Jesse. How are we going to address that conversation in terms of this strategy? And I did see the breakdown so I have an idea, but let's all talk about it for the public so the greater public can know how we're addressing the AMI conversation.

And again, we want to support everybody. But I also believe as a representative of government, my first priority is to represent those who don't have a voice. That's usually individuals who are impoverished, coming out of poverty and maybe on the threshold to be middle income as well comprehensively.

MR. LAWRENCE: Right.

Well, we recognize that the federal AMI is much far out of sync with what Philadelphians are, right. And that number is quantified on a metro area basis. Simply put, that average is offset by the collar counties that have some affluence.

So what we do here is we look at -- for Turn the Key, for instance, right, that number is quantified or the sale prices are backed into a way where we look at the ability to sell properties at a certain price point, understanding where folks would be able to qualify on purchasing those properties, understanding what the debt-to-income ratio would be on actual Philadelphians.

So we know what Philadelphians are at in terms of an average. So there's 100% of AMI that's quantified on a metro area level, but that number, your average Philadelphian is about high 50s, low 60s, right. So we make sure that we're providing these opportunities on the homebuyer side through Turn the Key, that price point to be able to sell the property, sell to those who can actually qualify, be able to increase their household income into the maximum AMIs that we've set it 80% of AMI or 100% of AMI for Turn the Key price points for sale properties. But at the same time, we've --

COUNCIL PRESIDENT JOHNSON: That's heavy.

MR. LAWRENCE: -- done this in a way where we've made sure that that mortgage comes in a way in response to what actual AMIs are. So it's the 50%, the 60%. Most Turn to Key applicants are qualifying and purchasing those homes, they're at a high 50%, low

60% of AMI.

COUNCIL PRESIDENT JOHNSON: Now, strategically how would you work with District Councilmembers where one District may say I'm comfortable with 80, another District may say I'm comfortable with 40 and another District may say I'm okay at 100, right? How did your strategy play into that in the event that we pre approved properties and working in partnership with the Administration?

MR. LAWRENCE: Well, the strategy would be based on conversations, like you said, on a District-by-District basis, right. And it would look into what the markets can sustain in certain areas without completely needing a ton of subsidy. Because with what we do, there's always a kind of ranging or fluctuation in how much the City needs to subsidize to get those price points lower than they would be on a market rate basis, right.

So we would have those conversations with City Council to understand where the market could sustain purchase prices at certain levels, understanding that sales might imply where we might want to take some initiative in investing in sparking up the market, where we don't want to necessarily create the market, but where we might want to stabilize the market, where folks are being priced out in a way where, you know, we talk about gentrification, we talk about displacement risk, that's the attention that we're paying toward and that's part of the strategy.

COUNCIL PRESIDENT JOHNSON: When you talk about this is a $2 billion investment, the other billion dollar deals with the land value. Do we do property assessments of all the land that's being put forth and come up with that billion dollar number? Where does the billion dollar of land investment come from? How do we arrive at that number?

MR. LAWRENCE: So before I turn it over to Greg to talk about the formula that we derived that number from, that number is -- again, the formula involves a certain citywide. It looks at vacant property sales citywide as well. It also looks at the value that has been assessed at a low, medium and high rate. And that average is taken on a zip code-by-zip code basis.

But I'll turn it over to Greg to talk much more intimately about it.

MR. HELLER: Good

morning, everybody. Greg Heller. I'm a consultant for the City. So the first thing I just want to make clear is that that billion dollars, the purpose of it is to estimate the value of the city's land that's going into the H.O.M.E. plan to create housing. That --

COUNCIL PRESIDENT JOHNSON: I'm clear on that. I just want to know how you came up with that number.

MR. HELLER: So that price is not based on how the land will actually be sold. Each parcel will be sold according to the City's land dispositions policy, which requires different types of valuation and/or appraisal --

COUNCIL PRESIDENT JOHNSON: I'm clear. I just want to know, Greg, how did you get to the number.

MR. HELLER: Yep.

Understood. All right. So the methodology we used was we identified vacant parcels using city property data and city-reported vacant lots. Then we calculated a per square foot value for every zip code in the city by two methods. One is assessed value and the other is sales data, sales post-2021.

Then we cleaned and normalized the data by removing outliers via interquartile range filtering. We removed the top and bottom 25%. Then we estimated the total land value by applying a zip code-level average to each parcel in the city's vacant land inventory.

Based on those two valuation methods, we feel comfortable that using the sales-based approach which is likely more accurate, that the City's inventory is worth approximately $1 billion, especially for future development and disposition planning purposes.

And I also just want to emphasize that we have experienced housing finance professionals who did this work and validated it with the City.

COUNCIL PRESIDENT JOHNSON: Okay. All right. Thank you very much.

I have one last question and then I'm going to turn it over to my members. I know we're doing a lot of work with Basic Systems Repair. Can you give me a reasoning why we didn't include the Built to Last program, which is the cousin of Basic Systems Repair?

If we're talking about addressing housing infrastructure in the city of Philadelphia, why wouldn't we not include another successful program that works in partnership with BSRP?

MR. LAWRENCE: Council President, I think in doing this we tried to make sure that we addressed as many programs as we could possibly address here. And I think we saw some similarities in the operations of Built to Last and Basic Systems Repair.

So as we talk about the ability to expand Basic Systems Repair, we'd like to see it go beyond some of the emergency services repairs that we've typically seen historically. And we'd like to see about or think about how we can bring some of that scope into the Basic Systems Repair, where we might be short-changing --

COUNCIL PRESIDENT JOHNSON: Okay. So are we going to -- Basic Systems Repair, I guess essentially you're saying y'all moving in the realm of weatherization in the future as opposed to the dealing with PEA?

MR. LAWRENCE: As we think about the opportunities to expand some of these programs, we do see some opportunities in actually centralizing some of that stuff.

COUNCIL PRESIDENT JOHNSON: Mr. Thomas.

MR. THOMAS: Yeah, point of clarity too. Weatherization is now being carried out by PHDC going forward. Energy Authority is not handling weatherization any longer.

COUNCIL PRESIDENT JOHNSON: So it sounds like a phase-out, so to speak.

MR. THOMAS: No, it's not a phase-out.

COUNCIL PRESIDENT JOHNSON: I was just asking.

MR. THOMAS: I don't

know about a phase-out. All I know the state approached PHDC asking that we take over the weatherization program a month ago.

COUNCIL PRESIDENT JOHNSON: Okay. No, when I say a phase-out, it just sounds like if Basic Systems Repair is a successful program and you're saying we didn't put Built to Last as a part of this because we're looking at expanding the scope of work that Basis Systems Repair is doing, then that means the only thing that Basic Systems Repair -- the only thing that Built to Last is doing that Basic Systems Repair isn't doing is primarily the weatherizing of the homes, the solar panels, coming inside the property and making sure that it's weatherized, right, heating efficient, cooling efficient, right. And from my understanding, that's why Built to Last, PEA, Philadelphia Energy Authority works in partnership with Basic Systems Repair to kind of supplement one another, particularly when it comes to weatherizing of homes and fixing up the roofs and so forth.

But if we're going in that direction with Basic Systems Repair and PHDC has done weatherization, I would think because the need is so great, and I heard this before, why can't we just expand and do both? That was for Mr. Jesse --

MR. LAWRENCE: Well, I mean --

COUNCIL PRESIDENT JOHNSON: -- as the head of this strategy.

MR. LAWRENCE: We remain open to talking about how Built to Last can play a role into this because we certainly have identified that we support it and continue -- we support the continuance of the program.

COUNCIL PRESIDENT JOHNSON: I just want to go on the record and say that I think it would be a great part of the proposal. I know Council could fight and advocate for it, but I just think it just naturally should be a part of the proposal if we're talking about the preservation of homes and we're addressing particularly the aging infrastructure and we already have a robust, successful program that's here, that we would marry the two in terms of I would bring it under this umbrella as opposed to being a Council-advocated initiative, but something I think as we work in partnership with that The Administration could take the ball and run with.

(Applause.)

MR. LAWRENCE: We would -- I can confirm we would be happy to continue that conversation about including them in this proposal.

COUNCIL PRESIDENT JOHNSON: Okay. Mr. Rob Dubow, just want to get an idea around just real quick the $800 million in borrowing, just for the record the cost of the debt service and the total amount of the debt service?

MR. DUBOW: Good morning. Rob Dubow. So the debt service will be after both bonds are issued between 66 and 69 million a year depending on where rates are when we go to market.

COUNCIL PRESIDENT JOHNSON: And what's the total amount, the total amount?

MR. DUBOW: The total amount, give me one second. I have it here. I think it will be about 1.3, a little over 1.3 billion.

COUNCIL PRESIDENT JOHNSON: And how long will the City be paying on the debt service?

MR. DUBOW: 20 years.

COUNCIL PRESIDENT JOHNSON: 20 years. And for every $100 million borrowed, what's the debt service on that cost?

MR. DUBOW: So for every 100 million, it's about $8 million or $9 million little.

COUNCIL PRESIDENT JOHNSON: $8 million or $9 million.

MR. DUBOW: Yeah. A little over 8 actually. I'm doing the math in my head.

COUNCIL PRESIDENT JOHNSON: And out of the additional 200 million that's projected for us to get from outside sources, how much has already been secured? I know we talked about the unions, like the unions want to be a part of this particular project and I guess they're using union funds to participate.

How much commitment has been made thus far? Are any project labor agreements a part of that process in terms of commitment with the unions? And since they're going to be at the table, I just want to see their commitment on diversity, equity and inclusion regarding making sure that they're going to partner with the City of Philadelphia, right, and they get a returning investment which is the jobs that they're going to get for generations to come and that we're also building generations of wealth for Black and Brown children as well if they're going to be at the table as a part of this project.

So one is how much have they committed thus far? Is there any actual real commitments? And then, two, their commitments in making sure that they're providing a diverse and inclusive workforce? I know we talk about apprenticeship programs a lot of times. I'm waiting to see what they're actually doing in terms of hiring the children from the city of Philadelphia.

MR. DUBOW: So we're still in discussions. So there are no formal commitments, but there is definitely a lot of interest there and those discussions are serious and happening right now. We talked to them almost -- well, very regular I would say. And obviously, that kind of opportunity you're talking about will be part of those discussions.

COUNCIL PRESIDENT JOHNSON: And, Rob, I know you're on point in terms of oversight and doubling down and making sure we're doing things right. What would that arrangement look like? I know on the private side I've seen unions step up and say, XYZ developer wants to build a tower, and then that union will provide the funding from their union fund to help finance the project. And I guess return on investment, obviously they'll get the work and they'll get paid back after the project gets done.

What does that look like for the City of Philadelphia to engage in that type of partnership and have we done anything like this before in the past?

MR. DUBOW: So for them it likely would be investment from their pension funds, which would mean they'd want to understand what kind of return they got and also what kind of jobs were created for their members. And they would want reporting on that to understand what that looked like for them.

COUNCIL PRESIDENT JOHNSON: Any risk analysis that in the event that they do this type of investment of their workers' pension funds --

MR. DUBOW: Correct.

COUNCIL PRESIDENT JOHNSON: -- the market in terms of housing still continues to flourish and go forward. But is there any liability on the City side in the event that the housing market tanks and they've already invested so many millions of dollars from their union pension funds?

MR. DUBOW: So those are the kinds of things that we're talking about, and obviously things that they want to understand and we want to understand as we get to the point where we have a solid commitment.

COUNCIL PRESIDENT JOHNSON: Okay. We would like to be briefed as a body. We want to make sure we fiscally responsible, the process is transparent and we know that we're being good fiduciary stewards for the taxpayers' dollars. So that's all I have.

Point of information, Ms. Rue Landau.

COUNCILWOMAN LANDAU: Thank you so much for the help on the debt service. Can you explain one part to me? Do we always pay a fixed amount on our debt service? Does it ever decrease? How do we forecast that --

MR. DUBOW: So for these borrowings, they'll be what are called fixed rate costs. You can do fixed rate or variable. Variable rate will go up and down

so you have interest rate risk.
For these bonds, they'll just be fixed rate. So we have fixed debt service for each year.

COUNCILWOMAN LANDAU: Do you ever get to refinance?

MR. DUBOW: Yeah. So if interest rates move in the right way and it would save us money to refinance and we do that -- we do that all the time.

COUNCILWOMAN LANDAU: Okay. Thank you so much.

COUNCIL PRESIDENT JOHNSON: Thank you.

And one last thing. Mr. Thomas, you talked about the waiting list. Is that a waiting list or expressions of interest? Just want to get clarification. Like individuals you actually said, hey, we're going to work on --

MR. THOMAS: I'm going to say it's a waiting list at its present state. So for us, we consider it a waiting list because we're still waiting on documentation to determine eligibility in some cases. So I'm going to say we've engaged the constituent. We've had preliminary discussions. We understand what the need is. We just haven't been able to put them in the bucket of eligibility just yet.

COUNCIL PRESIDENT JOHNSON: All right. Thank you very much.

And for the record, I always give you flowers. Thank you for your hard work that you're doing. I give my shout-out to Janae Mumford over there and Ashley Gilmore to make sure particularly when those bread-and-butter issues about Turn the Key and making sure that we're addressing Basic Systems Repair that spends $1 million a week, which again shows that there is a crisis, but I wanted y'all to crystallize it coming from you as opposed to me. It just shows that level of need.

At this time, I want to turn it over to the Chair of Housing Councilmember Jamie Gauthier.

COUNCILWOMAN GAUTHIER:

Thank you, Council President.

Good morning to all of you. This is a very exciting day. I want to start by saying that I support this robust level of spending to combat the affordable housing crisis. I agree with Chief Thurman that this crisis is real. And frankly, it just gets more expensive the longer we don't properly address it.

While I am excited that housing is at the top of the Mayor's priority list, I also think this body has a responsibility to be asking probing questions on this plan, especially given that Council's NPI Initiative is in its final year. And so, that means that H.O.M.E. will be our main source of funding related to affordable housing for at least the next four years. And so, I hope that you will take my questions in that spirit and not as criticism of the vision.

This $800 million must be transformational in its impact. But based on the information that we currently have, I don't feel like we're currently all the way there. Right now it feels diffuse with dozens of different programs listed and without a clear throughline or sense of spending priority. We're sprinkling a lot of money in many different directions, and I'm hopeful that you can give us some clarity on the rationale for that.

I'm also concerned that the H.O.M.E. plan's goals are actually lower than the goals of the Kenney Administration's Housing Action Plan, which sought to create or preserve a minimum of 10,000 units per year, including 4000 units per year for households at or below 30% of AMI. Can you speak to that as well?

(Applause.)

MR. LAWRENCE: I believe that we're in different times. I do think that we have the ability to address what we can given the path that we spelled out here. I would say that the Kenney plan was much more people-based compared to this which is much more unit-based right now.

We think about the approach in the sense that we're trying to make sure that we have the ability for people to maintain what they have in the best ability that we see fit when it comes to the bond issuance here. So I mean, I think that 30,000 units is an ambitious goal. I think that the split that we've identified is based on the data that provides that there is a supply and demand issue, more so a demand and the need and a shortage. So our goals are predicated off of the data that reveals where exactly that shortage lives.

COUNCILWOMAN GAUTHIER: From a data perspective, can you speak to the rationale for actually decreasing the amount of units for people at or below 30% of AMI? What is that data and how does it factor into this plan? And then, can you speak to the rationale of taking the 800 million and kind of sprinkling it over dozens and dozens of programs?

MR. LAWRENCE: Well, the rationale in spreading it across different income levels aligns with the Administration's effort and initiative to really provide some sort of economic opportunity at all levels and all income levels throughout the city.

So we totally abide by the fact that there is no need to exacerbate the ability to concentrate poverty, which is why we're trying to provide some sort of upward mobility for not just those at the lower incomes but also at the moderate incomes as well. So that's our approach. That's the Administration's approach. You know, growing the pie, making sure that opportunities are provided for everybody, to spread economic opportunity for everybody. And your second question?

COUNCILWOMAN GAUTHIER: Are you suggesting that supporting people at 30% or below is concentrating poverty as opposed to helping people to move up the economic ladder?

MR. LAWRENCE: I'm suggesting that not addressing other income levels is not what the Administration would like to do.

MS. THURMAN: So it's the -- essentially, Councilmember, the approach is more comprehensive. In comparing the 2018 report, I believe it was produced in 2018, as Jesse said it's a very different time than it is now. And so, based on our current state market trends, what the need is now across the entire city, we took a comprehensive approach.

Now, tag lines like sprinkling programs I won't address that. What I will say is that this is comprehensive. And we're looking at not just housing but systemic issues across the city, what's driving those systemic issues, and how do we address that. So it's ensuring that whether regardless of where you live, regardless of what challenges that you have, that everyone could see this plan and see what we mean when we say economic opportunity for all. So it's not a sprinkling. It's a comprehensive approach.

COUNCILWOMAN GAUTHIER: Okay. A couple more questions, if that's okay, CP?

COUNCIL PRESIDENT JOHNSON: (Inaudible).

COUNCILWOMAN GAUTHIER: Okay. I also think that the information we've been provided so far doesn't show us what the full story is behind the spending decisions in the H.O.M.E. plan. For example, we need more information to actually understand the full intent behind H.O.M.E.

First, I see that we just received updated FY26 budget numbers this morning so that will be very important for us to review. Second, I do think we need the FY25 budget detail for each program so that we're understanding whether we're increasing, decreasing or staying the same as it relates to the programs in the plan.

And third, it looks like we're leaving off a few sources and other sources of funding, particularly leftover proceeds from previous bonds that we haven't spent yet and money the City has gotten back from our various loan programs. How many millions of dollars like these haven't been spent yet or do we plan to get replenished to put back into the programs listed under H.O.M.E.?

I just think without all of this data we can't see a full picture and have a full sense of how we're investing our resources. And lastly, we've heard a lot about a large legislative package that will accompany the H.O.M.E. plan. I'd like for you to outline what legislation the Parker Administration is hoping to get passed by Council this June?

So first, if you could speak to some of the other information that's kind of missing from the plan that might help us to better understand the spending. And then if you could further outline the legislative package.

MS. THURMAN:
Absolutely, and we've been very transparent in our process with the Council briefings. We made a few

corrections this morning and was transparent about that as well.

And also, in that forecast that you're looking at it does explicitly say what programs are -- where the expansion is taking place, what programs are being and what new dollars will be invested in that. But I have Rob Dubow here, our Finance Director, to talk more specifically about that. Then I'll come back and talk about the legislative package.

COUNCILWOMAN GAUTHIER: Thank you.

MR. DUBOW: So the billion dollars includes $800 million from the two borrowings. And then there's another $200 million that is a combination of money that we put to the Housing Trust Fund, both from the General Fund and recording fees. And then there's federal money from things like CDBG and HOPWA and ESG. So all that money will be going into the program.

And as you pointed out, there's still $50 million left from NPI that Council is really helping direct where that will be spent.

COUNCILWOMAN GAUTHIER: Would it be possible to update the documents that we have with these other sources of funding so that we can have a full picture?

MR. DUBOW: Yes.

COUNCILWOMAN GAUTHIER: Thank you.

MS. THURMAN: And while we have not introduced the legislation yet, I know that we spoke with you and Council President yesterday around several bills that we're looking to introduce, including proposed zoning text amendments, Tier 1 legislative projects around CMX, CM4, parking revisions that we're looking to introduce as well and talk through with members, and then zoning districts, looking at updating our base zoning districts around R2a-2. And so, we are prepared to talk about that at a later date. But that's the overview of the legislation that we're looking to introduce.

COUNCILWOMAN GAUTHIER: When do you anticipate --

COUNCIL PRESIDENT JOHNSON: Are there fiscal notes signed to every piece of legislation you're sending over, analysis of all of them for Mr. Dubow?

MS. THURMAN: Yes, sir. Absolutely.

COUNCIL PRESIDENT JOHNSON: Thank you.

COUNCILWOMAN GAUTHIER: When do you anticipate we'll get that package?

MS. THURMAN: We will get that package as early as -- I need to look at my legislative team, Thursday.

MR. LAWRENCE: Next week I believe --

MS. THURMAN: Next Thursday.

COUNCILWOMAN GAUTHIER: Thank you.

Thank you, Council President.

COUNCIL PRESIDENT JOHNSON: Thank you.

The Chair recognizes Councilmember Rue Landau.

COUNCILWOMAN LANDAU: Thank you so much. Thank you, Council President.

Thank you all for being here today. As you know you've heard me say many times, I've been a lifelong housing advocate. I believe that housing is a human right and I've served 10 years representing low-income tenants in Housing court, ran the Fair Housing Commission, so I've been doing this for a very long time.

I want to be really clear about where I stand here. I am absolutely excited that the City is going to do an investment of funds to what I hope will transform the way we are handling housing here in the city of Philadelphia. I am all in for it.

I think where I might disagree with you all would be where we place this money. And to be clear, I believe I could say for myself and clearly many of my colleagues we are not trying to pit the have-nots versus the have-a-littles. We are just not. In fact, that's where I want the largest investment of funding to go, the have-nots and the haves-a-littles. It's the higher levels that are a little more concerned to me.

I too know that our previous housing plan, I'm so proud of our city. We've been outperforming those numbers and know that if we stay on track with that plan, we are reaching significant goals that I fear we will backtrack from if we implement this particular plan.

As stated, 1/3 of Philly's households earn $30,000 or less, which is more than 200,000 households here in Philadelphia. But only 9000 of the total 30,000 units in this plan will be created or preserved for people earning 30% of AMI. That's $31,000 or less. So just to be clear, 30% of AMI the household earns $31,000 or less.

This is proportionately

lower than the target under the previous plan. We've only seen a list of initiatives that will be continued, expanded or introduced under this plan and how much of the total funding will be dedicated to each program but not the targets for each?

How much of the H.O.M.E. budget will be dedicated to support the housing needs of families and individuals that earn 30% of AMI or less? And can you detail which programs funded under this plan will be targeted for those households?

MS. THURMAN: Well, first I want to -- I'd like for Jesse to address the 2018 plan which is very different than this plan, to ensure that we're not spending an ordinate amount of time comparing the two plans or saying one plan is better than the other.

So I think that I'd like for Jesse to answer that. And then we could answer the question around AMI.

Thank you, Councilmember.

MR. LAWRENCE: Yeah. I mean, I just -- simply put, the 2018 plan was a 10-year plan and that number laid out the 100,000-unit target. Ours is a snapshot for a smaller term, four to five years. Four years, to be honest with you, for 30,000 units. And again, it's much more produced. It's much more about making sure that we're preserving the actual production and preservation efforts.

That 2018 plan speaks a lot to some of the plans that we have here today or earlier versions of the plans that we have here today. It does not abandon them. We're not abandoning that plan, because a lot of the same initiatives that were coming out of that plan rise into this plan as well. So I mean, we are looking to make sure that whatever we did here when it came to this current plan we didn't completely abandon the 2018 plan.

COUNCILWOMAN LANDAU: I do want to suggest that under DHCD's dashboard, the number of households that you will affect under your current plan will decrease for our lowest income Philadelphians I believe under this plan.

MR. LAWRENCE: Again, I think we are responding to the snapshot in time right now 2025, understanding that we have done an updated research effort on where that need is production-wise and preservation-wise. And this plan is again pivoting toward the production and preservation of the existing housing stock in addition to supporting a good amount of what resonated through the 2018 plan through the programming and wraparound services that are in the stabilization and incentive efforts that we're presenting in that category in the 2025 plan.

COUNCILWOMAN LANDAU: Okay. So can we get back to how much of the H.O.M.E. budget will be dedicated to support the housing needs of families and individuals that earn 30% of AMI or less? And can you detail which programs funded under this plan will be targeted for those households? I'm looking for the total amount dedicated in each program, not the targets for each. Thank you.

MR. LAWRENCE: I have that coming up to you right now.

COUNCILWOMAN LANDAU:

They're calculating the numbers.

MS. THURMAN: Councilmember Landau and Council President, we can get back to you on that even today during the hearing.

COUNCILWOMAN LANDAU: Okay. I appreciate you so much.

MS. THURMAN: Absolutely.

COUNCIL PRESIDENT JOHNSON: We'll be here all day. And so, you want to give them a chance --

MR. LAWRENCE: But I also want to clarify that the materials that we've provided in Appendix B, we do have target -- not the target. We have the affected AMIs, the affordability levels and the income bands laid out --

COUNCIL PRESIDENT JOHNSON: It's broken down. Yeah, I saw it.

MR. LAWRENCE: They're on each snapshot for each program.

COUNCILWOMAN LANDAU: Yes. It's not showing from each program how much will be affected to 30% or below. So that's what I'm looking for.

COUNCIL PRESIDENT JOHNSON: So if you can just get that before the end of the day.

MS. THURMAN: Absolutely.

MR. LAWRENCE: We can get that breakdown for you.

COUNCIL PRESIDENT JOHNSON: Maybe for the second round we'll have it.

COUNCILWOMAN LANDAU: Thanks very much.

COUNCIL PRESIDENT JOHNSON: The Chair recognizes -- go ahead, Rue.

COUNCILWOMAN LANDAU:

Oh, no. Thank you.

COUNCIL PRESIDENT JOHNSON: You're welcome.

The Chair recognizes Councilmember Dr. Anthony Phillips and then Councilmember Kendra Brooks.

COUNCILMAN PHILLIPS: Thank you, Council President.

I just want to say really quickly that I am really -- I really admire the work that the Mayor is doing right now to address something in housing. No slack to previous mayors, from Goode all the way up to our recent Mayor Kenney. But this is the first time a mayor has put this much attention on housing in a way that anyone that's led this City has. So I love the presentation, I love the effort and I think I can see that this is such a serious thing.

I also want to make

mention to the fact that a lot of this stuff I recognize that you all are doing is still being worked out, but the research and the things that you put together is impressive so far. I liken this back to the time when we had the situation with the Wellness Center, where people were concerned about how that was rolling out and look how well that's come in. So I know the housing thing is going to come together too so I admire the Mayor for that.

Real quick questions I want to share with you, a few things. One, I was in the gym this morning --

(Applause.)

COUNCILMAN PHILLIPS: Mess around and I'm going to walk in here like Donovan West and Nicolas O'Rourke one day looking like them. But I just want to quickly say a resident cornered me. She said, you tell them I cornered you, Phillips, and said, have you all done research around social housing that you've seen in Europe and basically trying to make some levels of comparisons to the social housing? And I know Kendra Brooks also went to visit with Jamie Gauthier spaces like that. But how have you adopted some of your work to what we've seen in Europe?

MS. THURMAN: Councilmember, thank you so much for that question. And I don't know if you saw the look between the two Brooks in the room, but this is something that we have been in ongoing conversation with Councilmember Brooks about. And I'll kick it over to Angela to talk more about that work.

MS. BROOKS: Yes. My cousin over there brought this up in our briefing with her last week. And ironically, two of the cities she modeled were actually here in the U.S., Seattle my hometown and Chicago where I moved here from. And so, we are looking into that.

And I just want to remind everybody that as we are working on this plan, we want it to be a living, breathing document that we continue to ebb and flow and introduce new things to as opposed to a lot of the plans that are this is the plan and we're not going to change it.

And so, I think some people are looking at our housing plan and saying it is social housing, like that's how they read the plan that we're producing. And so, we're ebbing and flowing and looking at that. So we are looking at some of the social models that have been presented to us, particularly those that have been done in other states.

We've got a big book here of best practices that we've seen, so we've been looking at those so that is in the works. We will be looking to address Councilmember Brooks' specific question on that as well in the very near future. It is something we're open to, and I would imagine that some of the programs that are proposed here would be certainly considered some implementation of those.

COUNCILMAN PHILLIPS:
Thank you. So, Ms. Adrian, you got your question on record. That was who asked me.

And also, I just want to go to quick questions on this. In the 9th District, they're loving as you said, Tiffany, the idea that now there's accessibility for people in our income bracket to get some housing. We've had dilapidated housing or houses not dilapidated, but needing construction repairs and now, they can potentially be eligible for these programs.

So I just want to ask questions that could be helpful for them. Members of our community are going to ask, how can they get involved with the curbside appeal program and how is that going to be executed? What is the criteria? They're going to also ask more questions about how can they get on the list for the Basic Systems Repair program in terms of they want to know if there's going to be a quick timeline and turnaround for this with the new housing program, what new structures you all have?

Yeah, they're going to ask how they love it, but how do they get involved. And so, just kudos to the Mayor and you all's work on this.

MR. LAWRENCE: So I mean, we're going to lean heavily on our One Front Door module here for the programs that allow -- that mechanism is being stood up to allow for you to apply for these types of things and be able to understand what you're eligible for.

The Curbside Appeal Program will be something we're looking into standing up. We're going to have those conversations about how to stand that program up. It will be something that is going to be administered inhouse. However, the approach of applying will be married with the One Front Door module.

Basic Systems Repair will also be one of those programs that will be on there as well, so we would coordinate application opportunities through the One Front Door opportunity -- One Front Door module. Sorry.

COUNCILMAN PHILLIPS: Okay. Thank you so much, Council President.

COUNCIL PRESIDENT JOHNSON: Thank you.

Councilmember Brooks.

COUNCILWOMAN BROOKS: Thank you. Thank you, Council President.

And it's good to see you guys again, a couple days. I do have some continuing conversations from the things we had before and I'm going to start off with social housing. The H.O.M.E. proposal sets aside $160 million for affordable housing preservation or construction. This is much-needed funding that could be used to create social housing by preserving homes like those with UC Townhomes or Brith Sholom. Where in this city will this funding be spent? And how will this limited money be allocated between different neighborhoods and Council Districts?

And I'm going to get this on record. Who will make the decisions about buildings that will be preserved or restored? And will City Council have a role in the decision-making process and will community members have a role in the decision-making process?

MR. LAWRENCE: So we definitely want to remain engaged with Council about how we make those decisions going forward. I think that the partnership that we have in Council is understanding what's going on at a local neighborhood-by-neighborhood level as we look into how we preserve.

And I think you were asking questions along the lines of how we approach demolition of things that could possibly be preserved. We would definitely be open to having that conversation about figuring out how our program in response to something like that --

COUNCILWOMAN BROOKS: Both with Council and community members?

MR. LAWRENCE: Yes.

COUNCILWOMAN BROOKS: And my next question is, many times public funds are used to help construct or preserve affordable housing and ownership of these buildings are given to private developers. Once the area gentrifies or it becomes unprofitable to maintain properties like Brith Sholom, the private developers back out and sell properties at market rates, forcing working-class tenants, seniors and families to move.

Many other cities around the country have recognized that and decided to keep the buildings that are preserved using public dollars actually affordable to the public by holding a majority ownership of the land that the housing is built on. Will the buildings constructed or preserved with public dollars under the H.O.M.E. funding be at least 51% owned by the public? Will the private developers be able to control the properties that are built or preserved with our public dollars?

COUNCIL PRESIDENT JOHNSON: And a point of information I want to add to that. Will we consider engaging in public land trust as a part of this overall initiative and also --

(Applause.)

COUNCIL PRESIDENT JOHNSON: I'm going to just stick with the public land trust as a part of, you know, the proposal to take in consideration as well where we control our own land as well. And WCRP, which is the Women's Community Revitalization Program started by Nora Lichtash in Grays Ferry, specifically for women, right. And I gave her the land, city-owned land through the Land Bank, and rents are only about $300 right. But they control the land. And it's a sweet spot to help a low-income family get into the middle class. And so, I just want to add to that same line of questioning.

MR. LAWRENCE: And so, where the programming we're proposing starts to speak to that, it speaks to it in a couple of different ways. There's the Acquisition Fund that we are earmarking for introduction that will give some capital to a public developer for acquiring multi-family homes or vacant properties or land for the most part in an effort to increase affordable housing so that public land developer, maybe PHA for the most part, they would have some sort of component that would require some affordability as well.

We're also looking at the ability to do something called the 70/30 public-private partnership. We have a model at 13th and Bainbridge in your District which has allowed us to hold onto the land with a long-term lease mechanism. We're looking to mirror that kind of model throughout the city, mixing up income but at the same time, you know.

13th and Bainbridge was kind of the first one that we did, right. So we're taking pages out of that book, learning from that process and looking at investing in the ability to look at where that type of model can thrive throughout the city. Holding onto our land on a long-term basis does give that opportunity for us to control the affordability component.

COUNCIL PRESIDENT JOHNSON: I'm going to relay the time back to my member. But do we see the value of actually engaging a public land trust still in the future as a part of this billion dollar plan?

MR. LAWRENCE: We see that there needs to be a discussion around how that type of thing works out. Right now I think that there are certain Council Districts I believe that have some sort of requirement there to engage with a potential land trust prior to an application. I'm talking about publicly-owned land. There's a requirement to engage whether or not a community land trust might be interested in purchasing something prior to.

But we think that that is the start of a conversation that quite frankly I think we're willing to have to talk about how something like that is implemented within the realm of big and surplus land here.

COUNCIL PRESIDENT JOHNSON: And I thank Angela Brooks for saying this is a living, breathing document that is not set in stone. So thank you.

Member Brooks.

COUNCILWOMAN BROOKS:

Yes. And my next group of questions I'm going to just ask them all at once before my time run out. It's about One Philly Mortgage and the public bank. I would like to know about the One Philly Mortgage program, which department will oversee the proposed program? Will the City actually be the mortgage lender or will it be partner with another lender? What will be the interest rates? And finally, what enables the program to work without private mortgage insurance?

And Part 2, as banks are problematic actors through predatory loans, through determining who gets loans, what oversight of credit institution exists and how does the City monitor the impact of financial institutions on neighborhood integrity?

MR. LAWRENCE: So I'd like to call up our Interim Director of DHCD Mark Dodds. But in the interim, what I can say is that One Philly Mortgage is meant to have the City invest in parking funds in a pool with others so it'll be some commitment from investors and lenders. But we would like to see that program live at DPD. And in addition to Mark, maybe one of our consultants can talk about where they've seen similar programs.

And we're in very early talks about those conversations. Our model is driven from one mass mortgage. And we have talked to the lenders that have done the work in one mass mortgage as well, and they can talk to -- Ira's pulling it up. Ira can talk to the status of those conversations as well. So Ira can talk to those conversations leading up to now as far as the status of evaluating something here. And then Mark can talk about how we at DHCD administer programs of that nature.

COUNCIL PRESIDENT JOHNSON: And, Jesse, can you also elaborate on -- and I know we talked about this but I still want to go on the record because we're both in line with the same type of thinking. In our briefing on this proposal, we talked about the possibility of engaging in the banks that we do business with as a city, right.

We put millions of dollars in banks every single day, right. And how could they be a part of this process, right. And I think they should be a part of this process. And so, could you elaborate on that as well?

MR. LAWRENCE: Yeah,

sure. Before I hand it over, I'd like to just note the fact that similar to what you just described we've had existing conversations with a lot of these banks for Turn the Key, right. And their conversations have been along the lines of willingness to lend to a particular constituency where in kind of your typical traditional markets might not have the credit worthiness. So we would definitely continue that engagement in conversation.

Those banks are lending toward a mortgage buy-down. This is evolving into a conversation about providing a loan product, right. So I think that you make a really good point in understanding that we have engaged in conversations with banks. We have a great significant amount of connections and relationships that we have the ability to harness here. So I'll hand it over to Ira to talk about the status of those conversations.

MR. GOLDSTEIN: Thanks, Jesse. And as it relates to the One Philly Mortgage, to be clear the City of Philadelphia is not becoming a mortgage lender so we wouldn't be making those loans. It would be done through a private lending institution. In all likelihood, it would be lending institutions that do business with the City of Philadelphia.

The One Philly Mortgage is modeled after a very successful longstanding Massachusetts program which marries up mortgage lending with housing counseling, both pre- and post-purchase. It includes a loan loss reserve, which in this instance the City would be putting up as loan loss reserve which allows the lending institution to make the loans without private mortgage insurance and under more liberalized terms.

In this instance as well, the City would take an active role in figuring out what the particular underwriting criteria are for the beneficiaries of this program so that we could ensure that all those bad things that you mentioned don't take place with this program. And what I would say is that because there's such a longstanding history with the Massachusetts program, what we can say is if things operate in a similar way to the way they do there, that this program would experience no greater losses or delinquencies than their experience, which basically tracks the prime mortgage market. So it's an adaptation of an existing successful program. We would not be the lender and we would just be putting up the loan loss reserve.

The last piece I would say is that in certain circumstances one of the plans for this product is that the City would pay discount points to reduce the interest rates where necessary to help somebody qualify in a way that does not stress their income and make them more vulnerable to a mortgage delinquency. So the City funds under the program would be loan loss reserve, some program administration and not paying of discount points.

MR. LAWRENCE: And just to add before Mark goes into how we manage those types of programs, I want to be clear about the fact that we do have experience with setting underwriting criteria. We've done that in the past with

Restore, Repair, Renew. It's a program that's been truly successful at this point. So we have that expertise. We have the ability to do that.

COUNCIL PRESIDENT JOHNSON: I mean, I can speak -- I can attest to the track record of helping individuals become first-time homebuyers with particular banks in this process. And so, hopefully we can ramp that up on steroids as a part of this particular proposal. So I definitely can attest to that.

Member Brooks, you're wrapping up?

COUNCILWOMAN BROOKS: Yeah. Can I --

COUNCIL PRESIDENT JOHNSON: Go ahead, Mark.

COUNCILWOMAN BROOKS: -- just add just a follow-up question so as they finish, you could just answer this as well. So my concern is that if we're going to use the City's budget as a de facto public bank, would the Mayor consider signing onto the still pending legislation enabling a public bank so that the City can utilize a financial institution with appropriate protections and guarantees in place to do the things like pay the percentage of down payments for low-income buyers? And that's my follow-up to that.

MS. THURMAN: We can't respond to that question now, but we're happy to respond to that question in writing which we will do immediately. And then I'll kick it over to Mark to answer your first question.

MR. DODDS: Good afternoon. I think Ira did a great job of going through the details of

what that program might look like.
Mark Dodds, Director for DHCD. I would just say that in order to operationalize everything, we tend to draw on existing programs. So earlier we talked a little bit about Philly First Home, first-time homebuyer program. The infrastructure for that program contains a range of housing counseling agencies. It's a collaboration between DHCD, so our contract analysts are doing intake and processing applications and reviewing everything for accuracy, and PHDC, who's ultimately making the payment.

So I think even though they're very different programs the goal is the same, to create a homeownership opportunity. And we'll be able to draw on the success of our current programs to implement that program.

COUNCILWOMAN BROOKS:
Thank you.

COUNCIL PRESIDENT
JOHNSON: Thank you.

The Chair recognizes
Councilmember Jim Harrity and then
Councilmember Dr. Nina Ahmad.

COUNCILMAN HARRITY:
Thank you, Council President.

Good morning, everyone.
How's everybody doing this morning.
Just want to get right into it
because of time. I guess this
would probably be for Dubow. Why
is the City choosing to borrow $800
million through unsecured bonds
rather than secured ones,
especially given that this approach
not only increases borrowing costs
significantly but also reduces
transparency around how and where
the funds will be used? Start with
that I guess --

MR. DUBOW: Yeah. I'm

not sure what you mean by secured versus unsecured in this context. We're proposing to go to market in the way that we do for all of our bond issues. There's nothing different about this approach from a typical bond issue for us.

COUNCILMAN HARRITY: Okay. There are secured and --

MR. DUBOW: Do you mean why aren't we getting insurance; is that the question?

COUNCILMAN HARRITY: I guess, yeah.

MR. DUBOW: Yeah. That's a decision we made --

COUNCIL PRESIDENT JOHNSON: Excuse me, Rob. Just one second.

Point of information, Member Young.

COUNCILMAN YOUNG: Thank you so much. Just for clarity, maybe my colleague is referring to tax exempt versus taxable bonds. I mean, those are something that --

MR. DUBOW: That's the question. Okay.

COUNCILMAN YOUNG: Yeah. Thank you.

COUNCILMAN HARRITY: Thank you.

MR. DODDS: Got it.

COUNCIL PRESIDENT JOHNSON: Thank you for the clarification.

Mr. Dubow.

MR. DUBOW: And the rationale is that many of the programs that are part of this initiative don't qualify for tax-exempt borrowing. And because of that, we would issue taxable.

COUNCILMAN HARRITY: Okay. All right. I got that. How will the City ensure that the $800 million is spent at a pace that matches our borrowing schedule so we're not over or underutilizing our funds? And the goal of the plan is 30,000 affordable units. Can you give us a breakdown of number of units based on their affordability threshold? How many units for each income bracket?

MR. DUBOW: So I'll take the first part and then hand it over to Jesse for the second part. So the pacing will drive the timing of our bond (inaudible). So we think that there is, as we've talked about, a great need so that the money will be spent quickly, which is why we wanted to borrow a substantial amount.

The second borrowing is based on how quickly we think we will spend that money. If we spend it more quickly, that could be moved up. If we spend less quickly, it could be moved back.

COUNCILMAN HARRITY:

Okay. So we won't be penalized if we're not spending it fast enough?

MR. DUBOW: No.

COUNCILMAN HARRITY: All right. Good. And then you could just get to the second part, which is the goal of the plan is 30,000 affordable units. Can you give us a breakdown of the number of units based on their affordability thresholds? How many units for each income bracket?

MR. LAWRENCE: Sure, sure. So thank you, Councilman. What I can give you is on the production side for opportunities that are deeply affordable, that's 0 to 30% of AMI, we're earmarking 1800 units on the rental side.

And I just want to be clear, one of the questions earlier was about whether or not this particular program is going to address the need at that particular

AMI. We opened earlier to talk about how this is a strategy that is complementary of PHA's strategy, which is much more well-equipped to tackle that particular AMI. So I just want to reiterate that we can't do it alone, which is why PHA's program is far more complementary than it's ever been at this point and it allows us to focus on the expansive income opportunities as well.

Just to continue, sir, on the affordable side which is 30% to 50% of AMI, we're looking at 1400 units of ownership and 2500 units for rental. For workforce housing, which is that income band between 50% to 80%, that is 2100 units for homeownership and 2900 units for rental.

For workforce-plus, which is 80% to 120% of AMI, that is 1100 units on the ownership side. And the need for rental units at that particular level is 1400 units -- excuse me, 1400, yeah. On the market rate side, we do earmark that there is a need for 300 units above 120% of AMI. But I want to be clear about the fact that the programs that we're presenting are much more responsive to all the other rental units or the numbers that I've described for you.

Moving to the preservation column, for deeply affordable units we estimate that there is a need for 7200 units to be preserved from 0% to 30% of AMI. For affordable opportunities 30% to 50% of AMI, we earmark 7900 units that need to be met for preservation.

For workforce housing, the number is substantially lower, from 50% to 80% of AMI. That's

1200 units that need to be preserved. And for workforce housing-plus, we have 200 units above 80% of AMI that need to be preserved.

COUNCILMAN HARRITY: How many was that? I'm sorry.

MR. LAWRENCE: 200 units.

COUNCILMAN HARRITY: Beautiful.

MR. LAWRENCE: Hopefully that's helpful.

COUNCILMAN HARRITY: Yeah, that's very helpful. Thank you so much.

Thank you, Council President.

COUNCIL PRESIDENT JOHNSON: Thank you.

The Chair next recognizes Councilmember Dr. Nina Ahmad and then the leader of the Kensington Caucus, Councilwoman

Quetcy Lozada.

COUNCILWOMAN AHMAD:

Thank you, Council President.

I just wanted to commend the Mayor and all of her team on this bold plan to grow Philadelphia. We really have to go back to our 2 million residents. Our city is built for that. And I think this plan will help us get there.

I do want to make sure that we are using all the tools of government to make sure we are laser-focused that we're making good decisions, right. And the purchase of a home -- and I'm really focusing on homeownership here, the purchase of a home is one of the largest and most important investments and is critical that homeowners remain vigilant to protect this investment.

Philadelphia's

homeownership rate has, as Tiffany alluded, has dropped to 52.3% from 53.9%. That's a significant drop, and we are known in the country to be a homeownership-focused city. So similar to price fixing, if you recall the federal government, the Department of Justice is actually suing the real estate company RealPage that had engaged in collusion and price fixing.

Similar to that, I am concerned about predatory investing. And I wanted to know, this is -- what I mean by predatory investing is investors are acquiring available single family homes which exacerbates the housing affordability crisis. So I wanted to know if you guys are keeping an eye on the data around the purchase of single family homes by these corporate entities? Will you be surveilling their home purchase activities, ensuring transparency in how these properties are being purchased by corporate entities versus individual buyers?

We really have to stop predatory investing that is hurting our homeowners. I don't know if you recall that our former Vice-president had really championed the Stop Predatory Investing Act. I think it's still alive and it's just been reintroduced in Congress earlier this year.

And really the question is the aim to level the playing field for everyday buyers who have the desire and means to purchase but are being outbid by these corporate entities. So it really is -- what are we doing to pave the way for a more equitable housing market? And sunshine is the best disinfectant, so I would love to see what are you doing to keep an eye on this.

(Witness approached Witness table.)

MR. MONDLAK: Thank you, Councilmember. John Mondlak. I'm Deputy Director in Planning and Development. And you raise an excellent point. It's a challenging point that's a challenge for every city across the country, not just Philadelphia. And the solution -- part of the problem is the solution is what we all want is for these companies to stop buying, but it's not so easy to prevent somebody from buying, and that's where we get into, okay, what can we do.

And I'm actually not familiar with the legislation that you mentioned, but I'm going to look into it because I would say we need more tools than we have. And so, what we are doing as a city is

PhillyStat360 is a very data-driven part of our city.

And one of the things that they have been digging in deeply is trying to figure out, okay, who are these people, how do we link them all up, because they buy an LLC that has a unique name, often named after the address and it's hard to figure out. So what they'll do is they'll dig deeper and they'll scan the documents, and sometimes AI is actually very helpful in this to figure out, okay, who are the officers, who are the people that are signing these to try to make links, and they have been able to do it.

And there's actually -- we've also talked with services consultants that provide this service that depending on how much we can provide versus how much need we have, we may engage with them to provide this data. Because ultimately right now what we're looking at to try to help solve this problem is enforcement.

COUNCILWOMAN AHMAD: Yep.

MR. MONDLAK: The price colluding is very difficult. That is something that we haven't gotten into suing people to -- it's one of the things that I would love for us to do. It's hard to prove. You have to have a lot of evidence. And a lot of those cases get dismissed. But if you can prove it, that would be excellent because that's ultimately what you're trying to stop.

The other thing that we have a little more influence on is trying to stop the bad behavior because what they do, if you think back to the Brith Sholom and that was outright illegal what they did.

They liquidated every piece of value out of that property and walked away. They were criminals. They were criminally charged in other jurisdictions. And so, in those situations you want to do criminal law remedies.

In some of the situations, these investors that are just buying up all these properties and they've concentrated in one area, because ultimately they want to get to is collusion. They want to get to price fixing. And if you don't have a certain percentage of them, you can't do that. You have to be able to control the market. So they don't want to just scatter all over. They want to focus on different areas. And the key is to try to figure out what they're doing early.

So I mentioned

PhillyStat360. They've been successfully able to do that. They did a pilot in Kensington to see if they can determine that. And then what you have to do, what we have to do is step up enforcement and make sure that we are citing them for every bad thing that they do.

And number one, you want to improve the conditions. But number two, you also want to be a thorn in their side. You want to make it difficult for them to be successful at their game of buying, not investing, jacking up rents and then ultimately sell at a higher price. That will be the exit strategy. So that's what we're doing. We're doing it through data and we're doing it through our L&I quality-of-life enforcement.

COUNCILWOMAN AHMAD: Thank you for that because the surveillance part is going to be critical to do what is downstream needed to do. And I think sharing that surveillance information with Philadelphia, with us, Council and our constituents would give a real eye on who are the bad actors.

I think that has real value as we are figuring out how to hold them accountable. And that's where I think having a dashboard on the surveillance of these and who's buying what and cross-referencing that to give that data would be very powerful so that our constituents can actually see who's -- and then this brings up the whole issue of people selling at a much lower rate than they could and all of those. There's multiple other things that I'll put into writing that I think we could use as tools to inform our constituents about how they should negotiate in this space.

MR. MONDLAK: I agree and I appreciate the ground sourcing of information. I think that's an interesting point. And I also agree 100% folks that don't necessarily understand the resale of their property or don't have folks to talk to about it, they'll take the first offer they get and it's a crying shame because that's who's behind those offers. And they flood the market. Everybody that owns real estate probably in the city every single person probably gets those texts and those emails, and most of us know that they're a scam. But somebody that's desperate to sell their property for whatever reason may take advantage, sell at a much lower price.

And I'm going to quote Octavia Howell who's our Deputy Director for Planning Development.

She has a -- Planning Commission, she's Executive Director. She has a great story of her aunt who was in this situation. And she was fortunate to be able to step in and say, no, you don't need to do it, your house is not a tear-down, it's not a gut job, you don't need to sell it to an investor.

This is a perfectly functioning home. It's a little dated because it was her great-aunts, I think her grandmother's, and it can serve a family. And that's what they did. She said, just be patient, put it on the market and somebody bought it, and they had a starter home that had an affordable price that paid more than the investor but didn't really have to do anything.

And so, how do you get to that. That's what you want to achieve so that people aren't feeding into this and making it too easy for these investors.

COUNCILWOMAN AHMAD: Yeah. Exactly. So it has to be an information campaign that is underguarded by data so people can understand. We need to get our communities ready and educated around this. And I think you have the tools to do that.

MS. THURMAN: And I think that's where that community engagement, it comes in that Councilmember Gauthier's been talking about that we agree with. It starts with the housing town halls, right. We had one last week in the 2nd District. We're going to do more. They're not scheduled yet so coming to a neighborhood near you, but that's part of that community engagement continuum.

It's not just a one hit and then we're done with that section of the community. We absolutely agree there's an ongoing information campaign that the government can't do alone nor can Council. That's where executive or rather our external stakeholders come in.

And one of the things that even Ira Goldstein, one of our consultants said earlier, this plan coupled with all of the work that's happening under Kelvin Jeremiah's leadership at PHA, it really holistically approaches and addresses the needs across all the income bands that we've talked about.

So while Jesse gave that big breakdown, the notion that we're going to spur predatory lending or that we don't care about low-income people or that we're not prioritizing them enough, we're looking more for toward a middle income, well, that's absolutely not true. And both the data shows that throughout the report but also that's why we're here today to talk to that. So I appreciate that question and the opportunity to respond to it.

COUNCILWOMAN AHMAD: Thank you.

MR. LAWRENCE: If I may add, Councilmember. The engagement piece is important because that's where we start to communicate these programs that we're putting out, right. One thing that would drive people away from selling so quickly is the access to the opportunities to improve their properties, right. So rental improvement funds, making sure that we're including things like that and continuing these types of things, it spears away the ability to say, look, I can't afford to do what I need to do and it's probably just a better option to sell. That should not be the case and that's what our program should be responding to on the preservation side.

COUNCILWOMAN AHMAD: All right. Thank you so much.

Thank you, Council President.

COUNCIL PRESIDENT JOHNSON: Thank you, Dr. Ahmad.

Councilmember Quetcy Lozada. Councilmember Nicholas O'Rourke next.

COUNCILWOMAN LOZADA: Thank you, Council President.

Thank you for being with us today. I would ask Mr. Goldstein a question and then I want to put on the record two questions that were sent to our office from constituents that I'd like to ask. But prior to me coming into City Council, I know

Mr. Goldstein did some research for an organization or a collective of organizations like Esperanza around the housing crisis in Districts like mine.

And so, my question is does this initiative respond to the crisis in the housing market in Districts like the 7th? Have you shared those findings with your team? And if it doesn't respond to those crisis, what are some of the challenges or what are some of the changes that you'd like to see included in this initiative that would respond to that 20% to 50% AMI that we know we desperately need in places like the 7th?

(Witness approached Witness table.)

MR. MONDLAK: I don't know if you're directing that to somebody else, but I can try to answer it and -- oh, I'm sorry.

COUNCILWOMAN LOZADA:
Thank you.

MR. GOLDSTEIN: Hi.
Good to see you again. I think that the H.O.M.E. plan is aggressive, it's big and I don't think it meets every single need of every single person in every single circumstance, to be quite honest, but I think it's an amazingly --

COUNCIL PRESIDENT JOHNSON: It's comprehensive.

MR. GOLDSTEIN: -- large and multi-dimensional plan and strategy that's designed to hit a lot of different segments of the Philadelphia population. I did do that work on the Area Median Income, and I do know really well that those percentages are based on a four state, 11 county region that in some ways sort of overstates where Philadelphians are in terms of what the resident incomes are.

And that's why by the way that we put in this table of all the needs, we put the actual income levels themselves so that you could see who was going to be touched by the different programs. So you'll see, for example, in that deeply affordable line of the table, that is 0 to 30% AMI, that's actually up to about $32,250. So those are actually people who are in the Philadelphia standard kind of modest income.

But there are significant resources that are key to that population, that income band of population. And, in fact, 30% of the total plan is to that band alone. And then if you sort of move up a little more, you pick up another 40% of the plan, so 70% of the production and preservation that's planned under H.O.M.E. is for households targeted under 50%

of AMI.

So to your question does it solve every problem, in all honesty I couldn't say that it does. And were the City in a position to do $2 billion or $3 billion of borrowing, I think we would get closer to solving all those problems. But I do think it's a plan and a strategy that represents I think enough different kinds of strategies pointed at different income levels and tenure types that you will see benefit in each of the Council Districts, recognizing that they're all a little bit different in their makeup.

COUNCILWOMAN LOZADA: Thank you for that.

MS. BROOKS: Can I jump in right here because I just want to make sure we say on the record that the H.O.M.E. plan isn't intended to be the ask-all be-all of solving the housing crisis. We've shown time and time and time again public investment always sparks private investment.

So the 30,000 units that we're talking about aren't the only units we think will come from the improvements that come from the H.O.M.E. plan by process improvements. For instance, in DPD around permitting and ZBA, we'll see a lot of market rate developers and nonprofit developers able to better accomplish their unit delivery goals as well. And so, I just want to make sure we're very clear that we're not only saying that during this time frame these are the only units that will be developed. We are anticipating that the private market will also move and do things that are outside of this plan that we'll also be able to celebrate and will contribute to unit delivery and addressing the housing crisis in Philadelphia.

COUNCIL PRESIDENT JOHNSON: I just want to say a point of information just on that point. And I think that's why it's critically important with this billion dollar borrowing, is that we're doing as much as we can to invest and on the low- to moderate-income side, because the market is going to already take care of those individuals who want to really pretty much be well to do. And so, I think that's something to critically always keep in mind as we go through this process.

Because, yeah, you're right our investment will spur more investment, but that's more than need for us to really, really double down on those most in need because the market will take care of itself based upon our development.

(Applause.)

COUNCIL PRESIDENT JOHNSON: That's just my thought.

MS. BROOKS: Absolutely, correct.

COUNCIL PRESIDENT JOHNSON: I didn't say that for the, you know. I'm just having legitimate conversation based upon me doing this work since I arrived here.

MS. THURMAN: We wholeheartedly agree with that, Councilmember. Absolutely.

MS. BROOKS: We agree and that's why it's really important that we continue the work that we do in support with PHA, and the two plans that are coming out together will be very great and collaborating in kind of touching all of the income brackets that are impacted.

COUNCIL PRESIDENT JOHNSON: Yes. But just one part I just want to clarify, and I'm glad that PHA is a part of this process, but we're talking about the $800 billion that we're just borrowing on behalf of the City of Philadelphia.

MS. BROOKS: Yes.

COUNCIL PRESIDENT JOHNSON: PHA is really going to take care itself irregardless if we weren't doing this plan. Kelvin Jeremiah would still be on steroids with federal money trying to PHA the whole city, right, which is cool. I grew up on PHA housing. But I also recognize that in terms of our responsibility with this borrowing that it's incumbent upon us to really do that deeper dive to making sure that we're critically addressing that population that's most in need.

And that's from low income to also workers as well because we have workers who work in Council who had just purchased homes, first-time homebuyers. And I know when somebody said, well, it's not a housing crisis. And I remember going into my own house and it was a PPA worker who approached me and said, hey, I'm about to apply for Turn the Key. And I'm sure she's getting a reasonable paycheck at PPA, a nice salary, right. But she said, hey, I'm really struggling, I'm trying to purchase -- she didn't say struggling. Let me change that. I'm applying for Turn the Key and I'm going through the process.

And so, when I'm like when folks say, well, there's no housing crisis, and I'm walking into my house separate from me doing constituent service work, the young lady pulled me to the side and said, I'm going through the paperwork process and I hope I get in. And so, that's all, my point.

MS. THURMAN: That's the point right there, Councilmember. We have staff in the Planning and Development Department that are helping to design these programs that can't afford to purchase a home and they have a desire to, that's not right. That's not right at all. So, yes, we want to make sure absolutely people that are low income they have that pathway to self-sufficiency, that we're thinking about that. But along that continuum is also the people within Planning and Development that can't afford housing right now that want to own a home.

COUNCIL PRESIDENT

JOHNSON: Working class, working class moms I've seen that can't even purchase a home.

MS. THURMAN: Absolutely.

COUNCIL PRESIDENT JOHNSON: Councilmember Lozada, you want to wrap up with your line of questioning?

COUNCILWOMAN LOZADA: Thank you, Council President.

One of the questions that was submitted to my office that they asked us to put on the record was would nonprofits and other organizations that offer transitional housing be eligible for funding or support under the H.O.M.E. Initiative's preservation efforts?

MR. LAWRENCE: The answer to your question is yes.

COUNCILWOMAN LOZADA: And is there any support within the initiative for wraparound services such as case management, employment support that are essential for transitional housing residents?

MR. LAWRENCE: We will be putting funds toward programs that support those types of things in conjunction and collaboration with OHS for administering.

MS. THURMAN: As well as housing counseling and financial education.

COUNCILWOMAN LOZADA: Awesome. And my last question is what is the process for nonprofit transitional housing providers to apply for funds under the H.O.M.E. Initiative? Has that been established yet?

MR. LAWRENCE: Councilmember, I need you to repeat that question. That was pretty fast. But I heard that I think our Director Hill will be coming up from OHS. Could you repeat your question, please?

COUNCILWOMAN LOZADA: Thank you -- what was that?

MR. LAWRENCE: Could you repeat your question please?

COUNCILWOMAN LOZADA: Sure. What is the process for nonprofit transitional housing providers to apply for funds under the H.O.M.E. Initiative? Has that process been established yet?

(Witness approached Witness table.)

MS. HILL: Thank you. Cheryl Hill, Executive Director of the Office of Homeless Services. We do have some programs currently that people can apply for as we have the RFPs out for them. We have currently RFPs out for supportive housing -- supportive services as well as some housing programs.

We also partner with Jesse's team on different programs, including a pilot that's including renovations to rental programs in exchange for providing services and housing to people experiencing homelessness. So we do have that and part of the H.O.M.E. Initiative as well. But then we'll work with them continuously to see how we can expand those programs.

COUNCILWOMAN LOZADA: Awesome. And then my last question, since Council President is busy, does the preservation --

COUNCIL PRESIDENT JOHNSON: No, I'm always on point. I saw you. I'm doing the latitude. Go ahead.

COUNCILWOMAN LOZADA: Does the preservation component of the initiative include funding for substantial renovations such as updates to kitchens, bathrooms, common areas and bedrooms?

MR. LAWRENCE: The answer is, yes, there will be funds. Once we get them they will be earmarked for programs that support those types of improvements.

COUNCILWOMAN LOZADA: Awesome. Thank you.

Thank you, Council President.

COUNCIL PRESIDENT JOHNSON: Thank you.

The Chair recognizes Councilman Nic O'Rourke, then Councilmember Cindy Bass and then we are officially going into our second round.

COUNCILMAN O'ROURKE: Just adding my --

COUNCIL PRESIDENT JOHNSON: Oh, I'm sorry. Then we'll have Councilmember Jay Young and then the second round. Sorry, Member Young.

COUNCILMAN O'ROURKE:

Thank you, Mr. President.

I'm adding my voice to the chorus by expressing appreciation for the focus that this Administration has placed on this issue in the second year of the term. A functional north star that I've followed since joining my colleagues on this Council is to make law that materially and measurably improve the lives of our citizens and working people every single day, you can't get more material than housing. And as Madam Mayor points out often, if you want something done make it somebody's job. So I appreciate that this has been prioritized in Year 2.

One of the H.O.M.E. Initiative's most important goals is to repair and preserve our affordable housing stock. This is a goal that we are deeply aligned on and which I'm also fighting for in my Safe Healthy Homes Campaign. One of the goals of that campaign is to fund enough L&I inspectors to create a full proactive inspection program that would make sure that all of our family's homes stay in good, habitable, safe, healthy condition.

I think it was Ben Franklin who first said, an ounce of prevention is worth a pound of cure. In this case, preventing housing falling into disrepair is much cheaper than fixing them and therefore I believe more prudent. At our March 18th Housing Committee hearing, L&I told us that in order to get a proactive inspection program up and running that could inspect all of our rental units, the department would need to hire

110 people with a budget increase of around $6.2 million. A drop in the bucket as it relates to $800 million.

Can you help me understand why we are not investing some of this $800 million into a proactive inspection system to prevent homes from falling into disrepair? And if we had done this many years ago, we may not need $800 million now. And if we do it now, we may not need to do it again later.

(Applause.)

MR. DUBOW: Good afternoon.

COUNCILMAN O'ROURKE: Good afternoon, Mr. Dubow.

MR. DUBOW: Our budget does invest extra funding in Licenses and Inspections and we can get the details on that investment.

COUNCILMAN O'ROURKE:

Okay. Thank you. I'm excited to see the Basic Systems Repair Program receiving a sizable increase in funding. I'm also noticing that the income eligibility is increasing from 60% AMI to 100% AMI, framing that for folks again, we've talked about it a bit, but 100% AMI for a family of four is $114,007 while the actual median income of Philadelphia City is about $60,000.

I understand the goal here is to extend this critical service to more families who are struggling. However, the total amount of new funding going to the Basic Systems Repair Program over the entire H.O.M.E. Initiative is only enough to slightly extend their current annual budget of $40 million by around 20 million a year, assuming as Mr. Lawrence said that this is being a four-year program or plan.

Additionally, funding for our other repair program Built to Last is being slashed, we talked about that a bit, especially considering potential federal funding cuts that would decimate funding for both programs. We have serious concerns about whether we're putting in enough money to merit extending eligibility to help thousands more families.

A few questions that I'd like to try to get on the record. We already know, and I thank you for answering this already, that there are 7054 families that are on the waitlist at current eligibility requirements. That's correct, yes? So I'll just say yeah.

How many new families do we estimate will apply for the program under the new eligibility guidelines? Will there be preference given to families at the lower AMI requirements? And let me get this other one. I know that the largest source of funding for this program is federal CDBG dollars. Is there a plan to transition more funding to BSRP if that federal funding is cut?

MR. LAWRENCE: So hopefully I captured all the questions and please --

COUNCILWOMAN GAUTHIER: Point of information.

COUNCIL PRESIDENT JOHNSON: The Chair recognizes Councilmember Jamie Gauthier.

COUNCILWOMAN GAUTHIER: I'm not sure that the FY26 number for BSRP is as high as was stated. I may be mistaken, but I wanted that to be specified. I'm not sure it is as high as $40 million.

COUNCIL PRESIDENT JOHNSON: Mr. Jesse, can you just clarify for the record that number?

MR. LAWRENCE: The number for FY26 is not $40 million. Yeah, that number for FY26 is $9 million in addition to in addition to $13 million in CDBG and $551,000 from Housing Trust Fund. So those numbers do not include the H.O.M.E. bond commitment.

COUNCILWOMAN GAUTHIER: So sorry. It just makes the Councilmember's question more critical, but I just wanted to clarify that.

COUNCILMAN O'ROURKE: Thank you, Madam Chair, for clarifying that. That's very helpful to know. Thank you. Good point information.

But, yes, can you answer those other questions?

MR. LAWRENCE: So hopefully I recall everything because it was a lot. But what I can let you know is that the target that we're looking -- the funds that are being committed to Basic Systems Repair, that yields the ability to serve about 7500 households.

COUNCILMAN O'ROURKE: Okay. How many new families do we estimate will apply for the program under the new eligibility guidelines?

MR. LAWRENCE: We can get that information to you in writing.

COUNCILMAN O'ROURKE: And will there be a preference given to families at the lower AMI requirements on that?

MR. LAWRENCE: We understand that the need is deeply -- that need is at 60% and lower, right. But we also understand that we've taken the time to quantify the data that represents the need for repairs at levels that are higher than that 60% of AMI, right. So we totally want to prioritize. We want to prioritize the 60% of AMI because that obviously is the need and that's obviously where the waitlist has been quantified from. But we also don't want to cut out the many constituents of the 4th, the 6th, the 9th District, the 10th District who make slightly more than those income eligibility requirements limit you to, so we can get you the numbers as what we think that anticipated growth would be. But we certainly want to respond to the moment in time that says, look, just because you make over that 60% of AMI doesn't mean that you don't need the relief and access to the funds to make the repairs.

In our opening statement, our Chief of Staff talked about how people have to figure out how they're going to buy eggs, how they're going to buy school supplies. And those are struggles that are felt at any particular AMI, right so --

COUNCILMAN O'ROURKE: Including my family.

MR. LAWRENCE: -- as those costs go up, the disposable income goes down and we see how that's marginalizing people. So we'll do the research to figure out what exactly that opens up, but we certainly want to respond to the moment in time that clearly says that not only do those at 60% of AMI need to be provided with some relief in Basic Systems Repair. We also want to address that need above.

And then talking about how the existing funding outside of H.O.M.E. responds to the income restrictions based on different funding sources, between Housing Trust Fund and between CDBG respectively 80% and 60% of AMI I think are the max numbers that both of those can actually go up to in providing services. So that particular portion of the funding committed to will have to be dedicated to those particular AMIs. It can't go above those particular AMIs.

So there would be a certain portion of that if in fact we figure out how to amplify Basic Systems Repair Plus, at a certain minimum at most would have to go toward those particular AMI. So it in a sense is prioritizing the ability to respond to just those at that particular or the existing AMI.

COUNCILMAN O'ROURKE: Just to make sure I got --

MS. THURMAN:
(Inaudible).

MR. LAWRENCE: Yes, and these are also very restrictive funding sources, so we have no ability to wiggle out or exceed those particular targets for the constituency income levels.

COUNCILMAN O'ROURKE:
Okay. Let me get one more. I heard the bell. I may have to come back with this to clarify later. But the previous 10-year tax abatement came under significant criticism for spurring gentrification and leading to unnecessary development in well-off neighborhoods. Since then the state passed Act 58 which grants the City the power to create a 10-year tax abatement to incentivize the development of deep, restricted, affordable housing below 60% AMI, which means

the housing would be guaranteed as affordable for the full 10 years, the abatement.

When I asked about this in our briefing upstairs, we were told that the Administration was not planning on using Act 58 to ensure affordability. If our goal is to incentivize the development of affordable housing and not simply spur less redevelopment and gentrification, why are we not taking advantage of this new tool?

MR. LAWRENCE: I'd like to call up my colleague John Mondlak to talk about the work that we're doing around the tax abatement and reviewing that.

MR. MONDLAK: Councilman, thank you for the great question. We did almost use that I think on North Broad and maybe in I want to say the 1st, 3rd -- in a couple districts. Now, I wasn't involved in it so I'm going to tell you what I understand and then hopefully somebody will raise their hand and maybe correct me if that's not correct.

But my understanding was that it had to go to the School District for approval and did not get approval.

COUNCIL PRESIDENT JOHNSON: Mm-hmm.

MR. MONDLAK: That's my understanding. I just know that it's not -- and it was hard to track it down. I went through a lot of sources because the bill was passed by City Council but it's not applicable. It's not being used. And I don't think we're --

COUNCIL PRESIDENT JOHNSON: Can somebody clarify that for a point of information --

MR. MONDLAK: Yeah, I think that would be very helpful.

And certainly, we will follow up but it's not --

COUNCIL PRESIDENT JOHNSON: Excuse me, John Mondlak. Just give me a second, sir. Just for a point information. Could your team get clarity on it because I don't think the bill -- it was Clarke's bill. If I'm correct, it never made it out of Council.

MS. THURMAN: We will definitely do that, sir.

COUNCIL PRESIDENT JOHNSON: I'm sure because it was a level of push back. Regardless if it was affordable housing or not, the public didn't have an appetite for the abatement. But if you can just get clarity on that, that would be helpful for the member.

MR. MONDLAK: Absolutely. But I think we can all agree that it's not being used today.

COUNCILMAN O'ROURKE:
Act 58 is state.

MR. MONDLAK:
(Gestured).

COUNCILMAN O'ROURKE:
Yeah. Okay. I want to make sure I'm --

COUNCIL PRESIDENT JOHNSON: Act 58 passed. I'm talking about there was also a bill sponsored by the former Council President specifically to provide tax abatements for the affordable housing projects that we're working on. And I know at that time that bill didn't advance for it. That's all.

MR. MONDLAK: So I don't think there's opposition to it. That bill allows for if you include 30% of your housing units at 60% AMI or lower, you can take advantage of the abatement. But again, for whatever reason we tried that, it didn't work and we'll get to the bottom of why it didn't work.

We will at some point be engaging with Council to talk about an abatement program that maybe we could talk about that program. I don't think we're excluding that but also just about bringing back the abatement in areas that haven't been fully invested in so that it wouldn't necessarily apply to all the condos, the high-end condos downtown but other areas of the city that haven't received the same amount of investment. And again, it's going to have to be a discussion. But the idea would be that we do bring it back to 100% in certain parts of the city and not all of the city.

COUNCILMAN O'ROURKE: That'd be a great discussion to be a part of.

Go ahead, Mr. President.

COUNCIL PRESIDENT JOHNSON: Yeah, just a point of information. Just clarify that in terms of the uniformity clause where we can pick certain areas to apply the abatement to, because my understanding is the uniformity clause limited us from doing that. But if something has changed, can you elaborate on that for me please?

MR. MONDLAK: Yeah. So I can't give you the definitive answer because that's going to have to come from Law. We are meeting with them next week to talk about that very issue, but there have been discussions. And my understanding is that if you can establish the reason for doing it in certain areas and not other areas and the reason we would do it in certain areas and not other areas would be based on the market value analysis that TRF does for a number of cities, including Philadelphia.

So they analyze census block data to look at what is happening with investment and pricing. And they do a very pretty map that has seven different colors I think that shows where the investment is happening, where it isn't an investment. And what we would do is we would look to exclude the areas that have the significant investment and include the areas that didn't.

Now, again I am no longer in the Law Department. I'm not going to opine on that, but we've had initial conversations where the Law Department has kind of indicated that if you can establish it definitively how you came to this rational reason for coming up with a strategy that it should work.

Now, if they look at it and say, no, it doesn't, then so be it. That's not going to be an avenue. But right now my understanding that it would be an avenue.

COUNCIL PRESIDENT JOHNSON: Okay. Great.

Member O'Rourke, would you like to wrap up before we go to Councilmember Bass?

COUNCILMAN O'ROURKE: Sure. Thank you.

The H.O.M.E. plan is pitching a list of pre-approved private developers that will receive preference for land distribution from the Land Bank to develop housing. While I understand the efficiency to this, it also raises some serious questions and concerns I'm sure that you've already heard from.

Can you explain how this plan would not create any potential legal or ethical issues for the city preferencing some developers over others? And how will the newly-developed homes be guaranteed to actually increase the stock of affordable housing versus just building more empty luxury units that we have seen since COVID?

MR. LAWRENCE: Thank you for the question, Councilmember. I'd like to step away from the word preference in this particular case. I think we're leaning more toward preauthorization, that of which because we're referring to the creation of a pool of developers that we know the Councilmembers are comfortable with proceeding in the development of housing here in Philadelphia, right.

So the special

disposition process that we are thinking about in relation to the greater plan looks to earmark at least 1000 properties out of the total public sector's inventory. That 1000 properties will be spread throughout every single Council District. It'd be citywide. And that conversation would be with each Councilmember to figure out exactly what properties make that list.

When it comes to the developers, we are cognizant of the fact that not only does the public sector and the housing agencies have a sense of where the developers are able to deliver. We all know that you all have a sense of where you know that certain developers have developed the appropriate community relationships to get things done, right.

So, the

pre-authorization effort is really to streamline -- across the board we're trying to streamline process, right. So this particular pre-authorization approach is meant to streamline the approval process when it comes to developers.

We would have to work very closely with the Councilmembers to figure out what that pool of applicant developers would be, right. And in the same way that we work as the housing agencies and the land-holding agencies to vet the applications on developers and their ability to qualify for development opportunities in terms of access to capital, capacity to do the work, ability to clear things like tax clearances and stuff like that, we would do that in concert with you all informing that authorized list.

So we're looking to

minimize the same risk that we would be looking to do as the approval agencies in getting through the development process.

COUNCILMAN O'ROURKE: So the process to create the pool would be basically in concert with the District member saying here's our list --

MR. LAWRENCE: Absolutely.

COUNCILMAN O'ROURKE: The District member, yea or nay?

MR. LAWRENCE: Absolutely.

MS. THURMAN: But also to the question around the legality of it, right, and how we would do that, we don't do anything without the express approval of our City Solicitor and our Law Department. So we're not in a -- we don't work with the Law Department -- I'm sorry, sir.

COUNCIL PRESIDENT JOHNSON: It's along those same lines. So giving us an overview if you pre-approving this land, right, what's the transparent process of putting together a pool of developers, right? What does that process look like, right?

When we get into primarily District Members saying who gets to build and who don't, how does that process transparent when a person doesn't feel like because District member X is cool with Developer Y, I feel like as an outside developer I'm pushed to the side, right, in this whole process of pre-approving properties?

And then also, if you pre-approve the properties, which basically says the Land Bank wants once you sign off on it has these thousand properties that they want to move forward with in concert with the District Councilmember, where is the community input in this process?

Because it's similar to us doing by-right legislation. Well, once you do by-right we have no say-so whatsoever when a developer comes inside our community to build. And so, once this list is pre-approved, one, just give us an idea what that transparent process looks like for developers who may want to participate. And then, two, the process of the community having some level of say-so, because now they'll still come to the Land Bank and express either support or nonsupport hopefully in concert with the District member but sometimes against the District member, and if their needs aren't met there or concerns are met there, then they'll come to Council and say, we support or not support. So how would you ensure that that District member still has the opportunity to advocate on behalf of the voices of his constituents or her constituents that put them in office?

MS. THURMAN: Sure. And while this is a new concept here, other cities do what we're talking about. And so, we have positive -- we have a landscape of how this could look. The first thing I'd like to do is to have Angela Brooks talk about what that landscape looked like in other cities that she worked in around land disposition, and then the methodology Jesse will take that question.

While Angela is gearing up, I want to say that community engagement is going to be upfront and often. As a former RCO member, head of Zoning in my community for a short period of time, I know the importance of having that engagement early and often. I also know what happens and I see it in my community every day when I take my door to the school, what happens when that process is usurped in and we have developers that are building by-right against what the community is asking for, so that's what we're guarding against. But Angela can speak specifically to that, and then Jesse.

MS. BROOKS: Great. Thank you for the question. And Councilmember Gauthier prepared us for this question when we briefed her earlier this week. So thank you.

And so, I'll start with the kind of first part of your question in terms of how that process can look. When I was working in Chicago, specifically the Housing Authority, we had a pre-qualified developers pool. And so, it was a similar process to the longer process, but we just did it on the front end.

And so, we did a pool of developers that went through a public procurement process, so anybody could have applied and they went through the process and they were vetted in the same way and they were selected through that process. So then with the development sites that we had we went within that pool to do the disposition for that.

And the community engagement piece, and that's one of the things and I'm assuming that's part of the reason that I sit in the Mayor's Office, is so we can have a more proactive engagement on a lot of this in the first place.

So, so often engagement is project by project, and we really have a vision of doing more engagement globally.

And so, working with the District Councilmembers, particularly on the front end, we're going to work with the Councilmembers to figure out what those thousand parcels are. So we're going to know what those are long before there's any kind of work done.

So working with them at the designation point and talk about what is the community vision, what is the District Councilmembers' vision for those properties on the front end. Because when you get to project by project, that's where it gets very defensive and it's not a global process. And we think that it will be more effective and I think it will work better with some of the visions of some of the District Councilmembers on what they want as well.

MS. THURMAN: So that's the thinking behind it. But we also know that we have and what we've shared is the first thing that we want to do is to look at the full data set of properties that we're talking or proffering to be a part of this.

We want to meet with each District Councilmember member my member and bring that data set to them, ensuring its accuracy, right, and that it's comprehensive. Once we have that information, then we're looking at a methodology that looks at everything from need, to ensuring that we're addressing the need but also that we're touching every District.

Then once we do that

we'll sit down with the Council and then look at how we prioritize that in an effective way. But nothing that we're going to do is going to be in a cone of silence or secrecy or not with transparency and not working with Council, particularly District Councilmembers but certainly Council.

COUNCIL PRESIDENT JOHNSON: Thank you very much.

MR. LAWRENCE: Sorry. I just want to add there's a fact, you know, when it comes to the process we're just seeing benefit in being able to front load. I think Angela talked about the ability to bring certain steps to the forefront.

In the experience in having worked with the community engagement piece when it comes to the Land Bank and the disposition part of everything, I'm of the mindset that certain Districts, certain constituencies probably didn't find out about what was coming down the pike as far as development until maybe a week before a project was on a particular agenda, right.

So we're seeing benefit in being able to front load the approvals process so that you all as Councilmembers have the ability to be in front of that along with the community being able to or giving the community members the ability to react or be able to digest what's coming down the pike as far as potential development before a project is even conceived, applied for or even permitted or near considered at this point, because we want that to be in congruence with whatever the initiatives are.

We want to be clear

about those initiatives. We want to be clear about the fact that those initiatives are aligned with a particular set of selected properties, because if we're going to talk about an expedited process, we understand that we still need to receive all necessary approvals and repositioning that process in a way where again community engagement is not only just engaging on what prospective project would be, but just kind of the initiative of the H.O.M.E. plan period, what the H.O.M.E. plan looks to achieve in all of this.

To be clear, we set up the parameters around certain design. The pre-authorization list would be more so aligned with Turn the Key opportunities, in-fill opportunities, scatter site opportunities. We're not talking about properties or development opportunities of economies of scale, things that really do need consistent and constant community input. That's not meant for this process.

COUNCIL PRESIDENT JOHNSON: Understood. I would just -- and I understand where you're coming from in terms of single family homes that are built under Turn the Key. Just as you go through this process I think before we even vote on it, at least for District Members, you probably want to have crystallized that framework if individuals are even comfortable participating from that aspect. But thank you for giving that overview.

Councilmember O'Rourke, you got your answers so I can move on to Councilmember Bass before we get Member Young and then break?

COUNCILMAN O'ROURKE:

Yes, that's it.

COUNCIL PRESIDENT JOHNSON: Okay. Thank you.

Member Bass.

COUNCILWOMAN BASS: Thank you, Mr. President.

Good afternoon. How are you. So just a couple of questions and I want to start off finishing up on the Council President and Councilman O'Rourke's questions, particularly around participation and who's going to get to participate in these projects.

And I know that this is a new Administration, y'all trying something new. But typically, this administration has done -- well, typically previous administrations have done a pretty horrible job of ensuring that there is participation among Black and Brown folks when it comes to these kinds of initiatives.

And so, I want to make sure that we're not going to be supporting something that's going to continue that trend. And I know you both very well and I know that you know you're committed to this, but how are we going to be ensuring, how are we going to really make sure that Black and Brown people are really going to be building in their neighborhood?

Nothing is worse for me as a District member as when I am near or at a public project, and I'm just going to use a project many years ago at Vernon Park in which it was a public works project and it was across the street from the Philadelphia Hair Company. And the guys are watching people who are not from their community, not from their ethnicity, from the suburbs, from New Jersey, doing a public works project. And they're like, Cin, what's up with this.

And how do I possibly begin to explain these kinds of things that have continued to happen in our city for a very long time. So I'm just very hopeful that we'll be able to address this time in a meaningful way because it hasn't happened in the past and that would be transformative?

MR. LAWRENCE: Thank you. And we truly appreciate that comment. I will say that this plan is taking steps toward that. I would say that this plan is also planning to capitalize off of some previous things that were put in place at PHDC, specifically around minority development programs and training through those particular cohorts that recognize that there needs to be a bit of a level playing field between developers that look like me and those that don't look like me, right.

And this program that we're -- the plan that we're putting together or have put together includes a few programs that talk specifically to that giving access to bonding, which has been historically a barrier for developers that have been historically disadvantaged in this particular space.

Also, looking at some sort of contracting training which is going to quarterback off of that minority developer program that I just described at PHDC. And also, I see my colleague John Mondlak prepared to talk to -- or I'm sorry, Camille, Camille sitting behind him, who could speak more toward the workforce training cohorts that we're looking at.

But we do recognize that as a space that needs to be filled, and that is something that we prioritize in this Administration, giving that opportunity to Black and Brown developers.

MS. THURMAN: And so, even when we're working with our partners at the trades union or working through our community, our City College for Municipal Employment, we're thinking holistically about who's on the job, who's doing the work but also ensuring that we're creating that pipeline.

So to talk about that workforce development pipeline, I've asked Camille Duchaussee, our Chief Administrative Officer, to talk about what that looks like from a workforce preparedness perspective.

COUNCILWOMAN BASS: Okay. And I know I have limited time so you can give me the condensed version of it.

MS. THURMAN: Absolutely.

(Witness approached Witness table.)

MS. DUCHAUSSEE: I'm so sorry. I missed that.

MS. THURMAN: Condensed version.

MS. DUCHAUSSEE: Okay. So good afternoon. Thank you for the question. Camille Duchaussee, Chief Administrative Officer. And then succinctly I will say that both from a procurement perspective and from a workforce development perspective the beauty of this plan is the convening. We are at the table as the plan is created and as we are forecasting the work is going to be done, so all of the opportunities, all of the techniques, all of the systems that we can bring to bear in terms of making sure that our workforce development programming outreach is targeted as well as our procurement practices are targeted.

COUNCILWOMAN BASS: Well, listen, I'm excited that you're at the table. I will say that one of the things I hear on the streets is we've had Black folks at the table for a long time now. This is not nothing new, and we haven't moved the goalpost at all.

We've had, listen, Black mayors, Black everything. But we haven't been able to for whatever reason get in front of this issue. So I really hope that this Administration is going to be transformative in that manner.

MS. THURMAN: Yeah. And they were at the table, but they weren't the key decision-makers and that's different now.

COUNCILWOMAN BASS:
Okay. All right now.

MS. THURMAN: That's one of the things that is absolutely different.

COUNCILWOMAN BASS:
Well, I heard that. Well, thank you very much. My other question really quickly is around the programs themselves. And the question that was asked earlier was around the amount that's being invested in like BSRP and the other programs Built to Last and the amount that's being invested versus the overall effort that we're making, particularly around homeownership, how do we ensure that we're not setting people up for failure when we have these programs that are great programs but with very long waitlists.

And so, if we're setting someone up for let's say a Turn the

Key program or a similar program and I'll say the monthly mortgage is $1,500 and somebody's struggling to pay that $1,500 and then something breaks or something goes wrong or something happens -- and I know that on Turn the Key, these are new properties so it's not as much of an issue with them -- but on other programs with other properties we're just getting you in the door. And then it's like, all right, well, good luck.

And any homeowner knows when you have that first major system malfunction, it becomes a state of panic, what do I do, how do I fix this, you know, I don't have an extra $3,000 laying around right now or 5000 for a heater or for this or for that, so how do I fix these items.

I am concerned that with all that we're doing, which is great work to get people housed, that once they are housed that there's not going to be a sufficient funding in those programs to keep them supported. And I know we can't do everything, but I want to make sure that we're not again setting people up for failure with all that we're offering.

MS. THURMAN: These numbers are a start, Councilmember Bass. And if this body chooses to add additional funds to it, we would gladly welcome that and accept that, so we agree.

COUNCILWOMAN BASS: Well, I'm going to make a motion -- no, just kidding. Mr. President, I make a motion that we increase --

COUNCIL PRESIDENT JOHNSON: We're already in the building.

COUNCILWOMAN BASS:

Okay. Well, I'm glad to hear that and we'll be continuing to pay attention and to make sure that we're getting people off on the right foot as we get the economy going, things of that nature, to make sure people are housed, working, can afford the situation that we're putting them into, that it all works together.

MS. THURMAN: Absolutely.

COUNCILWOMAN BASS: Thank you.

MR. LAWRENCE: And just to kind of cap that conversation, I think that that's why the importance of things like housing counseling and making sure that we're --

COUNCILWOMAN BASS: Yes.

MR. LAWRENCE: -- you know, it's not just the repairs. It's the ability to be a homeowner, and making sure that prehousing counseling prepurchase also post-purchase as well. That's why we're making sure that those types of programs are empowered in this particular plan.

COUNCILWOMAN BASS: Well, I am a strong proponent of housing counseling as the first housing counselor for what was then Mt. Airy USA and now Mt. Airy CDC when I work with David Thomas way back when before he had gray hair -- well, I have gray hair. But I'm a strong supporter of housing counseling and again more money for those services I think will make a huge difference. So thank you.

Thank you, Mr. President.

COUNCIL PRESIDENT JOHNSON: Thank you.

Councilmember Jeffrey

Jay Young.

COUNCILMAN YOUNG: Thank you, Mr. President.

So most of my questions have been asked by my colleagues so it's good to know that we're on the same wave length. But I do want to follow up regarding the taxable bond that we will be issuing for this. And so, typically when a municipality issues a taxable bond it's deemed that there's no major public benefit. And particularly, a lot of these taxable bonds are issued when it's investor-led housing.

And so, can you talk to us -- and it's typically when there is not a large public purpose. So can you talk to us about the role that the investors are going to play in I guess the implementation of the H.O.M.E. Initiative. Particularly, it was mentioned earlier that the unions will be investing in this. They have a vested interest in their memberships and their members working.

And so, to Councilmember Bass' point majority of their members don't look like our communities. So can you just talk to us about what their role would be, right, because they're at the table as well making these decisions? So what is their role in making the these decisions on how to implement the H.O.M.E. process? And how will the City essentially -- how can the public trust that the City as a whole is making the decisions versus the investors making those decisions?

MR. LAWRENCE: So, Councilmember, hopefully I heard your question correctly. There was little bit going on. But is your question how do we make sure that the City is monitoring the process of -- can you repeat your question? I'm sorry.

COUNCILMAN YOUNG: Essentially, it's how can the public, right, ensure that it is the City of Philadelphia, the City officials making the decisions versus the investors who are the unions making these decisions regarding the implementation of the H.O.M.E. program?

COUNCIL PRESIDENT JOHNSON: So, for instance, to be frank and transparent about this process, so let's say you had the Building Trades, right, and we have Turn the Key program, and some of the Turn the Key program depending on the threshold, some members may believe that those should be union contractors on the site versus non-union contractors on the site.

And that's kind of been a back and forth regarding that process.

So what Member Young is saying, if they're investing, right, in our projects how do we just make sure that the public interest is being addressed as opposed to them as being the investors driving the process? That's for clarity. I know our Mayor knows how to operate in that space but still for the record for the public that this is the case.

MR. DUBOW: So two things I'll start with the question -- sorry, with the taxable bonds and how that process works. So what the bond investors will see is our plan for how we're going to use their funds. They don't get involved after that. It's not like after the bonds are issued they're calling us to say use this developer, do this project. Their whole role is just at the top to see what the general plan is. So long as we're consistent with the general plan, they don't get any more involved than that. So we would be the ones making the decisions. It's not those investors.

COUNCILMAN YOUNG: And I saw that we are -- and one of the programs is to identify approaches to reduce community opposition to I guess projects. I've been a zoning attorney. My very first zoning case I lost, right, because the community opposed it. It happens. It's a part of the process.

But in our zoning through -- if you look at the cases in front of the Zoning Board, there more cases who are granted than denied by far. And so, why are we investing to educate the community to not be opposed to projects versus providing incentives for developers to develop in a more community-oriented way?

MS. THURMAN: I think that's a very --

COUNCIL PRESIDENT JOHNSON: I support that because sometimes developers show up in our neighborhood with the perspective of, as the Mayor would say, I know what's best for you as well I've heard developers get up in the middle of Point Breeze and say, you should be happy that we're building.

MS. THURMAN: Absolutely. You took the words right out of my mouth. And that's what we're guarding against because we don't believe that. And we certainly as an Administration will not perpetuate that type of thinking and leading. But John Mondlak will speak to that excellent question.

MR. MONDLAK: Yeah, it's a very good question. And I think that I'm going to just try to answer straight up and say that it is really to help folks understand that development isn't necessarily bad, like development can be beneficial. And I'm going to give you an example.

So we've met with the RCOs on a number of times in the last couple months. We've had group meetings, breakout meetings, large meetings, small meetings. And one of the things that I've heard, and this sort of encapsulates it for me, it may not work for you, but I sort of got it a little bit better. We heard from some communities that didn't have necessarily commercial corridors nearby. And in the same meeting they were complaining about, oh, there's just too much development. And I think it really was about the size and scale of the development. I don't think it was about they don't want anything, but that was sort of the message is there's so much development, there shouldn't be any development.

And at the same time in the same meeting there was communities around commercial corridors who were saying, how do we reduce the barriers to new housing opportunities, to smaller units, because people are getting priced out of our neighborhoods, and if we don't have SROs and smaller units, our commercial is going to die, like we need it.

And so, I think part of this is trying to explain that, yes, we don't want things that are out of scale for your community. Nobody wants that. That's not good. But at the same time there are benefits to having new neighbors, to having new people, to support the commercial corridors that you all want to -- I live near a commercial corridor and I don't want it to die. I don't even think it's as good as it could be. But it takes housing, it takes people to achieve that.

COUNCILMAN YOUNG: And I agree with that. But what in the H.O.M.E. plan talks about comprehensive planning for neighborhoods, for communities to understand that process? I mean, we're talking about 30,000 homes. Philly is a city of vastly different neighborhoods. Where are we doing the comprehensive planning with community members so we can get an understanding of what their needs are, what their issues are as we move forward to develop these neighborhoods?

COUNCILWOMAN BASS: Can I have a point of information?

COUNCIL PRESIDENT JOHNSON: Chair recognizes Councilwoman Bass.

COUNCILWOMAN BASS: I just wanted to say that the whole process, the whole point of the RCO process is to engage neighbors and to have them say what they want. People shouldn't have to have things in their neighborhood that they don't want. And so, I feel like this is sort of like going around them and saying, like you just said we know what's best for you, we know what's best for your commercial corridor, your corridor is going to die if we don't do X, Y, and Z. I just think it's a very slippery slope that we're on by trying to say to the RCO, the folks who do turn out, we know better for what your needs are.

MS. THURMAN: Certainly I don't understand how that was the takeaway because that is not what our process is. In fact, if that was our approach, there's no way we would have went and engaged RCOs. Rcos are a part of this plan.

They've been, one, briefed on what our thinking is. They've also informed and helped to shape and influence the thinking. So it's not like we're coming to them saying, this is the plan, deal with it. Not at all. We have our RCOs that have been on our Advisory Councils leading up that were part of our transition team, Advisory Councils that were engaged all throughout Phase 1, and even now we have members who are on our advisory team. So nothing about our approach says we're going to go to communities and say we know what's best for you.

In fact, we've gone on the record over and over again and also have demonstrated through our ongoing engagement in every community that the community is a part of this. There's no bringing them to the table at the last minute. That has never been our approach, but we can show that and demonstrate that through our actions.

I think what John was talking about is an alignment on things like definition. So going and saying, okay, you're saying you don't want this but what is it that you don't want, is it that you don't want development or a certain type of development. I think that's where that improvement can come in and that's where that opportunity is even for our team. So not just hearing I don't want

this, what is it about that thing
that you don't want. I think
that's where that clarity needs to
come in and that's why that
engagement is so important and
ongoing.

So we have, one, even
before -- we made sure of course
that we briefed Council first,
right, because we're always going
to do things decently and in order
making sure that you all understand
what the plan is. And then right
after subsequent to those
briefings, that's when we started
saying, okay, our RCOs, okay,
leaders, okay, community members,
we heard what you said, we heard
what you advised when we were in
transition, we heard what you
advised all throughout last year.
Here's what we believe is the end
product of that, right, here's
the -- not end product, here's the

proposal based on that, here's the initiative that we developed based on the feedback that we received from a broad array of constituency. Now, let's work together to implement it --

COUNCILWOMAN BASS: I hear --

COUNCIL PRESIDENT JOHNSON: Tiffany, can I just --

COUNCILWOMAN BASS: I was just going to say I hear everything that you're saying. But I still say if you are taking power away from the people, from the community who are making decisions, then that is problematic and that's what it sounds like to me. Any time we're saying that certain things are going to go around the RCO process, and correct me if I'm wrong, but it sounds as if things are moving around the RCO process which moves the community members out of the conversation. That is not what this is supposed to be.

I'm sorry, Mr. President.

MS. THURMAN: Yes. And we demonstrated through even the 1000-unit carve-out what that could look like where it's not going around, it's changing the order of. So it's that engagement with Council more upfront to ensure that we're more efficient and we're optimizing our processes. It's that engagement of the community upfront.

So what it is, is it's looking at our existing processes which is like 100 steps. And I think we show that through a document that we've made available to all members of Council and through this refine process, it's not carving out RCOs or community engagement. It's changing the order of. And that really was informed by what we're seeing happen in other cities. I don't know if Angela wants to add there.

MS. BROOKS: Well, one, I just want to go to Councilmember Young's original question. So semantics matter. And so, we acknowledge that the wording might have been confusing. In one of the updates and what you got today has corrected that. So I just wanted to put on the record that we have acknowledged that and that is not the intent.

I sat on my last Chicago zoning board meeting as a Commissioner in February. I've sat on the Seattle Planning Commission so I'm super sensitive to community engagement in that process, in that way as a person who serves. So that is certainly not something we're trying to circumvent.

But the way I just said semantics matter, so does visualization. And so, sometimes people see a land use sign and they assume somebody could be doing a triplex and they assume they're doing a 20-unit development. And so, what we're saying is we need to be working with communities, working with District Councilmembers, working with all of the processes to help educate in that way of what people are talking about.

And like Chief Thurman said, we are really working to find out what is it you don't want on the front end, because when we keep finding out things project-by-project, that's just not efficient way for us to work. That's not an efficient way to plan. And you're right, it has to be a comprehensive strategy and that's what we're working to get toward.

But certainly, I want to make sure we are all clear that that is certainly just a semantic thing. That is not what we want anyone to walk away from. This Administration really -- I mean, we have a budget town hall once or twice a week. We clearly have an Administration that likes public engagement. Since I've been here I've been to the community more than I have ever in my x number of year career.

So we are definitely an Administration that clearly believes in engagement and we would never circumvent that by any stretch. And so, how it works in other cities a lot of the times is there are community plans. And I'm not suggesting that's what we're doing, but that's what we've done. Those are the types of strategies that I'm sure DPD will be looking at and we're going to be looking to work with each of you on what you're doing in communities and proactively having those conversations.

And so, that's what we mean by that and being more proactive versus reactive, which is how the planning systems just across the country typically were set up to work. And they haven't been updated in my lifetime and certainly not my career, so that's what we're referring to.

COUNCIL PRESIDENT JOHNSON: Yeah. I would just make sure in terms of the proposal -- and I'm going to give the time back to Member Young with the correction -- and I know it's all about semantics because, yes, this Administration has been out in the community right from day one, right. And so, I give credit where credit is due in terms of engaging folks and being out in the community and giving people a chance to question.

And so, if that language has changed just for the record, and I read it early on, right, and I did pay attention to it just to make sure members have it just so it can be clarified and also, because this is such a robust initiative, right, to be quite frank in my mind in the event that members decide to do the pre-approval of units, probably the most important people more than the District Councilpeople are the community, because they will determine if you come back to this body or not, at least that's how I read it, and that's what we work for and it's not the other way around. And so, that would have to be key to any component, at least in my mind if anything would be pre approved in the 2nd in terms of how the members of my neighborhood and my constituency view this process and they feel embraced even more than myself. Because when I go home in my neighborhood where I grew up at, I will be the one who will have to address the issue. But I will say the Administration has been out and about. But in terms of the actual language though where folks will get, you know, how we will interpret it is how you present it.

MS. THURMAN: That's right.

COUNCIL PRESIDENT JOHNSON: Right, in plain language. And so, I want to divert the time back to Member Young and then we have to get ready for our break.

COUNCILMAN YOUNG: Thank

you. And just really quick just a comment. I mean, I just -- earlier it was mentioned how some investors will collude together in certain neighborhoods. So I think we really need to incentivize those same developers to collude together to comprehensively plan to develop those neighborhoods together because it's just a hodgepodge of development when they are purchasing, particularly their private land and things like that.

And so, we can come up with some funding to incentivize them to do more of a community development program, I think that it could be a win-win for everybody versus just saying that the opposition, the community opposes too many things.

As someone who has represented developers, a handful, has represented business owners, has represented community groups against developers, right, so it's just a lot of misunderstanding in that development world. But I really think that because the developers have in the community's mind, they have the strength, they have all the tools necessary.

We need to equip communities with those same tools to be on an equal footing with developers, but at the same time provide the developers with incentives again to be more community-oriented. So this is just a tidbit that I have.

So thank you, Mr. President.

MS. THURMAN: I really like that, Councilmember. I really do. And I'm thinking about ways that we can even improve that. I think a start to that was is our Advisory Council which we announced the day that the Mayor introduced Executive Order 3-25 earlier in the year.

If you look at who makes up that Advisory Council, it's exactly what you're talking about, grassroots, grasstops developers and aspiring developers, Black and Brown people that are representative that substantiates our commitment to DEI -- as you raised earlier, Councilmember Landau -- and of course making sure that whether it's supplier diversity or workforce development, that's all represented there.

But it doesn't mean that there's no room to do more. We can always do more and improve. And I think that's where the feedback from what Mayor Parker calls lived life experience is incredibly important to ensure that's encapsulated here in this plan as well.

MR. LAWRENCE: And just to add we, again if we're highlighting things in the plan that speak directly to this, we plan and we will continue empowering our Neighborhood Advisory Committees throughout the city. Our local level partners are important to us, not just on Advisory Councils that come downtown to City Hall, but those that are actually in the community as well. I mean, it just solidifies the fact that we place a lot of importance on our community partners in the public participation process.

COUNCILMAN YOUNG: Thank you.

COUNCIL PRESIDENT JOHNSON: Thank you.

Last question before we break, I just want to get an idea of how does the Administration see Council's role in this plan, right? Do we expect -- at least I would expect, but I wouldn't get an idea from you and the Administration, how do you see our role where you'll be coming back with statements, public statements for the public, just to show here's our progress? Here's the strides we're making, yearly progress reports, right, just to keep the public knowing what's going on, transparency, accountability. Where do you see Council's role in this, especially given the extent that you want to pre-authorize properties?

MS. THURMAN: Absolutely. It's that accountability piece but also working together, having that synergy, that collaboration. And so, as you were talking I was thinking about PhillyStat360 and how when we had our five-year plan Councilmember Bass asked about what those recommendations were and what we'll be doing with it. And I said then and we delivered on that promise of ensuring that it wasn't just a paperweight. It wasn't just a nice, beautifully designed plan that no one looked at, but only referenced maybe years later like we're doing the 2018 plan.

We wanted to make sure that it is a living, breathing document but also that it's actionable. So we took those recommendations from the City Departments, aligned with City Council made that public and now we're holding ourselves accountable.

That accountability also starts here as well, right. Councilmembers are also holding us in our department, me, the Mayor's Office and our departments accountable to what we're doing to remove barriers and streamlining projects.

COUNCIL PRESIDENT JOHNSON: Would you be comfortable with program statements coming before Council every so often being approved?

MS. THURMAN: Absolutely.

COUNCIL PRESIDENT JOHNSON: Okay.

MS. THURMAN: Absolutely. Yes, I think that's --

COUNCIL PRESIDENT JOHNSON: As a partnership --

MS. THURMAN: Yes.

COUNCIL PRESIDENT JOHNSON: -- but we have to also separate from the 360Stat. On our end we just have to be transparent for the record in terms of how we do business here representing our constituents.

MS. THURMAN:
Absolutely. Because those numbers on PhillyStat360 they're important, right. They show our transparency but it only tells part of the story, so I think that that accountability is absolutely necessary. So 100% when we talk about an administration that you can see, touch and feel, that's where that accountability comes in. So bring us back. We'll talk about what we've done with those 1000 units.

What I don't want, what I don't want, on my first day in 2016 one of the projects that were brought into my lap was there, was Simons. I see Dr. Phillips stepped out for a moment, but Simons and other rec centers when I was here serving as Chief of Staff of

Philadelphia Parks and Recreation. And I was astounded that when I returned to government under the Parker Administration that we were just doing a ribbon cutting there now eight-plus years later.

COUNCIL PRESIDENT JOHNSON: I think you're speaking to the sentiments of this body. And so, probably in Part 2, if we borrow, if we borrow $1 billion, $800 million, part of the question becomes, which members have been speaking about within our own meetings is, how do we spend this money --

MS. THURMAN: Absolutely.

COUNCIL PRESIDENT JOHNSON: -- in an appropriate amount of time in which to structure and how that money gets spent. I know we borrow a significant amount of money for

Rebuild. We didn't have that infrastructure to actually expedite those projects and they're still in the pipeline, and I'm sure you're aware. So there's no secret amongst us. The question is, the million dollar question is in the event that this borrowing does take place, can we do this type of ramp up? Do we have the infrastructure to actually spend down an appropriate amount of time this level of funding?

MS. THURMAN:
Absolutely. And we have learned from that process both what went well, right, and what didn't go well, where those bottlenecks were to ensuring that we are not repeating that. We can't afford to because of the housing crisis that we substantiated earlier.

And we do have that those numbers for you, Councilmember Landau, and we're happy to answer that when we go back through our next round. But when walking through there and seeing the walls falling down literally, right, as we were walking through --

COUNCIL PRESIDENT JOHNSON: Yeah. That's my District, yes.

MS. THURMAN: Absolutely when we were walking there with you and seeing how people had to be temporarily displaced, they were still doing programs in every room in that building although it was dangerous.

COUNCIL PRESIDENT JOHNSON: Yes, that's correct.

MS. THURMAN: It shouldn't have taken eight years then. What will not happen is H.O.M.E. Will not take eight years.

COUNCIL PRESIDENT

JOHNSON: Okay.

MS. THURMAN: That's why we're saying two to four years. Give us the money and we'll do it.

COUNCIL PRESIDENT JOHNSON: Okay. So when we come back we'd like to see what that structure looks like. I know PHD, a significant amount of funding is going to go through with that agency and get an idea of what that process looks like.

MS. THURMAN: Absolutely.

COUNCIL PRESIDENT JOHNSON: Thank you. At this time, we will reconvene at 2:30 p.m. Council will be at ease.

(Council at ease.)

COUNCIL PRESIDENT JOHNSON: So we will now resume our Committee of the Whole. I'm going to ask for Jesse, Tiffany and your team to please join us back at the table.

(Witnesses approached Witness table.)

COUNCIL PRESIDENT JOHNSON: So for FY26 you are projecting $134 million spend, and we know that with most major housing programs as well as some of the Rebuilds it's going to take some time to get the money out the door. And so, I just want to get an idea of what's the plan and then I have a follow-up question.

And I think it will probably be for Dave Thomas who's not here, but I'll wait. But I know from Basic Systems Repair we're talking about going to 100% AMI, which I know members were briefed on and had some concerns about. So I want to figure out how we can still protect those who are most vulnerable but also be supportive of that person who may miss the income deadline by maybe $100, $200, but still protecting the most vulnerable populations.

So the first part is with the 134 million in FY26, just getting an idea of how you plan to spend down the money? And then also Basic Systems Repair going to 100% AMI and how we can make sure we're safeguarding those who are on a lower scale AMI-wise?

MR. LAWRENCE: Just for clarification, Council President, are you asking about the FY26 DPD budget?

COUNCIL PRESIDENT JOHNSON: Yes -- I'm sorry. That's for the H.O.M.E. plan.

MR. LAWRENCE: Oh, for the H.O.M.E. plan. Okay. I'm going to defer to Rob about the budget.

COUNCIL PRESIDENT JOHNSON: Sure.

MR. DUBOW: So the overall assumption about spending is existing programs will be spent evenly over the year, over the next couple of years. And the new programs will start in July of 2026 and they'll be about kind of half of what the typical year spending will be. And then they'll ramp up. So within about a year or so they'll get to their normal pace of spending.

COUNCIL PRESIDENT JOHNSON: Okay. Thank you. And a question regarding Basic Systems Repair going to 100% AMI, I do want to say just for the record, I want to be clear because I know I've heard this from time to time, we're not pitting the haves versus the have-nots with the question, but also as an agent of government we just want to make sure that the most vulnerable population is also protected as it relates to Basic Systems Repair. And we also want to support our constituents who may be $100 or $200 over the criteria and that they are supported as well.

MR. LAWRENCE: So as indicated earlier, Council President, and just for the record I want to kind of give you maybe FY24 figures that would help determine or provide how many folks were actually served. Over 3000 households were served in FY25 with Basic Systems Repair.

As we're earmarking the number to be served in our H.O.M.E. bond, it's more than double that. 60% of AMI, as indicated earlier, that is something that is mandated by the additional funding sources outside of H.O.M.E. plan. So we definitely have to make sure that we dedicate funds to that particular AMI regardless because that is restrictive money that restricts how we put it out and where we provide that service to.

In essence adding on to this, we definitely want to concentrate on our 60% of AMI demographic there, but we are looking at it as the opportunity to expand because as you indicated and as I indicated earlier, there is a need beyond that 60% of AMI, right. We look at it as not necessarily that number that's reflecting what people have the availability to spend.

You can easily be above that AMI, that particular AMI level and have, you know, be house poor -- like, you don't have the ability to spend money on emergency repairs. Again, going back to what we have to spend on eggs and school supplies and everything else that was part of that opening, that is an important factor in understanding how disposable income is shrinking, right.

So we're definitely going to be very strategic about how we implement the use of those funds over that current limit right now, because we have data that reflects that there is a need --

COUNCIL PRESIDENT JOHNSON: Could you provide that data just for the record to say, hey, listen, based upon these programs we know that we've turned down this many individuals because they didn't meet the criteria? Do you have that data to provide that justifies the need to go to 100%?

MR. LAWRENCE: We can qualify that data for you in a written way to just pretty much --

COUNCIL PRESIDENT JOHNSON: Just please provide that to the City Chair.

MR. LAWRENCE: --

determine how many people and where people have been priced out. I think that is a good point --

COUNCIL PRESIDENT JOHNSON: Per program that will be funded.

MR. LAWRENCE: Absolutely.

COUNCIL PRESIDENT JOHNSON: And specifically with BSRP.

MR. LAWRENCE: We can provide that detail for you.

COUNCIL PRESIDENT JOHNSON: And that will be helpful. And I've dealt with that under AVI. I have a constituency who wanted to be a part of -- it wasn't Homestead because everybody got Homestead. It was LOOP --

MS. THURMAN: Yes.

COUNCIL PRESIDENT

JOHNSON: -- and also Senior Citizens Tax Freeze, right. And it might be a person who's an elder, who I was dealing with seniors because their pension was just a little high but at the same time they're still struggling just like everybody else. And so, just wanted to take a look at that.

MR. LAWRENCE: And if I can, Council President, I also want to qualify again what I stated earlier that 60% as a result of being attached to the Housing Trust Fund, right, CDBG also has the ability to go up to 80% as well. So there is another kind of echelon for additional affordability, additional income bands to be able to address here.

So again, we would stay within the parameters of what those existing funding sources are saying. And when we present that data to you about who has not been able to qualify as a result of the income levels, we can provide that information to you and make the determination or provide that information that says where people have been able to qualify at this particular AMI levels right now.

COUNCIL PRESIDENT JOHNSON: Cool.

MS. THURMAN: 10, 11 years ago when the Mayor of course was in Harrisburg, she was the chief champion for LOOP in ensuring that it not only impacted her constituencies but as the head of the Delegation citywide, so that citywide focus didn't just start today. But I appreciate you talking about the LOOP program and prioritizing seniors.

And that's actually the impetus for this approach here, ensuring that we're expanding our scope and scale to ensure that we're helping much more Philadelphians than we are currently. But we definitely can get you those numbers, not just of the people who are on the waitlist, but those who were turned down and priced out.

COUNCIL PRESIDENT JOHNSON: Yeah, that's the key, the ones who were turned down. Because if they're on the waitlist, that means they qualify. But if you're turned down, that means you don't qualify, correct?

MS. THURMAN: That's right.

COUNCIL PRESIDENT JOHNSON: Okay. Cool.

MS. THURMAN: I think also, you know, Jesse mentioned this earlier, through our One Front Door process, member or interested parties to all of these new benefits that are going to be expanded and those new, they will only have to complete one single application.

COUNCIL PRESIDENT JOHNSON: Yes. Streamlining it, yes.

MS. THURMAN: Exactly. And by streamlining that process, that will also help with our data tracking as well.

COUNCIL PRESIDENT JOHNSON: Awesome. The H.O.M.E. plan includes over 3 million to fund various research and analysis projects. One of those is for $150,000. So why would we borrow money for research projects when we can just take it out the General Fund? Why would we pay on a debt service for a research project?

MR. DUBOW: And as we talked about, the program has $1 billion in funding so we have the borrowings and then we have things like Housing Trust Fund money, some of the federal money. So one of the things we'll do as we implement the program is figure out the right funding streams for each of the expenditures.

COUNCIL PRESIDENT JOHNSON: I'm getting ready to turn it over to my members. I want to get an idea, right, I know we're talking about pre-approving lists, right, for development of properties. And for me, there's no investment in the Land Bank, which should be a critical part of this process, right.

If we're going to spend down this money immediately, and the key vehicle which is the Land Bank we are doing, we're waiting a whole year to do operational assessment. Now, this is the actual organization that should hit the ground running. So I would think that if anything we're going to invest in is make the Land Bank scale up and staff and the whole technical team, because if members do decide to say, I'm going to pre-approve a thousand parcels of land, then I would think in order for us to hit the ground running, they want to do this 30,000 preservation or building of units, in this case building before I guess before we run again which is 2027, that's the commitment, the Land Bank really don't have a whole year in my mind because they're a critical part of this plan or aren't they?

MS. THURMAN: No, they are a critical part of this plan. One of our approaches is around business process improvement. And using that model, we have to assess where's the best and highest use, right, so what that investment looks like. So we're doing that through an assessment. Not a year-long assessment with a bunch of people at the table and not really getting to any results. We have an RF --

MR. LAWRENCE: So we have an RFP out right now for a strategic plan, making sure that the Land Bank has some clear guidance on where it should be activating properties and where it should look to activate the properties as well.

MS. THURMAN: But that assessment is also looking at internally what that right structure is, right. And so, we're working with Angel. We have a number of significant vacancies --

COUNCIL PRESIDENT JOHNSON: Can I ask you a question?

MS. THURMAN:

Absolutely.

COUNCIL PRESIDENT JOHNSON: This gentleman used to run the RDA, right.

MS. THURMAN: Yes.

COUNCIL PRESIDENT JOHNSON: We need another assessment to figure out if the Land Bank is up to -- I don't want to say up to par, but what are we doing an assessment of when this gentleman worked for the Land Bank -- well, he ran the Redevelopment Authority which is essentially the same thing until he created the Land Bank and got rid of Vacant Property Review Committee, right.

An Angel, he's been around for a while. I know he know this process inside out. So I'm just trying to get an idea what is the outside assessment person going to come in to do to help us out?

MS. THURMAN: Well, it's interesting that you mentioned that because --

COUNCIL PRESIDENT JOHNSON: And why wouldn't Greg at least -- well, why wouldn't he be doing it since he created the whole plan?

MS. THURMAN: Well, we have processes in place internally where we can't just give a contract to --

COUNCIL PRESIDENT JOHNSON: Let me change it.

MS. THURMAN: Sure.

COUNCIL PRESIDENT JOHNSON: Let me change it --

MS. THURMAN: But why are we doing an assessment if they're here --

COUNCIL PRESIDENT JOHNSON: I'm just trying to understand. Let me change it. Why wouldn't that be a part of the scope of work already for the Greg Heller group to do as a part of bringing somebody else out?

I just think a whole year to do an assessment because it says a year, so you said we're not doing a whole lot, but it says operational assessment will take a year. So if it's going to take a year and we're trying to get the 30,000 units completed, well, we're already close to '27 when that year starts. So I'm just trying to get some clarity.

MS. THURMAN: That's a great question. We're working on parallel tracks. So we have -- I forget the number of vacancies. I know that you have that and I'll give you that exact number in a moment --

COUNCIL PRESIDENT JOHNSON: 17,000.

MS. THURMAN: No, no.

The vacancies in the Land Bank in terms of staffing. So we have open positions that we have to fill. That's part one. That's on track one. On track two we know that assessment needs to happen so that we can improve our processes. That doesn't preclude current, you know, folks that we do business with from bidding on that opportunity, but we are not just going to give that to them.

But they have -- you mentioned Greg, so I'll reference Greg Heller and Angel have substantiated that an assessment is needed. So based on their guidance, we're doing the assessment. But the assessment doesn't take away from our forward progress. What it's going to do is enhance it.

But Jesse comes from that department. Actually, his role that he left vacant by accepting the current role that he's in right now is a role that we're looking to fill, that we're working with our Chief Human Relations Officer to fill right now.

But in terms of the Land Bank assessment, I'll kick that over to Jesse to answer that question with more specificity.

COUNCIL PRESIDENT JOHNSON: And I'm just saying and I'm listening. The sense of urgency and how we have to spend this money because we're borrowing so much, I just don't personally think we have a year and I just think that the aggressiveness on getting someone -- because that's the key part that you're asking members to be supportive --

MS. THURMAN: Absolutely. But I want to be very clear --

COUNCIL PRESIDENT JOHNSON: -- of this process.

MS. THURMAN: -- the assessment doesn't mean that the work doesn't start until the assessment is done. What assessment is going to do is help to inform our approach. We're not going to wait until the end, until the full assessment is completed to make those improvements.

We're going to make them along the way. That's that iterative business process improvement model. But it doesn't mean that we're not going to do the assessment. The changes --

COUNCIL PRESIDENT JOHNSON: I got you.

MS. THURMAN: -- are going to happen along the way. And we've done that in other areas as well.

COUNCIL PRESIDENT JOHNSON: So possibly what could happen is in the process of let's say folks say, okay, we support the 100,000 units to get started, right. And what we start off with agreeing to may evolve or change based upon the outcome of the assessment because the assessment is coming in the middle of an actual agreement.

MS. THURMAN: It's going to improve it.

COUNCIL PRESIDENT JOHNSON: Okay. That's all. I just wanted to get some clarity on that. That's all.

MR. LAWRENCE: Again, I think it is -- I do think the strategic plan that is currently out is important. We plan to enter into an agreement on or around this spring with a third party to look at what the Land Bank needs to do to position itself appropriately to respond to the acquisition and disposition of land, right.

There was a hearing. There was a series of steps that were taken up until now to recognize that there's an issue navigating through the Land Bank at different points when it comes to the application process, understanding that a disposition policy that at this point was conceived over six years ago and enacted in 2020, could quite possibly not be something that is universally a fit for all the different types of applications here.

So we recognize that there are barriers in the application process. And to Tiffany's point, to Chief of Staff Thurman's point, we do not want to wait for an organizational assessment to --

COUNCIL PRESIDENT JOHNSON: I got you.

MR. LAWRENCE: -- dedicate our time and effort into thinking about that. But I do recognize where you --

COUNCIL PRESIDENT JOHNSON: I'm supporting the plan, but I'm just going to keep it a bean. I just feel as though because this is such a huge initiative, we're talking about $1 billion that we've ever seen in the history of our city, that we probably should have already been hitting the ground running with those staff and the assessments even before now, because we're on a time clock that we're trying to accomplish, that I support the Mayor in accomplishing when her term is over with. So that's just my perspective.

But, yes, we can walk and chew bubble gum at the same time. It's just very glaring when you see a budget based upon the Housing initiative and the organization that members are asking to give up some level of discretion when it comes to the pre-authorization of land. I would just think that some level of just in good faith, I got 10 new staff that's going to be already hired or at least in the budget to bring on. So by the time the summer comes, we just rocking and rolling.

MS. THURMAN: I'm going to be very transparent with you. There's an underlying assumption there that we were ready to do that last year. The government that we walked into was not ready to do that last year. We had to lay the foundation first. And so, that's what we've done over the last year, first 12 months.

COUNCIL PRESIDENT JOHNSON: Okay. I got you.

MS. THURMAN: Now, we're ready. But what we don't also want to do is do an assessment just like other plans and they just sit there and collect dust. We had to make sure that we were ready. We're ready now. We weren't ready then.

COUNCIL PRESIDENT JOHNSON: Okay. I was just trying to get some understanding --

MS. THURMAN: I appreciate that.

COUNCIL PRESIDENT JOHNSON: -- of the process. And it is glaring that it's not funded as a part of this initial process in a delay of a year.

MS. THURMAN: But also, just to be very clear on the record it's not going to take a year.

COUNCIL PRESIDENT

JOHNSON: Okay. All right. Cool. The Acquisition Fund for the Land Bank, is that only restricted to sheriff sales or private property as well?

MR. LAWRENCE: That would be giving the opportunity for the Land Bank to exercise some priority bid. The way it's written right now we look at it in a way where it does rely heavily on sheriff's sales.

COUNCIL PRESIDENT JOHNSON: On sheriff's sale. But will it have the ability to also go after private home development that may want to also turn over property to the City as it relates to the work that we're doing?

MR. LAWRENCE: We will allow for them to do that with this fund.

COUNCIL PRESIDENT JOHNSON: Okay. Cool.

MS. THURMAN: I think Greg wanted to add something.

MR. HELLER: No, that was where I was going there. We didn't put this in there specifically earmarked just for sheriff's sale.

COUNCIL PRESIDENT JOHNSON: Could you update it just for the record so members of Council could have it?

MR. LAWRENCE: You mean the document itself. We can make that change.

COUNCIL PRESIDENT JOHNSON: Yes, the expansion of the responsibilities.

MR. LAWRENCE: Any description we do indicate how plentiful vacant land is here and we can make that correction to understand that it's not just priority bid at sheriff's sale. It is for the opportunity to acquire vacant land outside of sheriff's sale.

COUNCIL PRESIDENT JOHNSON: Okay. Awesome.

MR. HELLER: And I just want to say we really appreciate that kind of feedback. If there are components of any of these programs that aren't clear or need clarification and there are pieces that are important, please let us know because we want to make sure that the descriptions really represent the reality and the priorities of all parties involved.

COUNCIL PRESIDENT JOHNSON: Absolutely. Thank you very much, Greg.

There's a significant investment in the Accelerator Fund, which I'm very supportive of making sure that Black and Brown developers have an opportunity to have a seat at the table because most of the time the usual suspects are building the City of Philadelphia.

Do we have any data thus far based upon the initial $10 million that was invested in the Accelerator Fund, the actual outcomes, how many developers actually utilized the program, how many units that were actually built to show the actual need to continue -- I definitely think there's a need to continue investing in it. But just in transparency, what have we accomplished with the $10 million investment thus far?

MR. LAWRENCE: Well, we're happy that that program is something that folks appreciate. It's a very valuable asset to the City of Philadelphia, and I see that David Langley is here to talk a little bit more about that data.

MR. LANGLEY: Thank you. And I welcome the opportunity to discuss it. Thank you, Council President Johnson. So Dave Langley. I'm the Executive Director of the Philadelphia Accelerator Fund. I have some of that data for you.

Of the $10 million that had been initially invested partly in the form of a forgivable loan at 0% interest from the PRA and $1 million in grant funding, that's a loan loss reserve that enabled us to leverage $15 million in private capital. So we now have six lenders in our syndicate, including five traditional depository institutions and one mortgage guarantor who invested $1 million dollars in us as well.

From that, we've committed or deployed a little over $11.5 million of that. We have credible pipeline for 20 million. So we have pipeline that we cannot fund given the resources that we currently have that we would like to.

The funds that I'm talking about in terms of the loans that have been committed or closed to date, that covers 178 units of housing. Of that, 146 are deed-restricted as affordable at an agreed-upon affordability level. And of the pipeline, we have another 14 transactions that have been approved at our board level but not yet closed. Those loans are almost entirely with two exceptions all Turn the Key Land Bank disposition deals, covering 82 units of Turn the Key housing affordable by, you know, as the deed restriction is written at 80% to 100% of AMI but with the Turn the Key buy-down effectively affordable at 50% to 60% of AMI or below depending on mortgage interest rates.

So we've got more than -- I don't want to say we've got more than we can handle, but we've got a lot. And all of this pipeline can be funded if we have the resources.

COUNCIL PRESIDENT JOHNSON: Can you quantify the number of developers that have taken advantage of the program?

MR. LANGLEY: Yes. Of those 24 transactions that I'm talking about either closed and deployed or committed, there's 24 developers, 22 of whom are Black- or Brown-owned businesses and then we have a couple nonprofits in the portfolio as well.

COUNCIL PRESIDENT JOHNSON: Okay. Awesome. I think, Jamie, how many did you have because you came and got 10 developer deals out of this, something like that?

COUNCILWOMAN GAUTHIER: Nine.

COUNCIL PRESIDENT JOHNSON: Nine?

COUNCILWOMAN GAUTHIER: And Mantua.

COUNCIL PRESIDENT JOHNSON: Okay. Last question before I turn it over, and I think it's an excellent program, but just always good for transparency to show the data the program is actually working and we're addressing equity in terms of who gets to develop, because a lot of times it's the usual suspects that are coming to our office, and the individuals who really don't have an opportunity to participate because of capital are always shut out. And so, I think this is a great, robust program as long we continue showing how the numbers are benefiting those most in need.

And the last part, I know we talked about the union component. At some point in time I know there will be an agreement. And obviously, Rob, we will want to see it in Council in terms of what that process looks like in terms of moving forward in terms of how we engage in that agreement in partnership with the various union bodies that are going to support this initiative.

MR. DUBOW: Yes, we understand that and definitely will involve Council.

COUNCIL PRESIDENT JOHNSON: Thank you very much.

The Chair recognizes the Chair of Housing Councilwoman Jamie Gauthier. Then Councilmember Kendra Brooks.

COUNCILWOMAN GAUTHIER:
Thank you, Council President.
Before I get into my questions, I want to quickly come back to the point of information around Basic Systems Repair. The spreadsheet shared this morning shows us that this proposal actually decreases funding for BSRP in FY26. The total figure is $25.5 million in FY26 compared to $32.5 million in FY25. This is for what is probably our most popular program that Dave Thomas said we have 7000 homeowners already waiting in line and we're proposing to probably more than double the number of eligible homeowners who can apply. So I just want to make sure that all of us hear that and that that's said on record.
COUNCILWOMAN BROOKS:
(Inaudible).
COUNCILWOMAN GAUTHIER:

8000. Thank you. Moving on to my questions. I have a similar concern about the Adaptive Modifications budget. We know that as of March Adaptive Mod had a 1700 person interest list and almost $14 million worth of repairs that haven't been initiated because it ran through its FY25 budget so quickly.

And so, I think if Mayor Parker and City Council want quick wins to keep people in the homes they own, I would argue that clearing the Adaptive Mod waitlist is probably the best investment we could possibly make in FY26. When it comes to ways to reduce displacement risk for vulnerable communities, preserving homeownership and increasing economic opportunity for our small contractor base, it doesn't get much easier than this. So can this budget be increased to reflect that in your revised plan?

And next, I love that there's funding in here for acquiring occupied multi-family housing because that continues a pilot that I helped start with an acquisition RFP from back in 2023. But $5 million across four years is such a small dollar amount that it can render this investment almost meaningless. We know from our previous RFP that we need at least 50,000 per unit to meaningfully extend affordability, sometimes a lot more than 50,000 per unit.

So as proposed, this only gets us a couple dozen units per year at the most. This piece does not feel entirely thought through. And so, I wanted to ask what you all think about that? And if we can put more of an investment, something like $20 million per year in a way that would actually move the needle. Can you give us your thoughts on that as well?

MR. LAWRENCE: So first, I'd like to back up and recognize that the funding for Basic Systems Repair the number that is represented on that spreadsheet doesn't include the NPI contribution to that. So that number that's dedicated to BSRP is actually higher last year. And again, understanding that there's a chance --

COUNCILWOMAN GAUTHIER: Last year it was higher?

MR. LAWRENCE: It was -- in FY25 it was higher.

COUNCILWOMAN GAUTHIER: But in FY --

MR. LAWRENCE: Well, it's higher this year with the contribution of H.O.M.E. funds than it was last year. I mean, I think you're quantifying the number that was dedicated in FY25, and that number should also include NPI as well.

COUNCILWOMAN GAUTHIER: Can you clarify that for the record and give us those comparisons?

MS. THURMAN: Yes, we'll give you the breakdown. But I do know that we did not cut funding to BSRP. We'll give you the breakdown. We can definitely do that. Your next question was around Adaptive Modification Program looking to invest additional funds there.

MR. LAWRENCE: We're definitely open to having that conversation about what that number looks like. And I think just to give you a sense of where the Adaptive Modification, that was $7 million invested last year and that yielded 382 homes. So we're looking to make sure that we are expanding that. We're making sure that that number increases based on current investment and proposed investment in this, in the H.O.M.E. plan.

COUNCILWOMAN GAUTHIER: My point is that even with the spending from last year we have a 1400-person interest list. We have a substantial amount of outstanding work. And so, it just goes back to the way that we're divvying up this money. And instead of making sort of major investments in programs that are really popular and that really work in a way that can get even more of an impact, we're spreading it out very thinly. So the question was to explain the rationale for that and to perhaps consider a different way of appropriating this money?

MR. HELLER: Yeah.

Okay. Councilmember, I have the numbers right here thanks to Allie pulling it really quickly. So for Fiscal Year '26 it would be 9 million in proposed H.O.M.E. bond funding; 13,906,000 in CDBG; 551,000 in Housing Trust Fund and 16 million in NPI, which brings it to a total of 35,457,000 for BSRP in Fiscal Year '26.

COUNCILWOMAN GAUTHIER: And what is the total number for FY25?

MR. HELLER: The total number of what?

MS. THURMAN: She's asking --

COUNCILWOMAN GAUTHIER: You gave me the FY26 number. Can you give me the total number for FY25?

MS. THURMAN: The spreadsheet that we have here doesn't have that, but we will get that to you. Absolutely. We will do that before we leave here.

COUNCILWOMAN GAUTHIER: I think the point is if we have 8000 people on the waitlist, if we're expanding AMI in a way that probably doubles the interest in the program, then the investment in the program needs to consider that or should consider that.

MR. HELLER: Yes, I think we agree. The challenge is that this is the case for a number of programs that are highly used and there's a lot of need for and there's limited funding. So I --

COUNCILWOMAN GAUTHIER: Well, 800 million can be a lot. It depends on how we divide it.

MR. HELLER: Yeah. I mean, I think we all agree that there is more need than there's funding available.

MS. THURMAN: I think we

also agreed before we went on break earlier that should Council come back with additional funds, we won't say no. We will be very grateful.

COUNCILWOMAN GAUTHIER: Somehow I doubt that will be on the table.

But thank you, Madam Chair.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. Thank you so much to our Chair of Housing --

MS. THURMAN: I'm so sorry, Majority Leader. We do have the FY25 number that we promised to get to Councilmember Gauthier. May we state that for the record?

COUNCILWOMAN GILMORE RICHARDSON: Sure. Please state that for the record and then I'll make a very quick announcement.

MS. THURMAN: Thank you very much.

MR. HELLER: FY25 is 32,457,000.

COUNCILWOMAN GAUTHIER: Thank you.

MS. THURMAN: Thank you very much.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. Thank you all very much. And thank you to our Chair of Housing Councilmember Gauthier.

Colleagues, as of this time we have seven members in the queue. We have a Committee on Appropriations hearing slated to begin at 4:00 p.m. I'm respectfully requesting that we all keep our questions to two minutes so that you can get all your questions on the record for a very quick and expeditious response. Thank you all so very much for the accommodation.

The Chair now recognizes

Councilmember Brooks.

COUNCILWOMAN. BROOKS:
Thank you so more so much, Councilmember.

I have a bunch of questions so I'll put them in writing and request them, but I have one I have to put on the record because it came directly from my Constituent Services Director around programming. It's about Built to Last.

She said there are approximately 2000 people on the current waiting list. Will they be serviced before they reopen the application process? How many homes have been completed as of today? How many homeowners have complaints with contractors work? And will Built to Last receive sustained year-to-year funding through the H.O.M.E. Initiative? If not, why not? And will the

Mayor's Office commit to finding some other source of sustaining the funding for Built to Last?

MR. LAWRENCE: So I think we can get back to you in writing on --

MS. THURMAN: We do have Emily Schapira here from the Energy Authority to answer that question.

COUNCILWOMAN GILMORE RICHARDSON: And, Councilmember, do you have any additional questions you'd like to get on the record while we're waiting for Emily?

COUNCILWOMAN BROOKS: The other one is about -- and I've asked this in before, but we saw New Orleans basically sweep away every person experiencing homelessness into a warehouse during the Super Bowl. Will you commit to refusing to warehouse people experiencing homelessness in the upcoming 2026 celebrations?

MS. THURMAN: We will answer the 2026 question regarding homelessness. As soon as Emily Schapiro answers the question, we'll call up to Cheryl Hill. Thank you, ma'am.

MS. SCHAPIRA: Hi. Emily Schapira, CEO at the Philadelphia Energy Authority. Hey, everybody. Councilmember, we're not aware of any funding through this program for Built to Last, but we hope to talk to folks over time to figure that out.

Right now we have completed about 237 homes. We have 430 homes in progress right now. So all of the funding that we've received from all sources, from City budget, from Whole Home Repair, from philanthropy and our own program revenue is all committed at this time. So we have no additional funding to take any of those 2800 homes off the waitlist.

COUNCILWOMAN BROOKS:
Thank you so much. And what about contractors? Do you have a way to kind of figure out contractors that did not live up to the responsibilities around this program? And are people being made whole or are we eliminating from the service pool or up training?

MS. SCHAPIRA:
Absolutely. We've had a handful of complaints around contractor issues. They have 100% been resolved and every customer is made whole, so we don't leave anybody without work done. And if that means we have to bring another contractor, we do that.

COUNCILWOMAN. BROOKS:
Thank you so much.

MS. THURMAN: So the question is are we sweeping away or hiding people that are houseless in preparation for 2026. And the answer is very simple, no, we are not. But we have our Director of OHS that is here to answer that question more comprehensively.

MS. HILL: Thank you, although I think your answer was very clear. We do not and will not hide anyone who is experiencing homelessness because they are all Philadelphians as well. What we are working on is making sure that our shelters have dignity, are clean, safe and sanitary for everyone who needs to use them and we will continue to do that.

We're also working in partnership with various departments in the city of Atlanta to make sure that we have services and wraparound services and other housing support as well as some of the wellness ecosystem, we're just making sure that we also have those --

COUNCILWOMAN BROOKS: And can you explain --

MS. HILL: We're Philadelphia. Sorry. I came from Atlanta, you know.

COUNCILWOMAN BROOKS: I got you. I followed where you were going with that. Can you specify where the money from homelessness prevention will go? The money just allocated, where exactly is it going?

MS. HILL: Sure. So homeless prevention is about making sure that people do not experience homelessness. So in some cases, we're using it to help people pay back rent. We may help with security deposits or we also do some diversion to make sure that they are able to stay housed with family members. We also will sometimes if they're not Philadelphians make sure that they get to where they need to go through the Stranded Traveler program.

COUNCILWOMAN BROOKS: Thank you so much.

MS. HILL: Absolutely.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. Thank you very much, Councilmember Brooks.

The Chair now recognizes Councilmember Phillips.

COUNCILMAN PHILLIPS: Thank you so much, Chairwoman.

I just have a couple questions that could be really helpful for residents who are interested in the Turn the Key program. How do you plan to market the Turn the Key program to moderate income residents, just residents in general in this budget process -- I mean, in this H.O.M.E.

Initiative? A lot of people are interested in it. How do you find ways to get the word out to the people that you're trying to target?

MR. LAWRENCE: Well, I mean right now again it being an existing program, there is already marketing mechanisms in place. I believe there's an open house this weekend, but I'd like to call up Angel Rodriguez to talk about their existing strategy around marketing and what they're looking to do on the horizon.

COUNCILMAN PHILLIPS: Great. And as he comes up I just want to ask you, Jesse, if you could explain, a lot of this work is going to be upgrades to the housing initiatives that we're doing in the city.

Can you provide -- and it's important for efficiency and accessibility. Can you provide how much of the budget will be allocated to technology upgrades within the Department of Planning and Development, particularly to help with application processing, data-sharing and service delivery across housing? Those are my only two questions.

MR. LAWRENCE: Sure. So I'll let Angel answer his question first. And then I'll pull up this information that you need.

COUNCILMAN PHILLIPS: Thanks, Jesse.

MR. RODRIGUEZ Good afternoon, Councilman. Angel Rodriguez, PHDC Land Bank. We utilize a high touch and low touch marketing process. High touch being we have a team of outreach personnel that go out weekly, go to local churches, faith-based groups, community centers and then host meetings with actual developers, bankers and community members just to explain the Turn the Key program.

Then the low touch would be media buys. We're on SEPTA. We use radio like WURD Radio and other radio stations. We do print ads. We do typically find community partners, depending on where we are targeting to do our outreach. And we also partner with a lot of our developers and local nonprofits and housing counseling agencies to put out flyers and make sure that it's getting out through a whole network throughout the city.

COUNCILMAN PHILLIPS: Thank you. And, Jesse?

MR. LAWRENCE: We are committing $1 million to operational and programmatic efficiency assessment. Within that, we will be looking at how we can improve programs within our systems -- not programs, the systems within our particular departments to figure out the best way to stand this --

COUNCILMAN PHILLIPS: One stop application process, right?

MS. THURMAN: Yeah. And so, we are also working, to Jesse's point, very closely with our IT department led by Melissa Scott Walker. We have some of those capabilities already inhouse to begin to have that application, that One Front Door application already. And so, some of that is already built into the FY26 budget.

MR. LAWRENCE: And a lot of that has been identified through our executive order process, which that report does specify where there might be a need for some system upgrades or reformation around the process of developing.

COUNCILMAN PHILLIPS:
Thank you. I just want to say that's great to hear because I know the first thing residents are going to find out how do I apply for all these programs, it's too many, can I just do one spot, so that's really good. And I'm willing to help you all with the marketing. I can give you a list of agencies that are serving our neighborhood that could probably you could send information to for Turn the Key and hopefully they can get the word out too.

MR. RODRIGUEZ Thank you. I would ask any Councilmembers, we're trying to build a calendar out of where we should be reaching out. We've been in the 8th District. We're going to be in the 2nd District this weekend. We've been in the 3rd

District. So if you have any ideas or places where we can go, where we can actually do the outreach for people that are interested in Turn the Key, we will definitely send our team out there.

COUNCILMAN PHILLIPS: Thank you, Majority Leader.

COUNCILWOMAN GILMORE RICHARDSON: Thank you very much, Councilmember Phillips.

The Chair now recognizes Councilmember Harrity.

COUNCILMAN HARRITY: Thank you, Leader.

Thank you all for being here all morning. I know it's been a long morning. Just real quick, this should be it. How many full-time jobs do we estimate the H.O.M.E. Initiative will create?

MR. LAWRENCE: So we're estimating 41,500 full-time jobs. And I'd like to call up Emily

Persico, our Deputy Director for Development Services to talk about the quantification effort around that. Emily.

And what Emily will get into the detail about is how we came to that number, specifically around looking at our own kind of track record of projects coming out of public sector.

COUNCILMAN HARRITY: Thank you.

MS. PERSICO: Good afternoon. Emily Persico, Deputy Director of Development Services, Department of Planning and Development. How we quantified is that we looked at a combination of LIHTC projects which track the hourly time spent by construction workers. So we looked at that for both new construction and also for preservation projects. And then we basically extract extrapolated that.

And then we also looked at a study done by the National Association of Home Builders, which quantified -- it was basically like an economic impact study of local areas of construction. And we were able to quantify that for single family housing, up to four family housing. And then we basically applied that to the numbers that were predicted that basically the money would be spending out on for home building.

COUNCILMAN HARRITY: Okay. The 41k in jobs, what does that look like? Are they union jobs? Can you describe some of the positions we're going to have? Are they new jobs? Are they existing jobs that we're just planning on -- do you get what I'm saying?

MR. LAWRENCE: We looked at it in the sense of job creation, numbers of jobs generated as a result of the goals that we've set out. So they very well could be the union jobs. But I mean, again that number was quantified based off job creation as a result of our target goals for development.

MS. THURMAN: We can get back to you on that because --

MR. LAWRENCE: We can get back to you to figure out -- I mean, not to figure out, but to confirm what that breakdown would be with the details that you're asking for.

COUNCILMAN HARRITY: Yeah, just to be curious, you know, for us guys in the trades this is big for us. I mean, trying to make sure that it's nice that we're building houses, but we also have people working so that we can put them into those houses, but I think it all kind of goes together.

MR. LAWRENCE: I mean, there's some preliminary thoughts we can already confirm. Like their LIHTC jobs, LIHTC projects that will require prevailing wage. So there will be prevailing wage components to those types of jobs. But we can get that breakdown for you. And this number that we're talking about, we've ran that by the trades community here in Philadelphia.

COUNCILMAN HARRITY: I sure have. My boss is back there somewhere.

MR. LAWRENCE: Yeah, we've done our due diligence. I want to recognize that.

COUNCILMAN HARRITY: Appreciate that. All right. And then the only other thing real quick is the new housing initiative expands eligibility for 60% to 100% of the Area's Medium Income. How many additional Philadelphians now expected to qualify for these homes? And what will the application process look like, particularly regarding credit score and stuff like that?

MR. LAWRENCE: I mean, I think we take a page from our own book about how we review applications like that, understanding that there might be some circumstances around the credit worthiness and just things that affect our constituency.

We've taken those steps in relaxing certain requirements around other application, programs for applications. So, we recognize this is something that's a variable that we need to bake in. And your other question was?

COUNCILMAN HARRITY: Well, it was in regard with the credit checks and stuff like that.

That's what I'm just -- I'm just worried about people getting approved. I've been through the process and I know how it is and --

MR. LAWRENCE: To the tune of what we commit to providing in more detail, we can definitely get the numbers on the current waitlist and not just the current waitlist, but folks that have been denied. And that'll help us quantify or continue to quantify how many more people this is going to provide the government.

COUNCILMAN HARRITY: I mean, we're the government. I believe that we can set the credit score --

MS. THURMAN: Yeah, that's based on census tract data --

COUNCILMAN HARRITY: -- ourselves and make it so people can actually get into these homes.

That's all.

MR. HELLER: Yeah. We'll get that shortly. That's easy to run just based on census data so we can estimate eligible households.

COUNCILMAN HARRITY: Yeah, just you know what I'm saying. We're the government. We don't need to make money. We also don't really, you know, the thing is to get people in housing. So the easier we can make that process and that credit score means a lot. Anybody that's going through the process knows. So thank you though.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. Thank you very much, Councilmember Harrity.

The Chair now recognizes Councilmember O'Rourke.

COUNCILMAN O'ROURKE: Thank you, Madam Chair.

I also had a clarifying question as relates to the Basic Systems Repair Program and Built to Last. It's kind of been addressed several different times. I'm honestly a little bit more confused now on the back end than I was before. So I'll let that one rock and we'll see what we get.

But I do have a question that I want to clarify around funding for proactive inspections that I think Mr. Dubow came up to answer at the beginning, especially considering that Ms. Brooks underscored that this plan is proactive, not reactive just before the break.

I understand that there is a very small increase in funding for L&I, but that doesn't answer the question when what I really mean by my question of why we aren't investing a significant amount of this H.O.M.E. budget into preventing our homes from falling into conditions that need repair.

We could spend less than 10 million annually to hire 110 inspection inspectors to see in Harrity's emphasis, good family-sustaining union jobs that would proactively keep homes in good condition. Why aren't we doing this?

MR. HELLER: The staff positions that the City is taking on are not included in this H.O.M.E. plan budget. They're not being funded out of bond funds at all.

MS. THURMAN: And I know that we also addressed that earlier. But in terms of L&I staffing, as you saw through the H.O.M.E. Executive Order response that we've made public, whether it was L&I Quality of Life -- both sides of the house of L&I. They were at the table doing the assessment, looking at what are the barriers, what are the red tapes, what do we need to be successful. And so, in our budget that we proffered even with our FY26 proposal is reflective of that.

COUNCILMAN O'ROURKE: Thank you, Madam Chair.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. Thank you very much, Councilmember O'Rourke.

The Chair now recognizes Councilmember Landau.

COUNCILWOMAN LANDAU: Thank you, Madam Chair.

Thank you all still for being here. Appreciate you. I want to ask about the expansion of the Shallow Rent program. The Shallow Rent program provides an additional subsidy of up to $500 per month to cost-burdened low-income tenants and affordable housing units to cover the shallow gap between the 30% of their monthly income and the cost of housing. The subsidy goes to affordable housing providers to reduce the tenant portion of rent.

My understanding is that the Shallow Rent program serves 300 households per month, and 80% of Shallow Rent participant households rent low-income tax credit units, and most units that are rented are affordable at 50% of AMI. So I'm glad to see there's additional funding for the Shallow Rent program through this initiative.

And can you share how you arrived at the amount of $8 million in additional funding? How many new households do you anticipate will participate in the program with that additional funding? And can you share how many eligible households that will cover? And essentially what I'm really asking is, what is the overall number of cost-burdened affordable housing renters that exist in Philadelphia? And will the $8 million in new funding fully close the gap?

MR. LAWRENCE: So I'd like to start off by recognizing that the tenant-based Shallow Rent program that you're asking about proposes to serve 1000 households in this particular bond funding effort. I will defer to Mark Dodds to talk a little bit more about what that number has looked like historically in usage to put it in more context for you.

MR. DODDS: Yeah, thank you for the question. We did conduct a study inhouse in collaboration with PHDC that helped us to arrive at a figure. You're right, this isn't going to erase the total need that exists there for our low-income populations in the Low-Income Housing Tax Credit units. That population allowed us to kind of get a number that we could wrap our heads around, that we could think about increasing.

So right now our Shallow Rent program is funded with 2.69 I believe million in Housing Trust Fund money. This proposes to -- it almost doubles what goes towards the program. And it's not going to get us all the way there, you're right. But it is going to make a sizable dent. It is going to build on an existing successful program. And we have an RFP out right now so we are looking for applicants to respond to that.

And one of the things I'll note too is that the program has been historically undersubscribed. So what we want to do when we award new applicants through this RFP process is to increase the number of people, because we're not currently serving everyone we could quite frankly, and we've noticed some gaps in the program that will allow us to maximize the funding under the H.O.M.E. bond.

COUNCILWOMAN LANDAU:

But we've already established we have a tremendous need in the city to help our lowest-income Philadelphians TO attain housing. But this plan expands their Shallow Rent program to units that are affordable above 80% of AMI. So I'm just curious -- I didn't get the actual figures that I wanted here. But in essence, we have a significant -- we have a housing crisis for our lowest-income folks in Philadelphia.

We have a great program that will fill the gap so that they can actually get into tax credit-subsidized places. I'm sure we need to do more work on that. We will all roll up our sleeves and do more work on that to make that happen. But I don't think the answer is to expand it up to 80% of AMI for folks who could actually have many more choices of where they can live.

MS. THURMAN: And I think that's one of the assumptions that we are working to prove that's actually not true, because you can't just look at AMI in an isolated vacuum. We may be making the same -- let's say myself and my colleague Greg have the same earnings. But beyond our income, I may have more cost burden because I have more people outside of the traditional dependence relying on me for to meet their basic needs, right. So we are looking, yes, at AMI, that's important, but that's one of several, many different factors.

And so, I think it's just what we're doing is saying AMI is an important factor but there are factors beyond that. But to that end, I'll kick it over to Greg.

MR. HELLER: No, again I think we all agree that the existing Shallow Rent program is a great program. I was honored to be involved in launching it and we're pleased to be putting more resources into it. Again, it will be great with all of these programs to have the funding to 100% address all of the need, you know, across everything from the BSRP to AMP to Shallow Rent.

The goal though, which

has actually been a goal for a long time, was to expand the program into a portable voucher that tenants could use outside of Low-Income Housing Tax Credit projects. So I do want to set the record straight on what the new program is, is that it's creating a voucher that's outside of LIHTC project. And the idea is, yes, to expand the income eligibility so it can include essential workers like City workers, teachers, nurses and others to be able to afford a quality property.

The funding that we put in for the expanded Shallow Rent would provide for about 550 tenant-based vouchers to allow access for either low-income households or middle-income households to access apartments.

COUNCILWOMAN LANDAU: I hear you. I need to ask one more kind of companion question to show where I think the need needs to be. I wanted to talk about the PHL Housing Plus program. It's really an innovative project. It's been on NPR. HUD has talked about our program. It's so great. It's a pilot program that I believe is ending soon.

Do we plan to continue the program? If not, what's happening to the households and the pilot? Is it just ending? If so, can they receive support going forward so families who have been receiving a cash transfer that helps them pay their rent aren't left with nothing after a program we used to invest in just ends?

Again, we've gotten a lot of press about this throughout the country and all of a sudden this is something we know works. We're giving cash to folks to help them pay their rent. It's ending. I believe we don't have an answer for it. There is an entire category of folks who I believe are going to be left out of this plan.

I am all for $800 million investment housing. I cannot wait for this. I want to be a part of this transformational change that we're doing in Philadelphia, but I think we're making a mistake at the bottom and we have to put the focus on it now.

MS. THURMAN: We have made the case that we're not leaving out the bottom while also thinking about teachers and firefighters and nurses and municipal workers. We'll continue to demonstrate that and answer the questions that you have, but it's really important that I dispel that notion that by focusing or expanding the focus, that we're forgetting about those who are considered the least of these. That is not the case. That is not the case. Just because someone is low income and we're expanding or increasing the AMI doesn't mean that we're not prioritizing someone that is low income anymore.

What we're saying is that we can expand the prioritization and we attempt to do that. And I believe that it is a very sound proposal through this proposal. But I'll kick it over to Greg -- I'm sorry, Dave.

MR. THOMAS: Please forgive me because I just walked back in from a board meeting. So if you could tell me exactly your question, so I can --

COUNCILWOMAN LANDAU: The question was about the PHL Housing Plus program. I believe it's ending --

MR. THOMAS: It is.

COUNCILWOMAN LANDAU: -- and what's the plan? It's a pilot program that has gotten great success around the country in great press. Philadelphia is on the map for it. It's ending. What's the plan? And what are we going to do with these families who have been receiving cash to help them stay in their houses?

MR. THOMAS: Well, that's a good question. I've been working with some of the philanthropic folks that have funded that program to try to extend that deadline beyond June. We're certainly not just going to leave the families with no support. We're actually working with a couple of the partners, PHA included, because those individuals actually are on the waiting list for Section 8. That's how we identify people for that program.

So those folks hopefully -- in some cases throughout that study I want to say about 20% of the folks received vouchers during the study so they were dropped out of the program during that period. And so, we're working with our housing providers to see whether or not we can find a way in which we can get them steady, stable housing.

COUNCILWOMAN LANDAU: Okay. We'll follow up on that one. Thank you very much.

MR. THOMAS: Yes, mm-hmm.

COUNCILWOMAN GILMORE RICHARDSON: Thank you. Thank you very much, Councilmember Landau.

The Chair now recognizes Councilmember Young.

COUNCILMAN YOUNG: Thank you, Madam Chair.

Just a couple quick questions. There's a lot of information to hear about, education and things like that to keep property owners informed. But is there any programs to help out the home seller, right? Because earlier in the conversation there was talk about how folks get their predatory calls and we want to allow folks the opportunity to get all the equity that's in their property.

Does the H.O.M.E. Initiative include any programs to help property owners in these gentrifying neighborhoods to maintain their or educate them on the equity in their properties?

MR. LAWRENCE: So the one program that does speak to that is the Home Appraisal Bias looking into that, and we have that housed in DPD right now --

COUNCILMAN YOUNG: So I think that's appraisals with appraisals and bias in that particular industry. I'm talking about is there a specific program to help the actual homeowner understand their own equity in their own property?

MR. LAWRENCE: You mean outside of the home appraisal bias --

COUNCILMAN YOUNG: Outside of that, yes.

MR. LAWRENCE: I'd like to call up Kathleen Grady who can talk to how that program that we do house around Home Appraisal Bias does speak to other elements outside. Actually --

MS. THURMAN: We're going to call up Andy --

MR. LAWRENCE: -- I'm going to actually call up our new Director of Home Appraisal Bias

Andy Toy.

(Witness approached Witness table.)

MR. TOY: Hi. Andy Toy here. And your question is? I'm sorry.

COUNCILMAN YOUNG: So essentially, what in this H.O.M.E. Initiative is geared toward property owners to educate them on their equity in their properties in some of these gentrifying neighborhoods or not gentrifying neighborhoods, just the neighborhoods throughout the city?

MS. THURMAN: Okay. I understand that. One, we talked about this earlier. Housing counseling is very important so working with agencies that we already have the relationships with, that's where they will get that education around equity and how to utilize that if they're

looking to sell a home. So that's
the first part of that question.
And we know that there are
organizations that we've worked
with. Councilmember mentioned
Esperanza earlier. Clarifi's
another organization that we've had
a longstanding relationship with
through Financial Empowerment and
CEO that does that work as well.
But that Home Appraisal Bias is
also really important. And if we
can just really quickly, because I
know Councilmember Majority Leader
asked us to be succinct, so I'll
Andy Toy to come up to talk briefly
about that.

MR. TOY: Sure. And
just to follow up on that, there is
funding in the H.O.M.E. program in
the budget for outreach and
education. So part of that will be
towards the homeowners. Part of
that's towards the other industries

that are involved, the appraisers and the bankers and even the City employees that are involved in the process.

And we just had a meeting this morning -- Day 17 by the way for me. We just had a meeting this morning about how we do that, how we can better do that outreach and the materials that we have to put out there. So we're at the beginning of it -- we're in the middle of it I should say, but we are working towards that goal.

COUNCILMAN YOUNG: Thank you. And one final question about the pre-authorized disposition. How does one get on that list and Will that list be rolling?

MR. LAWRENCE: It will definitely be a rolling list. And we'd like to talk much more closely with Council about how additions are made to that list on a very consistent basis. And we'll talk about the time frame around making additions and deletions from that list as well.

COUNCILMAN YOUNG: Thank you. Thank you, Mr. President.

COUNCIL PRESIDENT JOHNSON: Thank you, Member Young.

The Chair recognizes Councilmember Gauthier.

COUNCILWOMAN GAUTHIER: Thank you. I wanted to ask that you get us clear budget numbers for housing counseling services for FY26 compared to FY25. We've heard multiple references today about their importance to the success of this initiative, but it's really hard to tell based on the spreadsheets that we have how much money is specifically slated for housing counseling agencies in FY26.

MS. THURMAN:

Absolutely.

COUNCILWOMAN GAUTHIER:

I want to get all my questions on. Next, can you tell us how much of NPI's allocation for Turn the Key has not been spent yet? I asked because from what I can see it looks like Turn the Key is the only housing production program that the H.O.M.E. plan proposes to increase.

But if we still have NPI money left over for Turn the Key that hasn't been used yet I wonder if the allocation for Turn the Key, as much as I love it, needs to be 100 million across four years in order to maintain its success. Also, if we are going to expand Turn the Key funding, is this an opportunity to make our terms a little less rigid so that we can perhaps partner with nonprofits such as Habitat for Humanity or explore other creative housing typologies that we haven't been able to get to so far such as owner-occupied duplexes?

MR. DODDS: So good afternoon. I can take the first one on housing counseling. It's been discussed multiple times throughout the day. It's very clear how important this is for the residents of our city. I believe we operate somewhere around 24 housing counseling agencies to all parts of the city predominantly located in low- and moderate-income areas, but there's definitely a good distribution.

Currently we've -- it's about 10 million that is funded through housing counseling through various initiatives that support various programs. But all total, we're in for about 10 million in FY25. In FY26 we intend to add somewhere around 2.8 million. A lot of this will go to help alleviate the money that's going away, the CDBG CV money that we had during the pandemic that was supporting counseling operations and other related operations to prop up eviction diversion and related programs. So in FY26 I think we're closer to 13 million.

COUNCILWOMAN GAUTHIER: So we're increasing the budget for housing counseling by about 3 million?

MR. DODDS: That is correct, yes.

COUNCILWOMAN GAUTHIER: Thank you. And then can you speak to the Turn the Key amount? This is a wonderful program but I think it amounts to about 10% of the total H.O.M.E. budget. Can you talk about how much we have left for Turn the Key? And if it needs to take up such a substantial amount of the H.O.M.E. budget being that we're in here going back and forth about other programs that also need funding?

MR. RODRIGUEZ Angel Rodriguez, PHDC. Can you clarify the last part of your question, why does it have to be -- I didn't --

COUNCILWOMAN GAUTHIER: It's I think the only housing production program slated to increase through H.O.M.E. I think we have it in the budget for 100 million across four years. But I also believe that we have money through NPI that we haven't spent yet. So when we consider the money that we still have, does it have to take up as substantial an amount of the budget, particularly when we're talking about all sorts of programs where there's a high level of demand, where we're drastically expanding AMI and where we don't have enough resources?

MR. RODRIGUEZ Okay. So currently Turn the Key has an allocation of $42 million for the mortgages. We've expended 14.1 million. I will tell you that the 42 million will not cover the approved 102 properties that were approved. So to give you an idea, just to reach the 802 properties that have been approved through the process, we have 400 under construction, but we have another 400 that have to start, get through entitlements, we would need an additional 18 million just to get to the 802 number that we have right now.

So if we were going to hit the original goal of 1000, we would need an additional $33 million. Now, I know that we only have a small balance on NPI, and there are very I think valid competing interests and I think that's why we were talking about that, and also there's an issue with NPI that you have to be aware that you have to build that pipeline and maintain the pipeline of development, because between the approval phase and then getting your permitting phase, getting to settlement, factually we started in '22, we got contracts done and shovels in the ground in '23 and then we started seeing a lot more production and sales in '24, so we need to maintain that lead time. So I think that's why we have that kind of allocation and that transition.

COUNCILWOMAN GAUTHIER: Thank you. And just in closing, I want to reiterate Councilmember Landau's point. I think it's a grave mistake to let PHL Housing Plus fall off of a cliff while at the same time expanding Shallow Rent to 80% of AMI.

And I'd also ask that you provide Council with the rationale for why we would take that program to 80%. You talked about the idea that 80% AMI that folks at this level are cost-burdened. But I'd really like to see that and understand what we're basing this proposal on.

Thank you, Council President.

MR. LAWRENCE: Council President, could I just make a quick point?

COUNCIL PRESIDENT JOHNSON: Sure.

MR. LAWRENCE: As it really pertains to Turn the Key being called out as the only program that is dedicated to production, I don't believe that's the case. We have two more programs that we're looking to, one, continue around affordable housing production making sure that there's some gap financing available for those types of projects, but then also something that we're looking to invest and expand in around affordable housing preservation, which is the Neighborhood Preservation. So these are two things that we also have and --

COUNCILWOMAN GAUTHIER: I said increase. Just to clarify, I said it's the only housing production program that we seem to be increasing in terms of the budget numbers.

MR. LAWRENCE: We are increasing the Affordable Housing Preservation Program and dedicating funds to that as well.

COUNCILWOMAN GAUTHIER: Thank you.

MR. LAWRENCE: Okay.

COUNCIL PRESIDENT JOHNSON: Thank you.

The Chair recognizes Councilmember Landau.

COUNCILWOMAN LANDAU: Thank you. That's my last round. I wanted to first shout out Philly First Home. I like that. Thank you for investing more money in that. It doesn't cost us much to give folks a nice down payment amount for the first home, so want to put that out there.

But I want to shift over to something that I think you said you didn't want to talk about in the beginning, but I got to put it out there. We rely heavily on federal funding for all of our housing programs, vouchers, housing tax credits, all kinds of financings.

What are we going to do

if those are cut? And how are we going to be able to pivot -- how are you expecting now to pivot and shift with all of this money that we'll have in the H.O.M.E. Initiative to cover those cuts?

MS. THURMAN: I think we had a point of clarification regarding the FY25-26 numbers. Greg, can you speak to that? And then we'll answer your question, Rob.

MR. HELLER: Yes. So what I'm seeing is that there's 32 million for Turn the Key and at Fiscal Year '25 and also proposed 32 in '26, so it looks like it's going to be stable funding, just point of clarification.

COUNCILWOMAN GAUTHIER: (Inaudible).

MR. HELLER: It's going to be stable funding between 2025 and Fiscal '26, Turn the Key.

COUNCILWOMAN GAUTHIER:
I'm talking about the H.O.M.E. budget. Are we not allocating 100 million for Turn the Key over the four-year period?

MR. HELLER: Yeah. But if you look at the Fiscal '26 -- there's a column just for Fiscal '26. It keeps stable funding between Fiscal '25 and '26.

COUNCILWOMAN GAUTHIER:
Yes. I'm talking about over the life of the program.

MR. HELLER: Okay. We can discuss this one further.

COUNCILWOMAN GAUTHIER:
Thank you.

MR. DUBOW: Hello again. So your question was about the impact of federal cuts. It's a concern obviously that we share and live with every day as grants are announced that they're stopped, and then they're back and then websites go down. But we think that that uncertainty makes this program even more important, that investing in housing in this essential, as you talked about, human right, it becomes even more important when there's uncertainty about what the Feds do.

And I think the question about how do we replace federal funding, obviously we don't have the ability to replace everything we get from the federal government. In '24 we got 2.2 billion. We don't have that capability. We do have to look really kind of on a case-by-case basis as things come in and figure out what to do while making sure that we have prepared ourselves, which is having that federal reserve, built up a Budget Stabilization Reserve Fund. It's kind of getting ourselves in position trying to handle it with the knowledge that we can't replace all of it.

COUNCILWOMAN LANDAU:
But to be clear, would you tap the reserve to fill the gap by a federal funding cost before you shifted the money that we have for the H.O.M.E. Initiative through the bonds?

MR. DUBOW: Sorry. Say it again. I just want to make sure.

COUNCILWOMAN LANDAU:
I'm curious if there's a Plan B right now. We're about to take out 800 -- we're going to get $800 million through bonds. That's great. We're going to have these great programs. But what happens if all of our federal funding for our housing is cut? Are we going to pivot with our 800 million and try to fill some of those gaps or is the plan to hit the reserve and

just keep going forward exactly with what the plan is --

MR. HELLER: If I can address that one.

MR. DUBOW: Let me just say one thing first. So if we have issued our bonds, there will be restrictions on what we can do. So we would not be able to pivot and say we're using this 400 million, we're taking it away from what we borrowed for and what we told you here and putting it in different places.

COUNCILWOMAN LANDAU: That's helpful. Thank you.

MR. HELLER: Yeah. So just obviously this is a challenge that cities all over the country are facing. And in my current work I'm working in a number of cities that are facing the same issue of uncertainty with their federal entitlement funds. And I'll also say there are a number of cities that are issuing bonds right now in order to make sure that they have funding available specifically for housing.

So Philadelphia is a leader nationally in terms of being in that pool of cities that are being very proactive and making sure they have funding. I know the Administration's had some conversations with local philanthropy. And one of the things that's been discussed, not committed to but discussed, is potentially providing a backstop for lost federal funds, especially for some of the most essential activities that would have immediate harm if those federal entitlement funds were cut.

COUNCILWOMAN LANDAU: That's great. Thank you so much. It's really helpful.

COUNCIL PRESIDENT
JOHNSON: Rue, anything else you
may have?
COUNCILWOMAN LANDAU:
I'm good.
COUNCIL PRESIDENT
JOHNSON: You good? Okay.
Councilmember Dr. Nina
Ahmad.
COUNCILWOMAN AHMAD:
Thank you, Council President.
Actually this last
answer kind of alluded to the
question I had, which was about
leveraging philanthropic community,
private capital and our union
partners. Do we have a very clear
plan for that? And not just to
backstop the federal potential
loss, but to see what part of this
plan can we depend on those dollars
for and what that might look like
and how concrete are those?
MS. THURMAN: Yes. So

we're currently in negotiations so it's not final yet. But, yes, we are in negotiations working through the proposal with both the unions and then working with our philanthropic community, who both national and local, who have already affirmed the need for this and the importance of it.

One thing I failed to mention earlier is happening just a few miles from here at the Federal Reserve Bank of Philadelphia is the Economic Mobility Conference. And there was data released by Dr Raj Chetty with Harvard University to substantiate the need for the crisis now and the need for the investment to counter or address the crisis now. So absolutely, though we are thinking through that.

COUNCILWOMAN AHMAD: Do we have a dollar figure that we're looking for a match or to come from each sector? Do we have some numbers that would give us -- this is a huge investment so --

MS. THURMAN: Yeah, we have some preliminary numbers. So, yes, our goal is through the philanthropic community and the trades to bring in an additional 100 million, upwards of 150, if not more.

COUNCILWOMAN AHMAD: And there are banks that have set up separate funds to look at these issues where to look at the private sector. So we talked philanthropy and unions. I'm looking at the private sector and we can't let them get away without participation. And I just wondered how detailed the effort has been there, particularly because they have been set-asides made for investment in urban centers?

MR. DUBOW: Yeah, we've been having discussions specifically with banks as recently as yesterday. So it's their ongoing discussions.

COUNCILWOMAN AHMAD: We would love to see -- I heard 100 million from unions but that's like a little drop in the bucket at the moment. So I would love to see what that number in total would look like and when you are able to share that, we would love to have the Council President get that information. Because that gives us a lot more confidence in how we're going forward because it's having other partners who will have skin in the game. I mean, this is how we just need to proceed.

MR. DUBOW: Yep. And one of our guiding principles here was to be leveraging other people's money and to use what we're putting in to build other investments. So we completely agree with you.

COUNCILWOMAN AHMAD: Thank you, Council President.

MS. THURMAN: And to Rob's point, right, that support for that 800 million will go a long way, right. It will signal both to local and national funders that the City, City Council, the Administration that we're serious about addressing this crisis.

COUNCILWOMAN AHMAD: Yeah. Thank you.

COUNCIL PRESIDENT JOHNSON: Thank you. Last question and we'll be wrapping up for today. Jesse, on the 30th of October -- that was actually my birthday last year. We had a Housing, Development, Homelessness Committee hearing. And during that time, you mentioned that the assessment that we're going to be doing for the

Land Bank will be done by the end of the year.

And so, I just want to make sure we're on track because that was the statement then, October 30th it will be done by the end of December 2024 and we're in now pretty much going into the summer of 2025. And has the RFP gone out?

MR. LAWRENCE: The RFP is active. It is active. And it's set to close on May 1st, and we're hoping to sign off with a third party vendor by July 1 of this year. And I completely own up to that on day 4 of my job in this particular position committing to something like that but also understanding that there were larger --

COUNCIL PRESIDENT JOHNSON: You're enthusiastic. That's cool.

MR. LAWRENCE: Day 4 of the job. And understanding that there is a lot more that goes into that process-wise, which is what we've had to navigate through to get to this particular point. But also understanding, as our Chief of Staff indicated earlier, that we wanted to make sure that that process was congruent with the Administration's initiatives when it comes to rolling this particular plan out. So it's been timed accordingly as a result, but do recognize what was stated on record on October 30th on my fourth day of the job.

MS. THURMAN: And, Council President, I think what you're asking for, if I'm correct, is an early birthday gift to which we say, okay, we got you.

COUNCIL PRESIDENT JOHNSON: No, it's cool. I'm just making sure we're rolling in the right direction. I'm supportive of the initiative. We're just doing our due diligence. And so, we're going to do a callback, right --

MS. THURMAN: Great.

COUNCIL PRESIDENT JOHNSON: -- we'll make sure we get the Administration the actual date and time of the callback so we can continue doing a deeper dive, right. And with that being said, I do thank you for taking time out of your schedule and being here.

I do thank the Mayor, right. We talked about this early on about the process and even additional hearings because she wanted to do a deeper dive herself. I do want to say that publicly as well so we're in alignment together in terms of approaching it that way.

And so, because this is

such a significant initiative and a huge borrowing, we want to continue to allow my members to have the opportunity to do a deeper dive. And so, we will let the Administration know when that actual date is. And thank you all for being here with us today.

MS. THURMAN: Look forward to that. Thank you very much.

COUNCIL PRESIDENT JOHNSON: With that being said, the Chair recognizes Majority Leader Gilmore Richardson for a motion that the public hearing and meeting on the bills and resolutions before the Committee today stand in recess until Tuesday, April 29, 2025 at 10:00 a.m.

COUNCILWOMAN GILMORE RICHARDSON: So moved, Mr. Chairman.

(Duly seconded.)

COUNCIL PRESIDENT JOHNSON: It has been moved and properly seconded -- Jim Harrity likes to say second before I even get a chance to move forward. This public hearing and meeting on the bills and resolutions before the Committee today stand in recess until Tuesday, April 29th at 10:00 a.m.

All those in favor of the motion will signify by saying aye.

(Aye.)

COUNCIL PRESIDENT JOHNSON: Those opposed?

(No response.)

COUNCIL PRESIDENT JOHNSON: The ayes have it and this motion carries. The next hearing will be on April the 29th at 10:00 a.m in City Hall, Room 400. Thank you, everybody.

(Committee of the Whole

concluded at 4:05 p.m.)

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

I, hereby certify that the proceedings and evidence noted are contained fully and accurately in the stenographic notes taken by me in the foregoing matter, and that this is a correct transcript of the same.

TANEHA CARROLL
Court Reporter - Notary Public

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