

1 COUNCIL OF THE CITY OF PHILADELPHIA
 2 PUBLIC HEARING
 3 BEFORE THE JOINT COMMITTEES OF THE WHOLE,
 4 HOUSING, NEIGHBORHOOD DEVELOPMENT AND THE
 5 HOMELESS and FINANCE
 6 - - -
 7 Room 400, City Hall
 8 Philadelphia, Pennsylvania
 9 Tuesday, June 1, 2004
 10 10:45 a.m.
 11 - - -
 12 RES. 040345 - Authorizing Committee of the
 13 Whole to conduct hearings on recommendations
 14 of Philadelphia 21st Century Review Forum
 15 RES. 040618 - Authorizing Director of Commerce
 16 to file application and execute a contract
 17 to obtain grant from Commonwealth of PA
 18 RES. 040619 - Authorizing Director of Housing
 19 to file application and execute a contract
 20 to obtain grant from Commonwealth of PA
 21 BILL 040501 - Authorizing the Mayor to file
 22 applications with HUD for a CDBG and to use
 23 Section 108 Loan Guarantee Program
 24 RES. 040525 - Approving annual Program
 25 Statement/Budget, NIT Bond Proceeds, for '05

14 PRESENT:
 15 COUNCIL PRESIDENT ANNA C. VERNA
 16 COUNCILWOMAN BLONDELL REYNOLDS BROWN
 17 COUNCILMAN W. WILSON GOODE, JR.
 18 COUNCILMAN JACK KELLY
 19 COUNCILMAN JAMES F. KENNEY
 20 COUNCILMAN JUAN F. RAMOS
 21 COUNCILMAN FRANK RIZZO
 22 COUNCILMAN FRANK DiCICCO
 23 COUNCILWOMAN JANNIE L. BLACKWELL
 24 COUNCILMAN MICHAEL A. NUTTER
 25 COUNCILMAN DARRELL L. CLARKE
 COUNCILMAN RICHARD T. MARIANO
 COUNCILWOMAN DONNA REED MILLER
 COUNCILWOMAN MARIAN B. TASCO
 COUNCILMAN BRIAN J. O'NEILL

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1 RES. 040345, 040618, 040619, 040501, 040525

2 PRESIDENT Verna: Good morning,
3 everyone. This is the public hearing of the
4 Joint Committees of the Whole, and Housing and
5 Neighborhood Development and the Homeless,
6 also the Committee of the Whole and Finance.

7 And I would ask Mr. McPherson to
8 please read the titles of the Resolutions and
9 the Ordinance.

10 MR. McPHERSON: Resolution 040345, A
11 Resolution Authorizing the Committee of the
12 Whole to conduct hearings on the
13 recommendations put forth by the members of
14 the Philadelphia 21st Century Review Forum.

15 Resolution 040618, authorizing the
16 Director of Commerce, on behalf of the City of
17 Philadelphia, to file an application and, if
18 the application is accepted, to execute a
19 contract to obtain a grant from the
20 Commonwealth of Pennsylvania, Department of
21 Community and Economic Development of funding
22 business district revitalization in various
23 Philadelphia neighborhood shopping districts.

24 Resolution 040619, authorizing the
25 Director of Housing, on behalf of the City of

1 RES. 040345, 040618, 040619, 040501, 040525
2 Philadelphia, to file an application and, if
3 the application is accepted, to execute a
4 contract to obtain a grant from the
5 Commonwealth of Pennsylvania, Department of
6 Community and Economic Development, for
7 funding revitalization efforts in residential
8 and mixed-use areas in close proximity to a
9 commercial district and to further enhance the
10 downtown area by improving the viability of
11 older neighborhoods.

12 Ordinance 040501, authorizing the
13 Mayor, on behalf the City, to file
14 applications with the United States Department
15 of Housing and Urban Development for Community
16 Development Block Grant and to use the Section
17 108 Loan Guarantee Program; authorizing the
18 Housing Director to file applications with HUD
19 to participate in the HOME Invest Partnership
20 program, the Emergency Shelter Grant program,
21 et cetera.

22 And Resolution 040525, a Resolution
23 approving the annual program statement and
24 budget for the expenditure of the Neighborhood
25 Transformation Initiative bond proceeds for

1 RES. 040345, 040618, 040619, 040501, 040525
2 Fiscal Year 2005.

3 COUNCILWOMAN BLACKWELL: Good
4 morning, everyone. We thank you for your
5 patience.

6 As was read, we have hearings today
7 with Committee of the Whole, as well as
8 Committee of the Whole and Finance, and
9 Committee of the Whole and Housing,
10 Neighborhood Development and the Homeless.

11 We have scheduled these hearings and
12 several bills and resolutions. Among them,
13 Resolution 040345, authorizes us to have
14 hearings on recommendations set forth by
15 members of the Philadelphia 21st Century
16 Review Forum.

17 We have asked that we hear from them
18 and take testimony as it relates to the NTI
19 program.

20 Afterwards, we suggest that we take
21 testimony with regard to Resolution Nos.
22 040618 and 619, which are applications to the
23 Department of Community and Economic
24 Development for the purposes of
25 revitalization.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Finally, then we are asking for
3 testimony from the Administration on the block
4 grant and Neighborhood Transformation
5 Initiative.

6 Let me also add that tomorrow we
7 have the Housing Trust Fund bill, Bill No.
8 040594.

9 To economize with regard to time, we
10 suggest that we take testimony on this bill
11 today, since so many people are here, and
12 since the NTI program creates the initial
13 funding for it.

14 And once we have finished taking
15 testimony on the block grant and NTI, that we
16 recess until tomorrow morning to report all
17 the bills out together.

18 We are also requesting that the
19 Administration testify, then the public, and
20 following testimony that the Administration
21 return to answer questions.

22 If that's acceptable to everyone, we
23 hope it will help us to get through the
24 hearings in a more timely fashion, so that we
25 can respect everyone's time and everyone's

1 RES. 040345, 040618, 040619, 040501, 040525
2 point of view.

3 Having said that --

4 COUNCILMAN NUTTER: Madam Chair.

5 COUNCILWOMAN BLACKWELL: Yes,
6 Councilman.

7 COUNCILMAN NUTTER: I just want to
8 make sure I understand the last part of what
9 you were saying.

10 Did you say that the Housing Trust
11 Fund bill, we are going to start with
12 testimony today?

13 COUNCILWOMAN BLACKWELL: Yes. We
14 would like to have all testimony today and
15 report out bills tomorrow.

16 As you know, we have another hearing
17 with Councilman Goode's bill tomorrow that
18 will take up a lot of time.

19 COUNCILMAN NUTTER: I understand
20 that.

21 But did I hear you say before that
22 that particular bill was actually advertised
23 for a hearing tomorrow?

24 COUNCILWOMAN BLACKWELL: You are
25 absolutely correct. You are absolutely

1 RES. 040345, 040618, 040619, 040501, 040525
2 absolutely correct. You are correct. We will
3 have to do that all tomorrow.

4 COUNCILMAN NUTTER: I am not trying
5 to jam up the schedule. I guess I am just
6 wondering if there were members of the public
7 who were anticipating coming to a hearing
8 tomorrow, what will they do?

9 COUNCILWOMAN BLACKWELL: They still
10 come tomorrow, because we still will have all
11 those hearings tomorrow.

12 But with regard to the Housing Trust
13 Fund, since it is going to be funded in part
14 by NTI, we can hear most of that testimony
15 today, and then just hear a minimal part
16 tomorrow, so that we can allow as much time as
17 we can to Councilman Goode.

18 COUNCILMAN NUTTER: Okay. No, I
19 understand that.

20 Lastly, Madam Chair, what's the bill
21 number on the Housing Trust Fund bill?

22 COUNCILWOMAN BLACKWELL: I am sorry,
23 Councilman?

24 COUNCILMAN NUTTER: What's the bill
25 number on the Housing Trust Fund bill? Do we

1 RES. 040345, 040618, 040619, 040501, 040525
2 have that?

3 COUNCILWOMAN BLACKWELL: 040594.

4 So we will hear that today,
5 testimony with regard to that informally, hear
6 it again tomorrow, and report it out with all
7 of these bills and resolutions tomorrow
8 morning.

9 COUNCILMAN NUTTER: Okay. Can we
10 get copies of that?

11 COUNCILWOMAN BLACKWELL: Absolutely.

12 Please make sure that everyone has
13 copies of the Housing Trust Fund bill, as well
14 as all of those.

15 Thank you, Councilman.

16 COUNCILMAN NUTTER: Thank you, Madam
17 Chair.

18 COUNCILWOMAN BLACKWELL: The Chair
19 now calls Sandra Dungee Glenn, 21st Century
20 Review Forum, and Dr. Rufus Lynch.

21 We thank you for your patience, ask
22 that you introduce yourself and begin your
23 testimony. Thank you very much.

24 MS. SANDRA DUNGEE GLENN: Good
25 morning. Good morning, President Verna,

1 RES. 040345, 040618, 040619, 040501, 040525
2 Councilwoman Blackwell, and Committee members.
3 My name is Sandra Dungee Glenn, and I was
4 Chair of the Program Evaluation Committee for
5 the 21st Century Review Forum.

6 With me today is Dr. Rufus Sylvester
7 Lynch, President of the Institute for the
8 Advancement of Working Families and Chair of
9 the NTI Subcommittee for the Review Forum.

10 First we would like to thank you for
11 the opportunity to speak to you today. We are
12 here to speak to you about the work that we
13 undertook as part of the Philadelphia 21st
14 Century Review Forum, specifically as it
15 relates to the Neighborhood Transformation
16 Initiative, NTI.

17 The Program Evaluation Committee of
18 the Review Forum was composed of civic,
19 institutional, community, and political
20 leaders from around the region who have
21 demonstrated an unwavering commitment to the
22 quality of life in Philadelphia and its
23 future.

24 Mayor John F. Street charged the
25 Review Forum with the formidable task of

1 RES. 040345, 040618, 040619, 040501, 040525
2 guiding his Administration through its second
3 term in office by analyzing its past
4 practices, accomplishments, and opportunities
5 for improvement in the quality of life agenda.

6 Five areas were identified for our
7 review. One, education reform; two, the
8 Neighborhood Transformation Initiative; three,
9 Operation Safe Streets; four, social services
10 for children and families; and, five, tax
11 reform.

12 The mission of the Program
13 Evaluation Committee was to recommend actions
14 to promote the fiscally responsible,
15 effective, and integrated delivery of city
16 services that advanced the goals and
17 objectives of the Street Administration's
18 quality of life agenda.

19 On the NTI subcommittee in
20 particular, our work was guided by the
21 principles and commitment expressed by Mayor
22 Street when he took office in 1999 to turn our
23 attention to the neighborhoods without turning
24 our backs on Center City.

25 The Program Evaluation Committee

1 RES. 040345, 040618, 040619, 040501, 040525
2 established the following objectives to
3 achieve its mission: To examine and evaluate
4 the five initiatives in the Administration's
5 quality of life agenda; to recommend ways in
6 which the city can be more effective and
7 better coordinated in executing its key
8 strategies; and to prioritize critical
9 recommendations in order to focus efforts and
10 resources in a period of fiscal limitations.

11 In carrying out its mission, the NTI
12 subcommittee was informed by the analysis and
13 review of extensive empirical and statistical
14 data, various community meetings and forums,
15 and interviews conducted with key public and
16 private sector stakeholders.

17 As a result of our studies, we found
18 that NTI is a bold plan to address the 50-year
19 decline and abandonment of the city's
20 neighborhoods.

21 Since its inception four years ago,
22 NTI has removed 185,000 abandoned cars from
23 city streets, cleaned 189,394 properties,
24 cleaned 31,000 vacant lots, and demolished
25 4,106 dangerous vacant buildings.

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2 Prior to NTI, such large-scale urban
3 blight measures were nonexistent.

4 In the content of the short time in
5 which we worked and the significant progress
6 already made by NTI, we made several key
7 findings which can be summarized in the
8 following manner.

9 One, the city has made considerable
10 progress in achieving some NTI goals,
11 particularly in blight elimination and
12 prevention.

13 Two, there is a perception among
14 stakeholders that there has been less progress
15 in spurring market-rate residential
16 development and stimulating neighborhood
17 commercial development.

18 Three, that there is public
19 frustration among stakeholders with what they
20 perceive as a lack of leadership and
21 accountability for NTI.

22 And, four, there is a critical need
23 for a major public relations campaign to
24 educate the general public, government
25 officials, and private stakeholders concerning

1 RES. 040345, 040618, 040619, 040501, 040525
2 NTI; including its accomplishments to date,
3 goals for the future, and how participation in
4 the process can occur.

5 Additional findings are based on a
6 comparison of the program's accomplishments
7 and its expressed goals and objectives.

8 As with any project of this
9 magnitude, we ultimately found that, in spite
10 of its many accomplishments, the public image
11 of the NTI program could be enhanced.

12 We further found that the continued
13 success of the program depended on maintaining
14 a strong anti-predatory lending effort and
15 identifying new sources of revenue for
16 completion of NTI development goals, including
17 the creation of a Housing Trust Fund.

18 Based on these key findings, we
19 ultimately recommended that the city improve
20 and aggressively market the public image of
21 NTI; enhance city agency coordination to
22 integrate all phases of the demolition and
23 development processes; implement a unified
24 plan for neighborhood transformation; and
25 create a commission to monitor and drive NTI

1 RES. 040345, 040618, 040619, 040501, 040525
2 progress.

3 Councilwoman Blackwell and members
4 of the joint Committee, I hope that my
5 testimony has been helpful and provided you
6 with insight into the nature, process, and
7 outcome of the work undertaken by myself and
8 other members of the 21st Century Review Forum
9 committees.

10 Thank you for allowing me to testify
11 before you today.

12 COUNCILWOMAN BLACKWELL: Thank you,
13 Ms. Glenn.

14 Dr. Lynch.

15 DR. RUFUS SYLVESTER LYNCH: No
16 comment.

17 COUNCILWOMAN BLACKWELL: Thank you
18 very much.

19 As we said in our opening statement,
20 we really want to get through the testimony
21 and then ask questions as a followup. So we
22 hope that all of our guests can adjust their
23 schedules to doing that.

24 That will make it a lot easier, too,
25 because we will have people that will testify

1 RES. 040345, 040618, 040619, 040501, 040525
2 with regard to the legislation whose questions
3 can also be responded to at that time.

4 Thank you very much.

5 Mjenzi Traylor, Commerce Department.

6 Thank you very much. Please
7 identify yourself for the record and begin
8 your testimony.

9 MR. MJENZI TRAYLOR: Good morning,
10 Madam Chairman. My name is Mjenzi Traylor,
11 and I am First Deputy Director of the city
12 Commerce Department.

13 And with me this morning is Jillian
14 Pollard, an economic development program
15 monitor from the Commerce Department who has
16 been the point person in processing our
17 application to the state.

18 And I am here before you to present
19 testimony in support of Resolution 040618,
20 which authorizes the City of Philadelphia to
21 apply to the Commonwealth of Pennsylvania for
22 funding under the Main Street Program.

23 For years, many of Philadelphia's
24 neighborhoods have suffered the loss of
25 businesses, the loss of population, and the

1 RES. 040345, 040618, 040619, 040501, 040525
2 degeneration of property.

3 The commercial districts associated
4 with these declining neighborhoods became
5 caught in the vicious cycle of business
6 closings and job losses.

7 The Commonwealth of Pennsylvania
8 passed an economic stimulus package, which
9 includes funding for the revitalization of
10 commercial corridors.

11 The mission of the Main Street
12 Program is to preserve, improve, promote, and
13 expand neighborhood business districts by
14 improving the appearance of the commercial
15 corridors; building consensus and cooperation
16 among the various groups and individuals who
17 have a vested interest and play a role in the
18 commercial district; marketing the unique
19 characteristics of the commercial district's
20 assets to shoppers, residents, and potential
21 investors; and strengthening the existing
22 district economy and building the capacity to
23 embrace new opportunities.

24 To accomplish these activities, the
25 Main Street Program provides up to \$25,000 for

1 RES. 040345, 040618, 040619, 040501, 040525
2 the development of a strategic plan, up to
3 \$45,000 per area for a Main Street manager to
4 implement the corridor's improvement plan, up
5 to 40,000 per area for facade improvements
6 grants, and up to \$250,000 for economic
7 restructuring.

8 The City of Philadelphia has applied
9 to the Commonwealth for \$845,000 in the
10 current fiscal year to support these
11 activities. A copy of the budget summary from
12 the application is attached to this testimony.

13 The idea of Main Street is nothing
14 new to the city. No one can dispute that
15 neighborhoods are declining.

16 These are the same neighborhoods and
17 residential areas that are the targeted users
18 of the neighborhood commercial corridors.

19 As our neighborhoods change, so will
20 the commercial corridors that serve these
21 residents. Part of our interest, and
22 subsequently our economic development
23 policies, should be to facilitate changes in
24 corridors that are consistent with changes in
25 neighborhoods.

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2 The City of Philadelphia has always
3 undertaken Main Street activity without
4 alluding to its efforts as, quote, Main
5 Street.

6 This funding we are applying for
7 from the state will enhance our resources for
8 revitalization.

9 What this funding also does is
10 increase our ability to deliver resources and
11 services to areas that are currently outside
12 of our ability to serve them because of
13 eligibility requirements associated with our
14 other funding sources.

15 By utilizing the Main Street
16 Program, the City of Philadelphia will now be
17 able to offer assistance to a wider group of
18 neighborhoods, including nonCDBG-eligible
19 areas.

20 The city seeks to expand its own
21 revitalization efforts by forging a financial
22 partnership with the Main Street Program.

23 The intent is to merge the
24 Pennsylvania Main Street Program with
25 activities and resources of other programs

1 RES. 040345, 040618, 040619, 040501, 040525
2 currently administered by the City of
3 Philadelphia and its agencies.

4 The Department of Commerce is
5 seeking the approval of City Council to apply
6 to the Commonwealth of Pennsylvania for
7 funding.

8 Since this is a five-year program,
9 we anticipate that additional funding for Main
10 Street and the companion program Elm Street,
11 which you will hear about later, will be
12 available from the Commonwealth in subsequent
13 years.

14 I would be pleased to respond to any
15 questions that you may have.

16 COUNCILWOMAN BLACKWELL: Thank you
17 very much, Mr. Traylor. We, again, hope that
18 you will remain to answer questions later.

19 MR. TRAYLOR: Okay.

20 COUNCILWOMAN BLACKWELL: Thank you
21 very much. Deb McColloch, OHCD.

22 MS. DEBORAH MCCOLLOCH: Good
23 morning, Council President Verna, Councilwoman
24 Blackwell, and all members of Council.

25 I am Debra McColloch, Director of

1 RES. 040345, 040618, 040619, 040501, 040525
2 Housing, and I am here to testify in support
3 of Resolution 040619, which permits the city
4 to apply for funding from the Commonwealth's
5 new Elm Street Program.

6 The Elm Street Program of the
7 Department of Community and Economic
8 Development allows older communities to
9 integrate commercial district activities with
10 housing, planning, and reinvestment.

11 The program is a companion to the
12 Main Street Program, which supports commercial
13 corridor managers in older neighborhood
14 business districts. The Commerce Department
15 is applying for funding under the Main Street
16 Program.

17 In this first year of the Elm Street
18 Program, the state is supporting three kinds
19 of activities.

20 First, it is supporting planning
21 grants of up to \$25,000 for residential areas
22 adjacent to commercial corridors.

23 Second, where there are existing
24 community plans and where there is a fully
25 functioning community development corporation,

1 RES. 040345, 040618, 040619, 040501, 040525
2 the state is providing operational grants of
3 up to \$50,000 per area for full- or part-time
4 staff person and associated costs to implement
5 the neighborhood plan.

6 Third, in areas with existing plans
7 and a history of operating similar programs,
8 residential reinvestment grants of up to
9 \$250,000 per area are made to support a range
10 of activities, including small loan programs,
11 infrastructure improvements, and facade
12 grants.

13 The city has applied to DCED for
14 \$935,000 in the current fiscal year to support
15 all three kinds of activities in various parts
16 of the city.

17 While the state has a matching grant
18 requirement, the city is exempt from the match
19 based upon the level of poverty.

20 I am attaching a copy of the budget
21 summary from the application, which indicates
22 by Council district the activities which are
23 included in the city's application.

24 It is my understanding that the
25 activities to be supported in each Council

1 RES. 040345, 040618, 040619, 040501, 040525
2 district have been discussed with the relevant
3 district member of Council.

4 Because the state legislature acted
5 very late in the fiscal year to establish and
6 fund the Elm Street Program, DCED required the
7 city to submit a proposal by April 28, 2004,
8 even before obtaining City Council approval.

9 Council's approval of the
10 application by resolution is required before a
11 contract with the state can be executed.

12 The city must execute a contract
13 with DCED before June 30 in order to encumber
14 funds from the current fiscal year. We
15 anticipate that additional funding for the Elm
16 Street Program, as well as for its companion
17 Main Street Program, will be available from
18 the Commonwealth in the next fiscal year.

19 I am happy to answer any questions
20 you may have about the Elm Street Program and
21 the city's application.

22 COUNCILWOMAN BLACKWELL: Thank you,
23 Ms. McColloch.

24 Mr. Kevin Hanna, Secretary, Office
25 of Housing and Neighborhood Preservation. And

1 RES. 040345, 040618, 040619, 040501, 040525
2 Pat Smith, Neighborhood Transformation
3 Initiative.

4 Good morning. Thank you for your
5 patience. Please identify yourself for the
6 record and begin your testimony.

7 MS. PATRICIA SMITH: Good morning.
8 My name is Patricia Smith, Director of
9 Neighborhood Transformation. And with me
10 today is Kevin Hanna, Secretary of Housing and
11 Neighborhood Preservation.

12 Good morning, Madam President, Madam
13 Chairperson, and members of the Committee on
14 the Whole, Housing, Neighborhood Development,
15 and the Homeless and Finance.

16 I am testifying today in support of
17 Resolution 040525.

18 Under the umbrella of the
19 Neighborhood Transformation Initiative, NTI,
20 the Street Administration is making an
21 unprecedented commitment of resources to
22 Philadelphia neighborhoods.

23 NTI is designed to strengthen,
24 preserve, and rebuild Philadelphia
25 neighborhoods.

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2 NTI is also about positive change in
3 the lives of people. And today I would like
4 to begin my testimony by telling you a little
5 about the experience of one couple.

6 Hili Johnson and his fiancée',
7 Tatiana Garcia Grenades, are exactly the kind
8 of couple Philadelphia needs; highly graduated
9 from the University of Pennsylvania in 1995,
10 and his fiancée' recently completed her M.B.A.
11 studies at Wharton, also.

12 This high-achieving couple has lived
13 in some of the most beautiful places in the
14 world, Costa Rica, Guatemala, Mexico, Martha's
15 Vineyards, and New York City among them.

16 But for the last year and a half,
17 they have lived in a place faced with great
18 challenges and little beauty, the North
19 Philadelphia community of Strawberry Mansion.

20 And largely they say because of what
21 NTI is doing to revitalize their community,
22 they intend to stay in Strawberry Mansion.

23 There were four dilapidated
24 structures directly across the street, and in
25 every direction trash-covered vacant lots and

1 RES. 040345, 040618, 040619, 040501, 040525
2 crumbling houses served as havens for illegal
3 activity.

4 Hili tells us, quote, NTI came in
5 and eliminated all of that. I have a
6 beautiful block because NTI took down the
7 abandoned houses about a year ago and cleaned
8 up the lots. What NTI is doing makes all the
9 difference in the world, end quote.

10 Neighborhoods grow strong and
11 healthy when city government takes
12 responsibility and promotes housing and
13 community investments.

14 Under the umbrella of NTI, the
15 Street Administration has taken on this
16 responsibility and launched a comprehensive,
17 cohesive strategy to make Philadelphia
18 neighborhoods great places to live, work,
19 learn, shop, and play.

20 We are doing this by assembling land
21 and promoting development to stimulate market
22 activity, helping more individuals and
23 families to maintain and renovate their homes
24 or become first-time home buyers; making
25 neighborhoods cleaner and safer; forging

1 RES. 040345, 040618, 040619, 040501, 040525
2 partnerships; and creating employment and
3 business opportunities.

4 This comprehensive approach enhances
5 neighborhoods for the benefits of all
6 residents, whether they have lived here for
7 generations or just moved into the city.

8 And these efforts are paying off in
9 big ways by creating momentum and a sense of
10 excitement about the future potential of
11 Philadelphia neighborhoods.

12 Wherever you go, you can see
13 evidence of new construction and
14 rehabilitation. Later you will hear from
15 Jeremy Nowak, President and CEO of the
16 Reinvestment Fund, who will tell you about the
17 trends that are coming together to create the
18 lively real estate market that we are
19 experiencing in Philadelphia today.

20 We know that developers are showing
21 renewed interest in the city. More than 150
22 investors, developers, and others attended the
23 fourth annual development breakfast last
24 month. They spent hours touring potential
25 building sites in North Philadelphia, West

1 RES. 040345, 040618, 040619, 040501, 040525
2 Philadelphia, and along the North Delaware
3 River front.

4 Housing developers are building
5 large-scale market-rate and mixed-income
6 developments in Grays Ferry, East of Broad,
7 Cecil B. Moore, Jefferson Square, Brewerytown,
8 Packer Park, Southwest Center City, Point
9 Breeze, and Frankford.

10 The RDA has received expressions of
11 interest from developers who want to purchase
12 city-owned land at fair market value. And
13 just a few years ago we couldn't give some of
14 this land away.

15 At the same time, and in spite of
16 three successive cuts in federal funding, the
17 city is maintaining our commitment to develop
18 affordable housing.

19 More than 25 units of rental
20 homeownership and special-needs housing has
21 been built from January 2000 through April
22 2004. In 2000, 93 units are planned or under
23 construction.

24 In FY 2005, the Administration is
25 proposing to use \$4 million of NTI bond

1 RES. 040345, 040618, 040619, 040501, 040525
2 proceeds to finance low-income housing tax
3 credit projects. In addition, the
4 Administration is willing to support an
5 increase in the mortgage recordation fee to
6 fund the Housing Trust Fund and is proposing a
7 \$1.5 million grant of bond proceeds to help
8 capitalize the trust fund.

9 In addition to all this activity,
10 NTI bonds are laying the foundation for even
11 more development in the future.

12 By current estimates, roughly 19
13 million approved acquisitions will permit us
14 to create more than 1900 units of affordable,
15 market-rate, mixed-income housing, plus
16 thousand square feet of commercial space in
17 community centers. And this is just the
18 beginning.

19 Development projects can take more
20 than five years to come to fruition, so I can
21 say with confidence for the next decade the
22 majority of all development in Philadelphia
23 will likely have been facilitated in part by
24 the use of NTI bond funds for acquisitions.
25 We are proud of the direction we are going.

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2 The preservation of our existing
3 housing stock is another important tenet of
4 NTI. Significant resources are being
5 committed to rehabilitation activities through
6 a variety of home repair, grants, and loans.

7 Since the unveiling of NTI in 2001,
8 the city has either directly rehabbed or
9 helped homeowners make repairs to more than
10 8,000 properties.

11 NTI is helping Philadelphia
12 homeowners help themselves by providing them
13 with good financial information and
14 low-interest loan products.

15 Philadelphia has one of the most
16 extensive network of housing counseling
17 agencies in the country. And I wish to take a
18 moment to acknowledge the stellar work of
19 these organizations that we fund by asking
20 them to stand. Many of them are here today in
21 the audience.

22 With the help of Freddie Mac, we set
23 up a public information hotline to reach
24 victims of predatory lending and contracted
25 with the Housing Counseling Association of

1 RES. 040345, 040618, 040619, 040501, 040525
2 Delaware Valley to train housing counselors on
3 predatory lending practices.

4 As of March 31, 2004, the NTI Don't
5 Borrow Trouble Hotline has served more than
6 2300 callers, of which more than 800 were
7 referred to housing counseling agencies for
8 help.

9 And in the fall, because there was a
10 generous grant from Citizens Bank, the
11 Administration will be able to promote the
12 hotline in newspapers, on buses, and on the
13 radio.

14 There is -- an example of the
15 billboard is up front. It says, "Protected By
16 Knowledge."

17 Perhaps you have seen the Great
18 City, Great Rate billboards donated by Clear
19 Channel, which advertises the city's 3 percent
20 Philadelphia home improvement loan.

21 The city is contributing NTI bonds
22 to still another loan products to give
23 homeowners alternatives to predatory loans.
24 Seven banks -- Beneficial, Citizens,
25 Commercial, Fleet, National Penn, PNC,

1 RES. 040345, 040618, 040619, 040501, 040525
2 Sovereign, and United -- now offer these loan
3 products.

4 The Home Equity Loan Preservation
5 Program provides financial/legal assistance to
6 victims of predatory loans.

7 These anti-predatory loan products
8 have helped homeowners like Ronald Marshal,
9 Luellen Thomas, Michelle May, William Harris,
10 Levi Moore, and others who are here in the
11 audience today.

12 For too many years students from
13 Strawberry Mansion Middle School and Senior
14 High Schools walked past decaying buildings
15 and debris-filled lots which were located
16 across from their school.

17 Now, thanks to NTI demolition and
18 land stabilization work, they can look out
19 onto tree-filled lots that are being cleaned
20 on a regular basis by community organizations.

21 In Germantown, homeowners like Mrs.
22 Lillian Ford lived in fear because of an
23 abandoned bar near her home. Today the
24 abandoned building is gone and Mrs. Ford feels
25 hopeful that soon her neighborhood would

1 RES. 040345, 040618, 040619, 040501, 040525
2 attract new development.

3 Blight diminishes a neighborhood's
4 appearance, poses hazards for children, and is
5 a breeding ground for illegal drugs and
6 weapons. Vacant building and debris-filled
7 lots, abandoned cars, and graffiti impede the
8 development and depress a community's spirit.

9 There is no measure for the
10 psychological and spiritual toll our children
11 suffer while living in blighted environments.

12 Throughout Philadelphia NTI has made
13 major strides in eliminating the blight that
14 undermines a neighborhood's quality of life.

15 To date, city workers have closed
16 down 300 open-air drug markets, taken more
17 than 200,000 abandoned cars off the street,
18 removed graffiti from 308,000 building and
19 fixtures, removed more than 30,000 tons of
20 debris from lots, pruned 15,000 trees, and cut
21 down 7,400 dangerous street trees.

22 During the past year, the city has
23 contracted for the demolition of 2,245
24 dangerous buildings as part of the NTI target
25 neighborhood program and emergency curbside

1 RES. 040345, 040618, 040619, 040501, 040525
2 programs.

3 Under NTI, the quality of the city's
4 demolition work has improved dramatically, and
5 improvements to our bidding process have
6 increased accountability.

7 No effort as large as NTI could
8 succeed without the active participation of
9 neighborhood residents and others who have a
10 stake in our city's health and vitality.

11 Led by the Planning Commission,
12 citizens are engaged in a community planning
13 process in 31 neighborhoods in three
14 commercial corridors around the city.

15 The Housing Authority is using its
16 resources to jump-start neighborhood markets
17 in places like Grays Ferry, Mill Creek, and
18 West Poplar.

19 Working in our most distressed real
20 estate markets, Philadelphia CDCs are building
21 new urban communities from the bottom up.

22 In addition, NTI is partnering with
23 Fannie Mae, Freddie Mac, Keep Philadelphia
24 Beautiful, Center City Development
25 Corporation, the African-American Chamber of

1 RES. 040345, 040618, 040619, 040501, 040525
2 Commerce, National Trust for Historic
3 Preservation, and Preservation Alliance.

4 While we have many partners in this
5 work, the Horticultural Society has been with
6 us from the beginning.

7 PHS has brought its
8 community-building and land management
9 expertise to the table and helped the
10 Administration develop the NTI Green City
11 strategy.

12 The NTI Green City strategy calls
13 for a strategic approach to caring for
14 Philadelphia's massive inventory of vacant
15 land, as well as better management of
16 neighborhood parks, public spaces, and
17 community gateways

18 As a part of this strategy, we
19 planted more than 7,000 new trees on streets,
20 in neighborhood parks, on vacant lots;
21 improved more than 1,400 vacant lots by
22 installing topsoil, seeding, and fencing;
23 selected more than ten commercial corridors or
24 neighborhood gateways for improvement; and
25 upgraded some 26 neighborhood parks in the

1 RES. 040345, 040618, 040619, 040501, 040525
2 ownership of the recreation department.

3 Through PHS the city has contracted
4 with eight community-based organizations to
5 clean vacant lots in four sections of the
6 city.

7 The program impact has been
8 significant. The eight organizations employ
9 70 neighborhood residents to clean and
10 maintain approximately 2000 lots.

11 Commenting on the success of the
12 vacant lot cleaning program, Wayne Rama of the
13 Universe Communities recently said in an
14 article, NTI is wiping out years of apathy and
15 hopelessness.

16 At the same time, I would like to
17 take a minute to acknowledge the important
18 contributions of these groups: Village of the
19 Arts of Humanities, Tioga United Neighbors,
20 Ready Willing and Able, Self Inc., New
21 Kensington CDC, Universal Communities, Centro
22 Pedro Claver, and the University City District
23 by asking them to stand. Thank you.

24 (Applause.)

25 COUNCILWOMAN BLACKWELL: We would

1 RES. 040345, 040618, 040619, 040501, 040525
2 like to say thank you, as well. We work with
3 them, look forward to working with them at
4 Malcolm X again this year.

5 And thank them not only for the work
6 they do, but for their positive attitude,
7 their friendliness in the community, and their
8 hard work. Thank you.

9 (Applause.)

10 MS. SMITH: The city is surpassing
11 the participation goals for disadvantaged
12 firms set in the NTI economic opportunity plan
13 for demolition activities.

14 Of all contracts that have been let
15 for the target demolition program as of
16 February, minority-owned businesses account
17 for 49 percent of the subcontracts, and
18 women-owned businesses account for 24 percent,
19 plus minority firms are performing 35 percent
20 of the curbside demolition work.

21 In addition, minority accounts for
22 78 percent and women 2 percent of the more
23 than 87,000 hours worked on NTI targeted
24 demolition programs.

25 Philadelphia residents represent 77

1 RES. 040345, 040618, 040619, 040501, 040525
2 percent of the work force employed.

3 You have in your gray folders before
4 you a map that shows the distribution of
5 Philadelphia workers by zip code.

6 We are also pleased to announce that
7 a special NTI work force development program
8 that we started this fiscal year, and
9 developed by PREP, has resulted in the
10 employment of 46 individuals and the
11 acceptance of 43 individuals into the building
12 trades.

13 Some of these individuals are also
14 here today, and I wish to ask them to stand to
15 be acknowledged.

16 (Applause.)

17 MS. SMITH: The African-American
18 Chamber of Commerce and the Emerging
19 Contractors Program teaches contractors how to
20 demolish dangerous residential buildings by
21 offering them hands-on demolition experience.

22 To date, 14 participants in this
23 program have demolished 47 houses as part of
24 the training program, for a work total valued
25 at 1.1 million.

1 RES. 040345, 040618, 040619, 040501, 040525

2 One participant, LP Group, competed
3 as a prime contractor and is the apparent low
4 bidder on four bid packages that the city
5 issued recently.

6 Another graduate of the program,
7 Interstate, has qualified to bid under the
8 emergency demolition program.

9 I am also pleased to inform you that
10 the city intends to unveil a pilot program in
11 July that will restrict bidding on demolition
12 contracts under the NTI targeted program that
13 do not exceed \$500,000 to small business
14 owners certified by MBEC or SBA.

15 Less burdensome performance bond
16 requirements will apply to this program. And
17 the prime contractor, if qualified to do so,
18 may perform all of the work.

19 All other contract terms and
20 technical specifications, including prevailing
21 wage, will remain the same.

22 During the upcoming weeks the city
23 will host a workshop to explain the small bid
24 package demolition program, and a mock-up
25 project manual for a typical small demolition

1 RES. 040345, 040618, 040619, 040501, 040525
2 bid will be available for review by all
3 attendees.

4 In addition, we will be working with
5 the Contractors Roundtable over the summer to
6 explore new avenues of access, participation,
7 and inclusion in other city public works
8 contracts for established minority
9 contractors.

10 Mr. Michael Williams, Director of
11 MBEC, is charged with leading this effort.

12 The FY 2005 budget. Based on
13 current interest rates, the Administration
14 anticipates issuing a total of 275 million
15 bonds over a five-year period to support a
16 variety of activities.

17 As you know, we issued the first
18 traunch, 142 million, in May of 2000. And
19 plan to issue the balance, approximately 133
20 million, by the end of this year, calendar
21 year.

22 For FY 2005, the Administration is
23 seeking City Council authorization to spend
24 approximately 124 million of NTI bonds on a
25 variety of activities to help Philadelphia

1 RES. 040345, 040618, 040619, 040501, 040525
2 neighborhoods to meet their full potential by
3 demolishing dangerous buildings, \$50 million;
4 fostering redevelopment through land assembly,
5 50 million; investing in housing neighborhood
6 preservation, 20 million; and improving the
7 city's information technology and management
8 information systems, about 4 million.

9 The FY 2005 budget also includes a
10 \$15 million increase in funding for land
11 assembly, which will bring the total five-year
12 budget to 89 million.

13 This increase will be achieved by
14 swapping NTI bonds for Pennsylvania Department
15 of Community Economic Development funds for
16 three years, FY '05, '06, and '07.

17 For each of these years, the city
18 would budget a minimum of 5 million in NTI
19 bonds for home repair programs, such as basic
20 system repair program.

21 This swap will enable the city to
22 use taxes and bonds to fund home repair
23 programs, while using state funds to increase
24 our land assembly budget.

25 By using state funds to increase the

1 RES. 040345, 040618, 040619, 040501, 040525
2 land assembly budget, the city avoids issuing
3 more taxable bonds, which will result in the
4 overall reduction of NTI bond resources for
5 program activities by 29 million.

6 The 15 million increase in funding
7 for acquisition over three years will be used
8 to support a series of RFP's for new
9 homeownership or rental development projects.

10 In addition, NTI will continue to
11 tap an array of federal, state, General Fund,
12 and private resources to help eliminate
13 blight, increase investment and development,
14 and improve neighborhood services.

15 The implementation of NTI has not
16 been easy. Nothing equal to the breadth and
17 the scale of NTI has been undertaken elsewhere
18 in the country.

19 Where necessary, the Administration
20 has made adjustments in the program goals and
21 strategy to accommodate lessons learned and
22 changed circumstances.

23 Yet, despite the many challenges
24 that are embedded in the implementation of an
25 initiative of this scale, this Administration

1 RES. 040345, 040618, 040619, 040501, 040525
2 has accomplished a great deal since Council
3 passed the NTI-authorizing legislation in
4 March 2002.

5 The past year has been an exciting
6 and challenging time for those of us who are
7 part of the NTI team. For me, one of the most
8 rewarding experiences is the tremendous amount
9 of collaboration and teamwork that is helping
10 NTI to succeed.

11 I wish to take a moment to
12 acknowledge, by asking them to the stand, the
13 hard work and dedication of my colleagues
14 throughout city government who have spent
15 countless hours in the trenches executing the
16 administrative details of NTI.

17 I give me heartfelt thanks to each
18 and everyone of you.

19 (Applause.)

20 MS. SMITH: I especially want to
21 acknowledge the members of City Council, who
22 have also worked tirelessly to help us design
23 and detail the NTI program to address special
24 problems and needs of their constituents.

25 Your contributions have been

1 RES. 040345, 040618, 040619, 040501, 040525
2 invaluable and have helped NTI to be a better
3 program. Thank you for the hours you spent
4 meeting with me and members of my staff and
5 the Administration, with developers and
6 others.

7 Madam President, Madam Chairperson,
8 and members of the Committee of Whole and
9 Housing and Neighborhood Development and
10 Homeless, I respectfully request your
11 favorable consideration of Resolution 040525.
12 Thank you.

13 (Applause.)

14 COUNCILWOMAN BLACKWELL: Thank you
15 very much.

16 As we have said, we thank you for
17 your testimony. We are going to try to get
18 the testimony in, and then ask you to respond
19 later to concerns.

20 MS. SMITH: Yes.

21 COUNCILWOMAN BLACKWELL: Thank you.

22 Jeremy Nowak --

23 MS. SMITH: Mr. Hanna on the block
24 grant.

25 COUNCILWOMAN BLACKWELL: I am

1 RES. 040345, 040618, 040619, 040501, 040525
2 absolutely sorry. That's only one of the main
3 reasons we are here. Sorry, Mr. Hanna.

4 MR. KEVIN R. HANNA: I don't take it
5 personally.

6 Good morning, Council President
7 Verna, Mrs. Blackwell, other members of City
8 Council.

9 My name is Kevin Hanna. I serve as
10 Secretary of the Office of Housing and
11 Neighborhood Preservation for the City of
12 Philadelphia.

13 And I am here today to testify on
14 behalf of the Administration on Bill No.
15 040001, which permits the city to apply for
16 the federal Community Development Block Grant,
17 HOME Investment Partnership Funds, the
18 Emergency Shelter Grant, and Housing
19 Opportunities For Persons With AIDS, otherwise
20 known as HOPWA funds, and for state funds from
21 the Department of Community and Economic
22 Development.

23 The bill refers to the Year 30
24 consolidated plan which will be submitted to
25 the U.S. Department of Housing and Urban

1 RES. 040345, 040618, 040619, 040501, 040525
2 Development and which details our proposal for
3 spending these and others related funds for
4 affordable housing and other activities.

5 The city is required to submit to
6 HUD one consolidated plan which combines the
7 formerly separate CDBG final plan and
8 statement, the HOME program description,
9 Emergency Shelter Grant application, the HOPWA
10 application, and the Comprehensive Housing
11 Affordability Strategy.

12 With me in the audience are Debra
13 McColloch, Director of Housing of the Office
14 of Housing and Community Development; Tony
15 Macintosh, the Executive Vice-President for
16 the Philadelphia Housing Development
17 Corporation; Herb Wetzel, the Executive
18 Director of the RDA; and other members of my
19 staff.

20 You have heard already from Mjenzi
21 Traylor, First Deputy Director of Commerce,
22 who will be available to answer any specific
23 questions related to the CDBG funds allocated
24 to the Commerce Department which supports
25 their activities and those of the Philadelphia

1 RES. 040345, 040618, 040619, 040501, 040525
2 Industrial Development Corporation, the
3 Philadelphia Commercial Development
4 Corporation.

5 The consolidated plan also
6 incorporates spending proposed for the third
7 year of the Neighborhood Transformation
8 Initiative. And obviously you have heard from
9 Ms. Smith regarding those priorities for the
10 upcoming fiscal year.

11 The Year 30 consolidated plan for
12 the fiscal year which begins July 1, 2004,
13 details our plan for spending monies from the
14 five primary federal sources.

15 The proposed budget carries forward
16 existing programs and commitments to reinforce
17 certain NTI activities.

18 The first source of federal funds is
19 the Community Development Block Grant, CDBG,
20 which is still the largest single source of
21 funding for affordable housing, aside from the
22 subsidies which the Philadelphia Housing
23 Authority receives directly from HUD.

24 In Year 30, the city will receive
25 \$63.06 million in new entitlement funding.

1 RES. 040345, 040618, 040619, 040501, 040525
2 That's a reduction of almost \$700,000, and a
3 reduction from Fiscal Year '03 of \$6.377
4 million.

5 Other CDBG-related resources include
6 program income, such as the sale of land, and
7 prior year's reprogram funds, which are funds
8 which can be liquidated from prior year's
9 budgeted activities.

10 Overall, the total CDBG resources
11 which are available for Fiscal Year 2005 are
12 \$76,396,000. That's \$912,000 less than Fiscal
13 Year '04 and \$7.337 million less than was
14 available in Fiscal Year '03.

15 In past years we were able to
16 balance our Operating Budget through the sale
17 of assets by the Redevelopment Authority by
18 not filling certain budgeted position at OHCD
19 and PHDC, by reducing staff at PHDC, by making
20 across-the-board cuts at other city
21 departments, including PIDC and PCDC, all
22 supported by CDBG program and by implementing
23 our cost-cutting measures.

24 However, there was neither a large
25 permanent decrease in spending, nor

1 RES. 040345, 040618, 040619, 040501, 040525
2 identification of new recurring sources of
3 revenue to support our ever-increasing
4 operating costs.

5 The proposed Year 30 consolidated
6 plan builds upon initiatives and programs from
7 prior years consistent with NTI's housing
8 development strategies.

9 Year 30 is the third year of the
10 implementation of the NTI program. Housing
11 development is integrated into the overall NTI
12 strategy, and housing production activities
13 are organized to reflect the housing
14 development categories associated with NTI.

15 NTI bond funds will be used not only
16 for demolition and encapsulation, but also
17 will be used to continue support for the
18 settlement assistance program, for the basic
19 systems repair program, for rental housing
20 development, and for the adaptive
21 modifications program.

22 Through a swap with anticipated
23 funding from the Commonwealth Department of
24 Economic and Community Development, \$5 million
25 in additional funding will be made available

1 RES. 040345, 040618, 040619, 040501, 040525
2 starting in Fiscal '05 for acquisition, the
3 first of three expected payments totaling \$15
4 million.

5 Within the CDBG budget, continued
6 funding is proposed for for-sale housing,
7 including both new construction and rehab.
8 Continued funding is proposed for rental
9 ventures, financed in conjunction with the
10 low-income housing tax credits and
11 special-needs housing to assist the homeless
12 and those with other special needs.

13 Settlement assistance grants, using
14 NTI funds, housing counseling, the
15 Philadelphia Green program, Philadelphia
16 Neighborhood Housing Services and neighborhood
17 advisory committees are proposed for continued
18 funding.

19 Tiers 1 and 2 of the Basic Systems
20 Repair Program, which assists low-income
21 homeowners with emergency repairs, are
22 proposed for continuation.

23 Employment and training activities
24 that cannot be funded through the Philadelphia
25 Work Force Development Corporation, including

1 RES. 040345, 040618, 040619, 040501, 040525
2 the YouthBuild program, are proposed for
3 continued funding.

4 The reduction in available CDBG
5 funding has forced very difficult choices
6 among competing and otherwise worthwhile
7 initiatives and programs.

8 In particular, community economic
9 development activities have been reduced by
10 \$650,000. At the same time, we meet and
11 exceed the requirement of City Council Bill
12 No. 000716, which mandates that at least 5
13 percent of all CDBG funds be spent on economic
14 development activities carried out by
15 community development corporations.

16 The second primary source of funding
17 for Year 30 is the federal HOME Program,
18 H-O-M-E.

19 Philadelphia has been told that it
20 will receive \$16.994, almost \$17 million, in
21 new home entitlement funding in Year 30.
22 That's a decrease of \$40,000.

23 While CDBG can be spent for a
24 variety of activities, including economic
25 development, HOME funds are restricted to

1 RES. 040345, 040618, 040619, 040501, 040525
2 housing activities, including construction and
3 rental assistance.

4 In addition, in Year 30 the city
5 will receive a total of \$1.3 million, that
6 represents two years worth of funding, in HOME
7 fund specifically identified for the American
8 Dream Down Payment Initiative.

9 The city proposes to use these new
10 funds for down payment and settlement grant
11 assistance on behalf of low-income families in
12 home-ownership projects that it supports in
13 areas of rapid appreciation or where the
14 appraised value of the houses being sold makes
15 affordability difficult for low- and
16 moderate-income individuals and families.

17 The third source of federal housing
18 funding, which is included in the Year 30
19 consolidated plan, is the Housing
20 Opportunities For Persons With AIDS -- that's
21 HOPWA -- which the City of Philadelphia
22 administers for a five-county metropolitan
23 area, including Philadelphia, Bucks, Chester,
24 Delaware, and Montgomery Counties.

25 The federal formula for HOPWA funds

1 RES. 040345, 040618, 040619, 040501, 040525
2 is based on the historical and contemporary
3 AIDS caseloads in the region.

4 In Fiscal Year 2005, we will receive
5 \$7.632 million in HOPWA funds for the
6 five-county region. This amount represents a
7 return to the general level of funding prior
8 to the current fiscal year.

9 In order to address a shortage of
10 rental assistance for persons who can live
11 independently, an increase of \$546,000 is
12 proposed for rental assistance.

13 The fourth source of federal funding
14 for housing in Year 30 is Emergency Shelter
15 Grant Program. We anticipate receiving \$2.332
16 million in ESG funds for Fiscal Year 2005.

17 These funds, which support emergency
18 shelter activities, will continue to be
19 administered by the Office of Emergency
20 Shelter and Services.

21 In the past, another major source of
22 funding for housing has been the Section 108
23 loan program.

24 Under the Section 108 loan program,
25 the city is allowed to borrow funds against

1 RES. 040345, 040618, 040619, 040501, 040525
2 future CDBG entitlement grants. In the past,
3 the city used the Section 108 loan program to
4 provide debt financing for economic
5 development ventures and to support specific
6 housing development ventures.

7 While economic development Section
8 108 loans are self-sustaining through the
9 repayment of debt, subsidies for housing
10 funded with Section 108 loans must be repaid
11 through CDBG entitlement funding.

12 The city has nearly reached its
13 Section 108 loan program borrowing capacity.
14 And, therefore, in Year 30 no new Section 108
15 loan authority will be sought for housing
16 activities, and budget authority for a
17 relatively modest loan of up to \$15 million is
18 requested for economic development activities
19 administered by PIDC, should that become
20 necessary.

21 Last year I committed that
22 improvements would be made in the relocation
23 process that is sometimes required for
24 acquisition and site assembly for development.

25 I am able to report to you that the

1 RES. 040345, 040618, 040619, 040501, 040525
2 RDA has hired two bilingual -- that is English
3 and Spanish speaking -- individuals who will
4 serve as relocation specialists, and also now
5 provides both notice letters and relocation
6 brochures in English and in Spanish.

7 Before hearings are held in the City
8 Council on a condemnation bill, a meeting is
9 held with persons who may be relocated to
10 explain the process, the benefits, and purpose
11 of the relocation activity which may affect
12 them.

13 These actions have improved
14 drastically a process which can be very
15 difficult for the persons affected.

16 In addition, the Redevelopment
17 Authority has arranged for legal services to
18 be provided at no cost to low-income persons
19 who face relocation.

20 As part of the additional notice to
21 condemnees, the RDA informs persons of the
22 availability of these services in writing
23 both, again, in English and in Spanish.

24 The Senior Law Center, Philadelphia
25 Legal Assistance, and Community Legal Services

1 RES. 040345, 040618, 040619, 040501, 040525
2 have agreed to provide these legal services
3 related to fair compensation, title issues,
4 appraisal, and relocation benefits.

5 This effort represents a further
6 effort by the city to deal fairly with
7 everyone affected by condemnation, even above
8 the improvements contemplated last year.

9 We have endeavored in the past to
10 keep down general administration as well as
11 program-delivery costs.

12 These efforts will be hampered in
13 Fiscal Year '05 by increasing healthcare and
14 pension costs. These escalating costs will be
15 addressed in Year 30 plan through layoffs, not
16 filling current budgeted, but unfilled
17 positions, and other cost-cutting measures.

18 These efforts will result in a
19 savings of \$3,250,000 for the upcoming fiscal
20 year.

21 We expect that these cuts will have
22 a minimum impact upon services provided.
23 However, with the every-increasing request for
24 acquisition, relocation, and land assemblage
25 placed upon the RDA, we cannot guarantee that

1 RES. 040345, 040618, 040619, 040501, 040525
2 services will not be impacted.

3 In order to meet our deadlines,
4 however, I would respectfully request that the
5 committee vote Bill 040501 out with a
6 favorable recommendation and with a request to
7 suspend the Rules to allow first reading at
8 the next Council meeting.

9 Thank you for this opportunity to
10 present this testimony. At the end of the
11 public testimony, Ms. Smith and other members
12 of our staff will certainly be available to
13 answer your questions.

14 Thank you.

15 COUNCILWOMAN BLACKWELL: Thank you
16 very much.

17 (Applause.)

18 COUNCILWOMAN BLACKWELL: Jeremy
19 Nowak, The Reinvestment Fund.

20 MR. JEREMY NOWAK: Good morning,
21 Council President Verna, Councilwoman
22 Blackwell, and members of City Council. I
23 don't know if you want me to send these out,
24 but I have got pictures and maps to go along
25 with my presentation.

1 RES. 040345, 040618, 040619, 040501, 040525

2 My name is Jeremy Nowak. I am the
3 President of The Reinvestment Fund. As some
4 of you know, we are a lender and investor in
5 countless housing and economic development
6 projects throughout the city and region. TRF
7 manages more than \$200 million in assets and
8 we have played, we think, an important role in
9 stimulating housing markets, financing
10 affordable homeownership and rental units,
11 providing debt and equity for small
12 businesses, as well as financing child care
13 centers and charter schools.

14 We are also a significant provider
15 of data and planning for both cities and
16 states. Our recently released Choices
17 Pennsylvania was the first housing analysis of
18 its kind ever done for the State of
19 Pennsylvania.

20 We have conducted and continue to
21 conduct important analyses of subprime lending
22 and foreclosure rates in Philadelphia and
23 statewide. And we provide Mayor Street and
24 Pat Smith housing market data for use in their
25 original organization of the NTI program.

1 RES. 040345, 040618, 040619, 040501, 040525

2 I am here today to provide some
3 initial updates of the market analysis that we
4 conducted for the Mayor in late 2000 and early
5 2001. I have done so through maps that
6 provide both an overview of the city, as well
7 as highlight four different sections of the
8 city that, in our view, are emerging markets.

9 Some of the data is taken from the
10 recent presentation that we created for the
11 city as part of their developers breakfast and
12 tour that was held two weeks ago.

13 In 2001 we designed a market-type
14 policy with six market types, ranging from the
15 best areas in the city that we called Regional
16 Choice neighborhoods, to ones that were the
17 most challenged that we called Reclamation
18 Areas.

19 The market types were constructed
20 through a statistical cluster analysis that
21 used nine different data sets. We recently
22 updated, only through the addition of 2002 and
23 2003 actual sales data, in order to find out
24 what the changes and improvements might be.

25 We did this on not a census tract

1 RES. 040345, 040618, 040619, 040501, 040525
2 level, but a lower level than the census tract
3 level, the block groups.

4 Philadelphia has 1816 block groups.
5 Of the 1816 census-defined block groups in the
6 city, our initial report categorized 13
7 percent of those groups into what we call the
8 upper three market types, 82 percent into the
9 bottom three market types, with about 5
10 percent as nonresidential.

11 By the update that we recently did,
12 now 25 percent of the block groups can be
13 categorized in the upper three market types,
14 70 percent in the lower three, and 5 percent
15 remain nonresidential.

16 While the majority of the block
17 groups showed no change or have insufficient
18 sales data to justify reclassification, there
19 are clearly some positive trends that are
20 worth noting.

21 First -- let me just sort of lay
22 out, I think, sort of six important points
23 here.

24 First, it is clear that the Center
25 City real estate boom has spread both north

1 RES. 040345, 040618, 040619, 040501, 040525
2 and south. South Philadelphia, east of Broad
3 Street, has experienced remarkable value
4 shifts, and now areas west of Broad are
5 trending upward.

6 North Philadelphia, particularly
7 areas north of Girard Avenue, both on the east
8 and west side of Broad Street, have shown
9 improvements.

10 Second, it is clear that the city
11 has rediscovered parks and rivers. Some of
12 the most interesting value shifts hug parks in
13 West Philadelphia -- think of the West Park
14 area -- the Northeast, Pennypack; the
15 northwest, of course; and South Philadelphia
16 where market-rate housing is being built in
17 proximity to Roosevelt Park.

18 New condos and townhouses are
19 changing values along both the Delaware and
20 Schuylkill.

21 Third, it clearly mattered, when you
22 look at the maps, that we rebuilt or are in
23 the process of rebuilding our large public
24 housing projects.

25 This has been, I think, quietly, in

1 RES. 040345, 040618, 040619, 040501, 040525
2 some situations not so quietly, this has been
3 a major revolution in Philadelphia's
4 neighborhoods.

5 Many of these projects are located
6 in areas of the city that are proximate to
7 stronger markets, and the impact is now
8 clearly apparent.

9 So go to the area around Martin
10 Luther King, area around any of the other
11 projects, go up to Schuylkill Falls, now we
12 see the same thing.

13 Fourth, the middle and upper parts
14 of the Northeast have stabilized and
15 strengthened. And I'm not sure I would have
16 predicted that three years ago.

17 New housing units and retail are
18 being built and planned as townhouse values
19 escalate all the way out to the county line.

20 Fifth, a decade of reinvestment
21 associated with the University of Pennsylvania
22 is influencing values west of University City.
23 And it would now appear that the expansion of
24 Temple's campus and student housing supply is
25 slowly also taking some value effect.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Sixth, as the market strengthens,
3 isolated community development projects that
4 were built over the last two decades are now
5 taking on new meaning.

6 Islands of development created by
7 nonprofit and for-profit developers now look
8 less isolated and more meaningful.

9 There are, of course, still
10 troubling indicators. We have escalating
11 foreclosure rates in particular neighborhoods;
12 in parts of the Lower Northeast, parts of the
13 Northwest, Southwest Philadelphia.

14 Quality, affordable rentals in
15 particular are still at a premium. Public
16 systems can always be improved. And, of
17 course, a few years does not make a trend.
18 But clearly something is happening, and we
19 have to take advantage of it.

20 If we zero in on the four areas in
21 the accompanying map presentations, we can see
22 that there are ample opportunities in selected
23 areas of the city for large-scale change.

24 In each of the four sections I have
25 provided, comparative market indicator trends,

1 RES. 040345, 040618, 040619, 040501, 040525
2 and then on following maps, I have shown the
3 market influences and some of the public
4 incentives that are available to drive
5 development.

6 In all four of these areas there is
7 ample opportunity to build both market-rate
8 housing and to preserve and build affordable
9 units. The two are not mutually exclusive.

10 To continue the process of market
11 revitalization in Philadelphia, we have to
12 allocate scarce CDBG and NTI funds in smart
13 ways. Let me suggest several guidelines.

14 First, we have to maximize the
15 production of affordable units that are
16 produced with limited subsidy. The era of
17 really deep subsidy may be over.

18 Secondly, we have to create clean
19 sites in areas of the city where there are
20 clear market demand.

21 Third, we have to identify in a more
22 rigorous way than we have ever done previously
23 a retail development strategy to accommodate
24 new housing development.

25 Fourth, we have to concentrate

1 RES. 040345, 040618, 040619, 040501, 040525
2 market-building efforts in areas approximate
3 to major public housing renovations.

4 Fifth, we have to preserve intact
5 blocks that show signs of erosion,
6 particularly because of escalating foreclosure
7 levels.

8 Sixth, we have to foster
9 preservation programs in blocks adjacent to
10 new market rate development in order to send a
11 clear signal that we are serious about
12 preserving a diversity of incomes and housing
13 tenures

14 Finally, we have to encourage other
15 major institutions, besides Penn and Temple,
16 to step up to the plate in the revitalization
17 process.

18 I want to thank you for your time,
19 and I will be happy to answer any questions
20 you may have at a later time. Thank you very
21 much.

22 (Applause.)

23 COUNCILWOMAN BLACKWELL: Thank you
24 very much.

25 Brett Mandel, please come forward.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Next will be Jane Pepper, Pennsylvania
3 Horticultural Society; then Susan Klein, PCA.

4 Thank you. Please identify yourself
5 for the record and begin your testimony.

6 MR. MANDEL: I have copies for
7 distribution.

8 COUNCILWOMAN BLACKWELL: Yes.

9 MR. BRETT MANDEL: Madam Chairwoman
10 and members of City Council, thank you for
11 providing this forum to discuss the
12 recommendations put forth by the members of
13 the 21st Century Review Forum. I am Brett
14 Mandel, Executive Director of Philadelphia
15 Forward.

16 I come before you today to commend
17 the 21st Century Review Forum for its work in
18 reviewing the recommendations of the Tax
19 Reform Commission.

20 As you know, the citizens of
21 Philadelphia agreed to the Tax Reform
22 Commission by a vote of nearly 180,000
23 residents, 80 percent of the electorate.

24 The Tax Review Commission worked for
25 ten months and spent a half million dollars in

1 RES. 040345, 040618, 040619, 040501, 040525
2 public funding to create a blueprint for
3 change to improve the city's tax structure.

4 The recommendations of the Tax
5 Reform Commission would dramatically reduce
6 the wage tax; reform, reduce, and eventually
7 eliminate the business privilege tax; and make
8 real estate taxes fair and understandable.

9 I appreciate the time and effort
10 this City Council has put into reviewing these
11 recommendations and understanding the thinking
12 behind them.

13 I am pleased to note that the
14 Mayor's hand-picked transition team, the 21st
15 Century Review Forum, reviewed the work of the
16 Tax Reform Commission and gave the
17 recommendations a tremendous endorsement,
18 agreeing with all but one of the Tax Reform
19 Commission's 28 formal recommendations.

20 The Review Forum declared, "The city
21 should move quickly to adopt the major
22 recommendations of the Tax Reform Commission,
23 even if expenditures have to be reduced to
24 cover the initial tax revenue shortfall. The
25 Mayor's very important, quality-of-life

1 RES. 040345, 040618, 040619, 040501, 040525
2 strategies will not have the desired impacts
3 or be sustainable in the long run in the
4 absence of fundamental tax reform."

5 I will repeat that last part because
6 we are talking about initiatives today. I
7 think that's a very important line.

8 "The Mayor's very important
9 quality-of-life strategies will not have the
10 desired impacts or be sustainable in the long
11 run in the absence of fundamental tax reform."

12 Furthermore, the 21st Century Review
13 Forum also discussed the question of whether
14 we should pursue implementation of the Tax
15 Reform Commission's recommendations in light
16 of the city's fiscal condition.

17 The 21st Century Review Forum stated
18 unambiguously, "Some will question whether the
19 city, with its projected FY '05 deficit, can
20 afford significant tax reform at this time,
21 but that is the wrong question. Rather, we
22 should ask how we can afford not to reform
23 taxes now." I could not have said it better
24 myself.

25 We cannot accept the excuse that we

1 RES. 040345, 040618, 040619, 040501, 040525
2 can't afford to enact this tax reform package.
3 Truly, we can't afford not to do it.

4 If Philadelphia is to move forward
5 as a city, it must break with policies that
6 hold it back. Today taxes hold Philadelphia
7 back; tomorrow, tax reform can move
8 Philadelphia forward.

9 COUNCILWOMAN BLACKWELL: Thank you
10 very much.

11 Jane Pepper, Pennsylvania
12 Horticultural Society. Good morning.

13 MS. PEPPER: Good morning. I have
14 copies for distribution.

15 COUNCILWOMAN BLACKWELL: Thank you.
16 Sergeant-at-Arms.

17 MS. JANE PEPPER: Good morning,
18 Madam President, Madam Chair, and members of
19 Council. Thank you for the opportunity to
20 present this testimony.

21 I am Jane Pepper, the President of
22 the Pennsylvania Horticultural Society and the
23 Philadelphia Green Program.

24 Through Community Development Block
25 Grant dollars, the Pennsylvania Horticultural

1 RES. 040345, 040618, 040619, 040501, 040525
2 Society's Philadelphia Green Program has been
3 able to carry forward its mission of improving
4 the quality of life and building community
5 through horticulture. Our work touches nearly
6 every corner of the city.

7 We support grass-roots efforts of
8 hundreds of neighborhood volunteers and create
9 maximum impact by establishing strong
10 partnerships with city agencies, neighborhood
11 institutions, not-for-profit organizations,
12 and the business community.

13 We very much appreciate the support
14 provided to Philadelphia Green by OHCD over
15 many years. We have put these resources to
16 good use. More importantly, we have been able
17 to leverage city dollars into significant
18 support from foundations, businesses, and
19 other entities in the private sector.

20 In June 2003, as part of Mayor
21 Street's Neighborhood Transformation
22 Initiative, PHS was awarded a \$4 million
23 contract to oversee greening projects in the
24 city, with the aim of making a substantial
25 impact in improving community open spaces.

1 RES. 040345, 040618, 040619, 040501, 040525
2 Taking advantage of this landmark commitment,
3 PHS proposed specific projects for Fiscal Year
4 2004 that have greatly improved the appearance
5 of many of our neighborhoods.

6 This unprecedented level of
7 investment has resulted in dramatic
8 improvements in the quality of life in our
9 communities and has clearly conveyed the
10 importance of quality open space as part of a
11 neighborhood's revitalization strategy.

12 The immediate visual improvements
13 bring hope to residents of formerly blighted
14 areas and help to build support for investment
15 in the city's green spaces.

16 Our work over the next five years
17 will continue to be based on the green city
18 strategy, a concept developed by Philadelphia
19 Green that emphasizes large-scale investment
20 in vacant land management, quality landscapes,
21 streetscapes, neighborhood parks, and other
22 open spaces as a means to rebuild the city.

23 Starting from the premise that ugly
24 is bad for business, the goal of this effort
25 is to significantly enhance the quality of the

1 RES. 040345, 040618, 040619, 040501, 040525
2 city's green infrastructure to make the city
3 attractive so it can more easily retain and
4 attract new residents, new businesses, and new
5 investment.

6 This strategy adopted by NTI in 2001
7 reflects key priorities for neighborhood
8 revitalization. A three-pronged approach that
9 includes concentrated greening, clean and
10 green in targeted areas, community-based
11 vacant land maintenance, and citywide greening
12 projects.

13 These efforts are integrated with
14 PHS's ongoing work, leveraging further support
15 and long-standing partnerships such as those
16 with the Pew Charitable Trust and the William
17 Penn Foundation.

18 As part of the \$4 million investment
19 in greening and open space revitalization, PHS
20 has partnered with hundreds of neighborhood
21 residents, community groups, and city
22 organizations, and we are proud of the
23 following accomplishments.

24 Working with the Mayor's Office,
25 City Council members, and key neighborhood

1 RES. 040345, 040618, 040619, 040501, 040525
2 stakeholders, PHS identified strategic
3 corridors, as well as sites adjacent to
4 schools, churches, commercial and housing
5 developments, and gateways for land
6 stabilization.

7 Land stabilization has been
8 completed in many neighborhoods throughout
9 Philadelphia and has included clearing land of
10 debris, replacing topsoil, planting grass seed
11 and trees, and constructing post-and-rail
12 fencing.

13 Coupled with the city's efforts to
14 demolish abandoned buildings in the
15 neighborhoods, stabilizing vacant land in
16 these communities has significantly improved
17 their appearance, discouraged further
18 deterioration, and built momentum for other
19 enhancements.

20 As part of the NTI contract, PHS'
21 goal was to clean and green 1,000 parcels, a
22 million square feet, of vacant land.

23 To date, we are pleased to report
24 that more than 1.3 million square feet of land
25 has been successfully brought under a

1 RES. 040345, 040618, 040619, 040501, 040525
2 management program.

3 As an approach to vacant land
4 maintenance, PHS developed a pilot program
5 that looked to build the capacity of community
6 organizations to maintain recently cleared
7 land.

8 In August 2003, PHS selected eight
9 community-based organizations that were
10 responsible for performing basic housekeeping
11 of cleared land in their communities.

12 This approach gives local
13 organizations a direct role in improving the
14 appearance of their own environment, investing
15 the community in the long-term success of the
16 project.

17 Approximately 70 city residents have
18 been hired by eight organizations.
19 Participating in the program are Centro Pedro
20 Claver, New Kensington CDC, Ready Willing and
21 Able, Self Inc., Tioga United, University City
22 District, Mantua Improvement Association,
23 Universal Companies, and Village of the Arts.

24 As part of the NTI contract, PHS'
25 goal was to provide basic housekeeping for

1 RES. 040345, 040618, 040619, 040501, 040525
2 1,760 parcels of vacant land utilizing
3 community organizations.

4 To date, we are pleased to report
5 that more than 1,900 parcels have been
6 successfully brought under a management
7 program.

8 As part of a citywide greening
9 approach, PHS was able to expand urban
10 greening efforts that are key programmatic
11 initiatives to Philadelphia Green.

12 Outside of the vacant land
13 management efforts, a variety of greening
14 projects have been developed and implemented.
15 These projects include work on revitalizing
16 neighborhood parks, creating community
17 gardens, greening neighborhood corridors, and
18 conducting community-driven greening projects
19 on residential blocks.

20 A series of educational programs for
21 residents has supported these efforts.

22 Specifically, PHS is currently
23 completing work on six greening projects at
24 neighborhood corridors, six signature greening
25 projects, 51 park improvement projects, 20

1 RES. 040345, 040618, 040619, 040501, 040525
2 community gardens, and 5 garden block
3 clusters, consisting of more than 500 colorful
4 wine barrel planters.

5 Again, the Pennsylvania
6 Horticultural Society is grateful for the
7 long-term support provided by OHCD, as well as
8 the opportunity to serve.

9 We look forward to support in the
10 coming year to continue our work in the
11 neighborhoods using greening as a community
12 development tool.

13 We also look forward to expanding
14 our impact and building on the landmark
15 investment made by NTI in open space
16 revitalization.

17 The green seeding strategy holds
18 tremendous promise for Philadelphia's
19 continuing revitalization. While its
20 long-term success will be measured by the
21 number of residents who choose to stay in
22 their neighborhoods, rather than move out of
23 the city, the strategy's immediate impact is
24 evident; not only in the much approved
25 appearance of many neighborhoods, but also in

1 RES. 040345, 040618, 040619, 040501, 040525
2 the hearts and minds of residents who are
3 begin to view these communities in a whole new
4 light.

5 Neighborhood activist Juanita
6 Story-Jones has been pleased with the results
7 to date. "Greening is something we have
8 needed for years," she said. "It makes this
9 place feel more like a community. It shows
10 that this is a place for investment, a place
11 to live, a place to enjoy."

12 Thank you.

13 (Applause.)

14 COUNCILWOMAN BLACKWELL: Susan
15 Klein, PCA.

16 Next is Terry Mushovic, Neighborhood
17 Garden's Association. Is Terry Mushovic here?

18 MS. KLEIN: I have written
19 testimony.

20 COUNCILWOMAN BLACKWELL: Please
21 identify yourself, begin your testimony.

22 After Neighborhood Gardens
23 Association will be Jihad Ali, Contractors
24 Roundtable, and Donald Kelly, GPUAC.

25 We are trying to keep in timely

1 RES. 040345, 040618, 040619, 040501, 040525
2 fashion. If you folks move fast, we can save
3 time. Thank you.

4 MS. SUSAN I. KLEIN: Thank you for
5 the opportunity to testify. I will just
6 highlight my testimony today.

7 I am the Director of Housing for the
8 Philadelphia Corporation for Aging.

9 Philadelphia has the highest
10 concentration of elders among the 20 largest
11 cities. Approximately 30 percent of older
12 Philadelphians live within 150 percent of the
13 official poverty limit.

14 Some of the ways that we address
15 these needs is with funding from the Office of
16 Housing Community Development through direct
17 housing services, including SHARP, the Senior
18 Housing Assistance Repair Program, and the
19 Adaptive Modification Program, AMP, which
20 serves the needs of people with disabilities
21 of all ages.

22 This year we were able to serve 750
23 consumers in the SHARP program. We have 1100
24 high-priority elder households waiting for
25 these services.

1 RES. 040345, 040618, 040619, 040501, 040525

2 PCA requests City Council to support
3 current SHARP funding for \$325,000, but more
4 construction funds without significant
5 lead-based paint regulations are needed for
6 this program.

7 The Adaptive Modification Program
8 started in 1989, provides modifications to
9 people with disabilities of all ages.

10 And with thanks to the advocacy of
11 the Philadelphia Affordable Housing Coalition,
12 and the disabilities community, this program
13 was funded at \$5 million in Year 29 and is the
14 plan for the same amount.

15 I have quoted some people who have
16 received those modifications because I really
17 want the Council to get a sense of the kinds
18 of impact that these modifications can make
19 for people.

20 We currently have 760 people waiting
21 for services. So even at current funding
22 levels, it is a two-year waiting list.

23 PCA would like to thank OHCD for
24 their support of the Adaptive Modification
25 Program and ask City Council to support this

1 RES. 040345, 040618, 040619, 040501, 040525
2 level of funding.

3 PCA would like to mention a number
4 of different things.

5 We certainly support the development
6 of the Housing Trust, Bill 040594, as
7 introduced by Councilwoman Blackwell and
8 Reynolds-Brown, Councilwomen.

9 The Housing Trust needs to be funded
10 at a level that \$20 million can be annually
11 used.

12 (Applause.)

13 MS. KLEIN: PCA supports maintaining
14 the Basic Systems Repair Program at Year 29
15 funding.

16 Most seniors own their own homes,
17 and BSRP is a lifeline for-low income
18 homeowners in Philadelphia.

19 The third thing is that PCA strongly
20 supports the passage of the visibility
21 ordinance, and would like to thank
22 Councilwoman Blackwell and her office for
23 their support of the concept.

24 (Applause.)

25 MS. KLEIN: Typical row homes were

1 RES. 040345, 040618, 040619, 040501, 040525
2 designed centuries ago, when the average life
3 span was in the 40's. And we are really
4 wasting our effort if we keep on building
5 outmoded designs.

6 I understand that the only objection
7 that some people have is whether there would
8 be an increased cost. And I have included in
9 my testimony information from an organization
10 called Concrete Change in Atlanta that
11 supports how inexpensive visitable housing can
12 be.

13 PCA urges OHCD to develop as many
14 units of senior housing as possible. On a
15 national level, it is predicted that for each
16 unit of housing, there are nine people waiting
17 for senior housing.

18 We would also like to thank OHCD for
19 supporting the expansion of housing counseling
20 from one to three senior centers.

21 Senior centers are the place that
22 seniors feel comfortable to walk in and to
23 talk about issues, including predatory
24 lending, and expanding the housing counseling
25 will be very important.

1 RES. 040345, 040618, 040619, 040501, 040525

2 I would also like to ask City
3 Council to increase the capacity of the
4 Historic and Planning Commissions so that they
5 can respond to our requests.

6 We currently have about 62 AMP cases
7 and 66 SHARP cases waiting to see whether they
8 are treat sensitive. And we have about 23
9 cases that are waiting to see whether we can
10 go forward with the planned renovations.

11 And, lastly, I would like to mention
12 that the state has two demonstration projects
13 underway. One to assist people to get on to
14 care services quicker and one to get people
15 out of nursing homes.

16 The barrier is often housing. So
17 the only way that we can be successful in
18 getting people out of nursing homes is to make
19 sure that the people with the housing units
20 and the people that can provide services sit
21 down together. And we could certainly use
22 your help in making sure that the Philadelphia
23 Housing Authority join us in this effort.

24 Thank you for the opportunity to
25 testify.

1 RES. 040345, 040618, 040619, 040501, 040525

2 (Applause.)

3 COUNCILWOMAN BLACKWELL: Thank you
4 very much.

5 Neighborhood Garden's Association.

6 Are you here?

7 Jihad Ali, Contractors Roundtable.

8 Are you here?

9 Donald Kelly, GPUAC. Thank you.

10 Michael Spain, Design Collaborative.

11 MR. DONALD C. KELLY: I am Donald
12 Kelly, Director of Community and Economic
13 Development for the Greater Philadelphia Urban
14 Affairs Coalition. Thank you for the
15 opportunity to testify today.

16 There are three issues I would like
17 to address. One is two programs supported by
18 the NTI. One is the Anti-predatory Lending
19 Program, the second is the Employer Assisted
20 Housing Program, and then the new initiative
21 proposed by PHCDC, the Housing Trust Fund.

22 In the spring of 2002, GPUAC's
23 community and economic development committee
24 began a series of meetings with the objective
25 of creating an alternative for Philadelphia

1 RES. 040345, 040618, 040619, 040501, 040525
2 homeowners who need loans to repair or improve
3 their homes, but whose credit was not good
4 enough to qualify for conventional bank loans.

5 Faced with essential repairs, such
6 as replacing a worn-out roof or a dangerous
7 electrical system, and unable to get loans
8 from responsible lending institutions, such
9 homeowners become easy prey for sweet-talking
10 predatory contractors and lenders.

11 The CED committee includes bankers,
12 community activists, community housing
13 counselors, and community development
14 intermediaries.

15 This knowledgeable group is joined
16 by OHCD and NTI experts, and together devised
17 a program that would open the door to bank
18 home improvement loans to B grade borrowers
19 who would not normally be considered
20 qualified.

21 This model would be accomplished
22 through a partnership of banks, housing
23 counseling agencies, and the city. And the
24 idea was that clients would receive counseling
25 and home inspections to identify essential

1 RES. 040345, 040618, 040619, 040501, 040525
2 work items, then the banks would make the
3 loans.

4 But the banks would only be willing
5 to do that if there were some recourse. And
6 we devised a 20 percent recourse strategy.

7 In the fall of 2002, OHCD issued an
8 RFP for the proposals under the NTI that would
9 create alternatives to predatory lending. And
10 GPUAC applied and was awarded \$500,000.

11 Of this, \$450,000 was immediately
12 earmarked for the loan lost reserve fund, with
13 the potential of leveraging approximately 175
14 loans, averaging 15,000 each. That's
15 administered by the RDA.

16 In all, we have 40 partners in this
17 program now, including 25 city-funded housing
18 counseling agencies that were trained in the
19 loan programs now known as PHIL-plus and
20 Mini-PHIL, eight participating banks, three
21 home inspection firms, two city agencies, a
22 marketing firm, and GPUAC.

23 The Mayor announced the program at a
24 press conference on June 30, 2003. We are
25 pleased to report now that, after ten months,

1 RES. 040345, 040618, 040619, 040501, 040525
2 the program has provided 100 counseled clients
3 to participating banks, 25 loans have been
4 closed, and many more are in the pipeline.

5 For the second year of the program,
6 we are projecting an average of ten referrals
7 to banks per month, with 50 percent of them
8 being successfully closed.

9 At this pace, the 175 loan capacity
10 of the reserve fund should be sufficient until
11 mid 2006. However, administrative and
12 marketing funds in the amount of approximately
13 66,000 per year will continue to be needed.

14 The NTI was responsive to a serious
15 threat to the public's interest by supporting
16 the launch of the Anti-Predatory Lending
17 Program. That threat continues, and the need
18 for alternatives to predatory loans continues
19 with it.

20 NTI's Anti-Predatory Lending Program
21 was a starting point to make some inroads into
22 this problem. And with continued support from
23 the city, will make further headway in the
24 coming years.

25 The second program is the employer's

1 RES. 040345, 040618, 040619, 040501, 040525
2 assisted housing, which is a newer concept in
3 Philadelphia for most of Philadelphia. This
4 was launched this past year, the goals of
5 which are two-fold.

6 One is to make employment in
7 Philadelphia more attractive to workers by
8 helping employers offer housing-related
9 benefits to their employees.

10 Secondly, to provide resources to
11 employees to enable them to purchase or
12 improve their homes in Philadelphia.

13 The program is now called
14 Philadelphia HomeBuyNow. Philadelphia
15 HomeBuyNow consists of a menu of
16 housing-related benefits that have been
17 assembled by GPUAC and are now being offered
18 to Philadelphia employers for their employees.

19 These benefits include competitive
20 mortgages through PHFA and six banks; down
21 payment and closing cost grants, in which the
22 city matches the employer contribution up to
23 \$3,000; employer guarantees of employee's
24 mortgages; home inspections; home maintenance
25 training; and linkage to city housing

1 RES. 040345, 040618, 040619, 040501, 040525
2 counseling services and home improvement loan
3 programs.

4 This housing benefit menu is now
5 being marketed to a large and small employers,
6 for-profit and nonprofit entities, as well as
7 to government institutions, such as the
8 Philadelphia School District, where it is
9 being considered as a potential tool to
10 attract and retain teachers.

11 Employers that offer one or more of
12 these benefits will be at a competitive
13 advantage in attracting desirable employees,
14 increasing employees' loyalty, and thereby
15 reducing turnover costs.

16 Housing benefits can also be
17 structured in a way that strengthens the
18 demand and upkeep of housing in a neighborhood
19 surrounding the employer's facility, such as
20 has been demonstrated by the University of
21 Pennsylvania.

22 Despite their obvious advantages,
23 housing benefits are still relatively rare,
24 with only 7 percent of the nation's employers
25 offering them.

1 RES. 040345, 040618, 040619, 040501, 040525

2 The principal reasons for this are
3 that housing benefits have had to be custom
4 crafted by employers looking to participate,
5 and there are a few entities available to
6 employers to guide them in the crafting or
7 implementing of these programs.

8 Thanks to the Neighborhood
9 Transformation Initiative's HomeBuyNow
10 Program, that need is being met.

11 Perhaps more importantly, HomeBuyNow
12 and employer assisted housing represent an
13 innovation in the city's community development
14 strategy in four ways.

15 It is a demand-side strategy,
16 seeking to encourage demand for existing
17 housing, rather than increasing supply at a
18 time when the city is losing residents.

19 Moreover, this approach can
20 particularly help younger people who are in
21 their home-buying years in the city.

22 As a demand-side program that
23 reduces the costs of homeownership, it puts
24 the city in a position to better compete for
25 residents.

1 RES. 040345, 040618, 040619, 040501, 040525

2 From the community development
3 perspective, employer-assisted housing
4 provides the city with a new and important way
5 to leverage its funding, as the program
6 requires participation of employers and
7 employer organizations.

8 To date, many employers have not
9 been part of the city's community development
10 conversation because they have not had the
11 tools to connect improved communities to their
12 own prosperity. Philadelphia HomeBuyNow makes
13 that connection.

14 Although employer-assisted housing
15 is a business improvement strategy, organized
16 labor can also participate. Federal law
17 recognizes housing benefits as a bargainable
18 benefit.

19 And in addition to participating in
20 HomeBuyNow, unions can now seek to create
21 Housing Trust Fund programs managed by labor
22 and management Boards.

23 Funds from Fiscal Year '03 supported
24 Philadelphia HomeBuyNow during its
25 construction phase. And funds from '04 are

1 RES. 040345, 040618, 040619, 040501, 040525
2 available to support Philadelphia HomeBuyNow
3 during its marketing and initial
4 implementation stage through its 20 to 30
5 employers are expected to participate.

6 However, at this point there is no
7 funding included in Fiscal Year '05 budget for
8 either replenishing the city fund for matching
9 benefit grants or for the administrative costs
10 during the third year of the program.

11 In creating this employer-assisted
12 housing program, the NTI has recognized the
13 strategic value of a program that is both an
14 economic development strategy and a housing
15 strategy, and that effectively uses limited
16 public resources to leverage private-sector
17 investment.

18 However it is important to recognize
19 that employer-assisted housing places a new
20 responsibility upon the city. A core element
21 in the employer-assisted housing conversation
22 is that employers should adjust their benefit
23 programs in return for gaining city assistance
24 in offering this benefit.

25 Employers are not going to want to

1 RES. 040345, 040618, 040619, 040501, 040525
2 reconfigure their benefit programs to
3 participate in a fleeting city effort. In
4 beginning this program, it is vital that the
5 city stick with this approach, assuming it
6 proves successful.

7 It is not enough for the see to be a
8 partner with the business community in this
9 program, it must be a reliable partner.

10 We hope that the success we are
11 showing this year with both the anti-predatory
12 lending and employer-assisted housing programs
13 will continue the city. And the NTI
14 initiatives have had positive effects in our
15 neighborhoods.

16 Numerous for-profit and nonprofit
17 partners are committed to making these
18 programs work in the long term, and this will
19 continue to be the case as long as we can
20 count on the consistent long-term commitment
21 by our public sector partner, the City of
22 Philadelphia.

23 Finally, allow me to reiterate
24 GPUAC's endorsement of the idea proposed by
25 PACDC for the formation of a Housing Trust

1 RES. 040345, 040618, 040619, 040501, 040525
2 Fund with dedicated sources of funding.

3 This is a powerful concept, with the
4 potential to both increase the supply of
5 decent and affordable housing and provide
6 stability to the nonprofit housing industry in
7 Philadelphia.

8 This industry has not only brought
9 housing renewal and new tax ratables to our
10 depressed neighborhoods, it has also brought
11 hope to our depressed citizens through its
12 ability to transform abandoned land to
13 productive use.

14 This industry has helped to keep the
15 city alive and is worthy of the city's steady
16 and predictable support through the Housing
17 Trust Fund, Bill 040594, with amendments.

18 Thank you for the opportunity to
19 testify.

20 (Applause.)

21 COUNCILWOMAN BLACKWELL: Thank you
22 very much. We can always present your
23 testimony in total for the record. We would
24 ask everyone, if you can, to keep your remarks
25 to three minutes. Is that all right? Thank

1 RES. 040345, 040618, 040619, 040501, 040525
2 you.

3 Thank you, Mr. Spain. Not meant
4 specifically for you, sir. Thank you.

5 MR. MICHAEL SPAIN: Good afternoon,
6 Madam Chair, members of Council. My name is
7 Michael Spain, I am an architect and a Board
8 member of the Community Design Collaborative
9 of AIA Philadelphia. Thank you for the
10 opportunity to provide comments on the Year 30
11 consolidated plan.

12 The Collaborative believes that
13 design matters for every community in every
14 part of our city. The Collaborative is a
15 volunteer-based design center that connects
16 community-based organizations with pro bono
17 preliminary design services.

18 We provide nonprofits with access to
19 predevelopment design services, match design
20 professionals with volunteer opportunities,
21 and promote best practices in community
22 development.

23 Since 1994 our volunteer teams have
24 advised hundreds of nonprofits on the design
25 process. In 2003 alone, the Collaborative

1 RES. 040345, 040618, 040619, 040501, 040525
2 initiated 38 new projects and coordinated pro
3 bono services for 47 non-profits, delivering
4 nearly \$400,000 in pro bono preliminary design
5 services.

6 Design professionals can contribute
7 to neighborhood revitalization by donating
8 time to nonprofits through the Collaborative.
9 Our design teams work with community groups to
10 strengthen our neighborhoods, build a supply
11 of affordable housing, and improve the quality
12 of life in our city by design.

13 Let me provide you with one example
14 of how we have helped the Community
15 Development Corporation test new housing
16 options.

17 In 2001, the Allegheny West
18 Foundation in North Philadelphia came to the
19 Collaborative for assistance in developing
20 design solutions for combining vacant parcels
21 on Garnet and Somerset Streets, sadly known as
22 the forgotten blocks.

23 With Collaborative report in hand,
24 Allegheny West was able to present their
25 approach to funders such as the Redevelopment

1 RES. 040345, 040618, 040619, 040501, 040525
2 Authority, Pennsylvania Housing Finance
3 Agency, OHCD, leveraging a total of 1.2
4 million to develop 14 vacant lots for
5 home-ownership housing.

6 This project is a best-practice
7 model for reusing housing stock and vacant
8 lots for lower density units.

9 Good design is good policy. Many
10 important private, nonprofit, and public
11 initiatives help our neighborhoods by building
12 hundreds of homes and repairing thousands more
13 each year. All build on the investment made
14 by the Neighborhood Transformation Initiative.

15 The Collaborative supports the Year
16 30 OHCD consolidated plan. The support of
17 preliminary planning and architectural
18 services for community development
19 corporations and neighborhood-based
20 organizations have qualitative and
21 quantifiable returns on investment.

22 OHCD has been a strong partner,
23 providing guidance, referrals, and funding for
24 our activities since 1994. Overall, the
25 Collaborative leveraged, again, more than

1 RES. 040345, 040618, 040619, 040501, 040525
2 \$400,000 in donated services from our design
3 volunteers and vendors in 2003. This is a 4
4 to 1 return on the city's investment.

5 Every dollar of CDBG support
6 leverages \$4 of pro bono free development
7 services.

8 The Collaborative's early technical
9 services also leverage considerable
10 professional services for Philadelphia's
11 architecture, engineering, construction
12 industry, support community participation,
13 while providing quality technical assistance,
14 making good use of the funding provided.

15 We support the creation of a Housing
16 Trust Fund. More than 275 cities around the
17 country have Housing Trust Funds.

18 (Applause.)

19 MR. SPAIN: This is a best practice
20 worth replicating in Philadelphia.
21 Philadelphia needs to invest in housing
22 production.

23 The trust fund should be funded from
24 ongoing, dedicated sources. However, to get
25 it started, we support the allocation of NTI

1 RES. 040345, 040618, 040619, 040501, 040525
2 funds. This will provide support for
3 rehabilitation or construction of affordable
4 rental homeownership and special-needs
5 housing.

6 The Philadelphia Trust Fund should
7 become a permanent source of funding for
8 neighborhood revitalization.

9 We support the historic property
10 repair program. The Collaborative supports
11 the work between the Preservation Alliance and
12 the city to design a program to help maintain
13 the character of historic areas and properties
14 in Philadelphia without placing excessive
15 financial burdens on low-income homeowners.

16 The design and implementation of
17 this program will provide grants to low-income
18 homeowners to complete needed exterior
19 repairs.

20 We support the homeownership
21 Rehabilitation Program. The Collaborative has
22 provided support to many community development
23 corporations using Historic Rehabilitation
24 Program. Supplementing CDBG funds with NTI
25 funds will enable HRP to expand its success,

1 RES. 040345, 040618, 040619, 040501, 040525
2 additionally targeting households above 80
3 percent of the area median.

4 In closing, promoting design is a
5 tool for community participation, also helps
6 the city create spaces that are responsive to
7 neighborhood context, reflective of
8 Philadelphia's culture, and more affordable to
9 adapt. These programs and initiatives advance
10 Collaborative goals.

11 The Community Design Collaborative
12 believes that design matters for every
13 community in every part of our city.

14 Thank you for your attention and
15 continued support.

16 (Applause.)

17 COUNCILWOMAN BLACKWELL: Thank you,
18 Mr. Spain.

19 Rachel Cohen, People's Emergency
20 Center.

21 Jim Miller, Friends Rehab. Are you
22 here, Mr. Miller?

23 Thank you very much. Please
24 identify yourself.

25 Mr. Miller, you may come up and join

1 RES. 040345, 040618, 040619, 040501, 040525
2 us at the table.

3 Please identify yourself and begin
4 your testimony.

5 MS. RACHEL COHEN: Good morning. My
6 name is Rachel Cohen. I am here representing
7 the People's Emergency Center and the People's
8 Emergency Center Community Development
9 Corporation. I thank you for this opportunity
10 to come and speak this morning.

11 I am here on behalf of Gloria Guard,
12 the president of our two affiliated
13 organizations.

14 On behalf of PEC and PECDC, I would
15 like to make the following recommendations to
16 City Council for Year 30.

17 First, we would like to commend the
18 city for continuing to include the homeless
19 and special-needs set-aside and maintaining
20 the special-needs development financing.

21 The \$3 million set-aside of CDBG
22 funding for development financing for homeless
23 and special-needs housing is critically
24 important for serving homeless individuals and
25 families, people with AIDS, and people with

1 RES. 040345, 040618, 040619, 040501, 040525
2 physical disabilities.

3 The set-aside has made a significant
4 difference by creating new housing for
5 homeless people, enhancing development
6 capacity among special-needs providers, and
7 considerably increasing the federal dollars
8 coming into Philadelphia for special-needs
9 projects.

10 These resources allocated to
11 development financing for homeless and
12 special-needs housing in Year 30 will enable
13 the city to fund desperately needed permanent
14 supportive housing units without draining
15 resources from the other essential components
16 of the homeless continuum of care.

17 This is consistent with the five
18 year action plan developed by the steering
19 committee with broad local representation
20 and incorporation for supportive housing.

21 We would like to thank the city
22 again for its ongoing commitment to funding
23 acquisition, and especially for the set-aside
24 of \$15 million for land acquisition.

25 If the city is going to meet its

1 RES. 040345, 040618, 040619, 040501, 040525
2 goals of revitalizing neighborhoods,
3 increasing housing production, and improving
4 quality of life, we need this continued
5 funding for land acquisition.

6 As the properties are demolished,
7 the land is left vacant, creating additional
8 sources of blight. As a CDC that has been
9 working to strengthen the West Powelton
10 community for 12 years, we directly understand
11 the importance of redevelopment.

12 With the support of all the past
13 acquisition funding, we have converted over 78
14 vacant and blighted properties into 100 units
15 of affordable, transitional, and permanent
16 housing, four social service facilities, a
17 community program, and green space.

18 We would like to urge the city to
19 maintain current funding levels for the
20 community economic development activities.

21 The city should continue to meet its
22 obligation to use 5 percent of its CDBG funds
23 for CDC economic development projects by
24 maintaining current commerce department
25 support of CDCs, at least at the existing

1 RES. 040345, 040618, 040619, 040501, 040525
2 level, including support for special service
3 districts and neighborhood commercial
4 corridors.

5 We applaud the city for investing
6 \$50,000 of homeless technical assistance
7 planning dollars in the Greater Philadelphia
8 Urban Affairs Coalition's blueprint to end
9 homelessness.

10 We would also like to thank the city
11 for maintaining the funding for affordable
12 homeownership housing, and we urge you to
13 increase your affordable rental housing
14 funding.

15 We support the city's \$750,000
16 commitment to implementing the
17 employer-assisted housing program designed to
18 increase the number of families purchasing
19 homes in Philadelphia.

20 Through this program, designed by
21 GPUAC in conjunction with PHFA, PEC will be
22 launching its own employer-assisted housing
23 program

24 The plan offers a great incentive
25 for PEC employees to buy a home in our West

1 RES. 040345, 040618, 040619, 040501, 040525
2 Philadelphia neighborhood, further supporting
3 our community revitalization efforts.

4 And, finally, we would like to thank
5 the city for addressing the issue of
6 neighborhood preservation with the
7 establishment of the Targeted Basic Systems
8 Repair Program in Year 29, and we encourage
9 the city to continue funding this crucial
10 program as outlined in the RFP.

11 This important preservation program
12 builds on existing investments, prevents
13 vacancies, and creates wealth for community
14 residents.

15 In the past, PEC has helped 20
16 homeowners with repairs, and by the end of the
17 summer we will have helped 46 additional
18 homeowners repair their homes, for a total of
19 66, which wouldn't be possible without this
20 funding from the city.

21 Thank you again for the opportunity
22 to provide comments.

23 (Applause.)

24 COUNCILWOMAN BLACKWELL: Thank you.
25 Mr. Miller.

1 RES. 040345, 040618, 040619, 040501, 040525

2 MR. JIM MILLER: Good morning,
3 Councilwoman Blackwell. My name is Jim
4 Miller, I am the Executive Director for the
5 Friends Rehabilitation Program Incorporation.
6 And I am here today to express my
7 organization's support for the Housing Trust
8 Fund ordinance, Bill No. 040594.

9 The Friends Rehabilitation Program
10 is one of the oldest nonprofit housing
11 corporations in the nation. And we have been
12 in partnership with the City of Philadelphia
13 for 40 years to develop safe, decent and
14 affordable housing of low-income persons.

15 During that time, we have developed
16 more than 1,000 units of affordable housing.
17 We currently manage more than 700 units of
18 housing, 57 units for persons with HIV and
19 AIDS. We also administer 125 units for the
20 transitional housing program.

21 Passage of the Housing Trust Fund is
22 essential for a group like FRP to continue to
23 be a partner with the City of Philadelphia.

24 The lack of a reliable source of
25 funding is truly a problem for a group like

1 RES. 040345, 040618, 040619, 040501, 040525
2 FRP.

3 A \$20 million Housing Trust Fund
4 will provide just what is needed so we can
5 spur long-term, sustainable economic and
6 community growth.

7 A \$20 million Housing Trust Fund
8 would build 400 new homes per year, repair
9 1,200 homes per year, and prevent
10 homelessness, while leveraging more than \$50
11 million per year in outside funding.

12 A \$20 million Housing Trust Fund
13 would also mean \$115 million economic impact
14 on the City of Philadelphia.

15 Passage and full funding of the
16 Trust Fund will not only help to spur housing
17 and community development, it would also have
18 to close the gap of an estimated 60,000 new
19 units of housing that's needed in the City of
20 Philadelphia today.

21 In addition to supporting full
22 funding for the Housing Trust Fund program,
23 Friends also supports an additional \$15
24 million in new acquisition funding. We
25 believe these funds should come directly from

1 RES. 040345, 040618, 040619, 040501, 040525
2 the NTI.

3 In addition, the city should
4 implement the proposed recycling agreement to
5 ensure that a portion of that funding being
6 spent on acquisition will be available to
7 support future acquisition needs, as well.

8 Again, I would like to thank
9 Chairwoman Blackwell for the opportunity to
10 speak here today and, again, express our
11 organization's full support for full funding
12 of the Housing Trust Fund, Bill No. 040594.
13 Thank you.

14 COUNCILWOMAN BLACKWELL: Thank you,
15 Mr. Miller.

16 (Applause.)

17 COUNCILWOMAN BLACKWELL: Jihad Ali,
18 Contractors Roundtable.

19 MR. JIHAD ALI: Good morning,
20 Councilwoman Blackwell, and thank you for
21 giving me the opportunity to come back and
22 testify.

23 My name is Jihad Ali, and I am happy
24 to say that I am the Chairman of the
25 Contractors Roundtable, which is Contractors

1 RES. 040345, 040618, 040619, 040501, 040525
2 Roundtable Council, which is an organization
3 that's advocated for inclusion of
4 African-Americans and Latinos in the
5 construction industry for the past several
6 years.

7 One of the reasons we are here
8 today, Councilwoman Blackwell, is to give a
9 followup about the -- we were here in March,
10 and we were directed to work with technical
11 staff to have the technical staff look at our
12 proposal that we had submitted to the City of
13 Philadelphia.

14 Our proposal was to increase
15 minority capacity and participation in
16 construction contracting in the City of
17 Philadelphia.

18 As we all know with the recent
19 newspapers reports, that 98 percent of all
20 contracts in the city goes to white-male and
21 white-women-owned firms.

22 We first attended in March. And we
23 worked with the Council, we submitted our
24 proposal to have existing contractors
25 participate in the NTI demolition program.

1 RES. 040345, 040618, 040619, 040501, 040525

2 We subsequently met with Ms. Smith
3 and several city representatives to discuss
4 our proposal and getting our members involved
5 in the NTI process.

6 And we have, for the past several
7 months, attempted to get some type of
8 commitment from Ms. Smith to support our
9 proposal and our participation in the NTI
10 process for existing contractors.

11 Ms. Smith has developed a -- since
12 that time, Ms. Smith had developed a great
13 idea for our involvement into the process;
14 however, we are yet to meet some time in the
15 future to develop this great idea, to get a
16 mechanism to implement it.

17 Ms. Smith has also suggested that we
18 can participate in some existing programs
19 under the NTI.

20 Why we are here again today is for
21 some type of commitment from the NTI and from
22 the city for some definite dollar amount for
23 participation of existing contractors in the
24 last year of the NTI demolition process.

25 Our proposal was unique, in that we

1 RES. 040345, 040618, 040619, 040501, 040525
2 had a Memorandum of Understanding for our
3 contractors to support and respond to. We had
4 a mentor/protege program. We had the full
5 support of Local 332, Sam Staton.

6 We had the support of the directors
7 of -- executive director of DAP, Tony Lewis.
8 We had the support of the General Building
9 Contractors Association. And we also had
10 partnering and joint-venturing opportunities.

11 We have employment goals. We had a
12 program that was entitled Tools For Guns,
13 where we would have hired 20 youth to get the
14 youth to put down guns and try to get a
15 foothold in the construction industry.

16 And one thing I wanted to do is, I
17 wanted to thank all the technical staff that
18 had helped us throughout the past three months
19 to try to get this program. We really would
20 like to extend our sincere appreciation to all
21 the staff people of the City Council of
22 Philadelphia.

23 I am here today with my attorney,
24 Isaac Green. And Isaac Green has been one of
25 the main people that has been responsible for

1 RES. 040345, 040618, 040619, 040501, 040525
2 us to try to get some commitment from the
3 city, instead of just a lot of promises.

4 Because ultimately why we are here
5 today, is to try to help families. Because
6 even though we talk about construction, and
7 there has been testimony today about the
8 different programs, whether it is the housing
9 program, whether it is NTI, demolition, or the
10 new development, it all comes down to
11 construction.

12 And ultimately that impacts the
13 black family, black and Latino families.
14 Because if black men and Latino men and women
15 cannot work, then they can't support their
16 families.

17 And too often we don't really look
18 at the causes why families have problems, but
19 the number one reason is the lack of economic
20 opportunities for those families to
21 participate in.

22 So ultimately, Councilwoman
23 Blackwell, we are here to support families,
24 because it is all about families. It is about
25 husbands and wives and sons and daughters.

1 RES. 040345, 040618, 040619, 040501, 040525

2 And we are talking about generation
3 after generation we are stuck with the same
4 problem because nobody has taken a fight to
5 make sure that we are participating with the
6 rest of society as it goes forward.

7 So every day when we look in the
8 newspapers, and we see young black men that
9 are dying because of their involvement in the
10 drug trade, we really have to stop and see,
11 ask ourselves, what other opportunities are we
12 giving them to participate in the economic
13 opportunities of this city.

14 So ultimately, once again, we are
15 here to fight for families.

16 I would like our attorney, Isaac
17 Green, to tell you about some of the things
18 that we had -- problems we had with the NTI
19 program.

20 COUNCILWOMAN BLACKWELL: Thank you,
21 Mr. Ali. Please proceed, Mr. Green.

22 MR. ISAAC GREEN: Good morning,
23 Councilwoman Blackwell.

24 I would, first of all, like to thank
25 you, your staff, and the other members of City

1 RES. 040345, 040618, 040619, 040501, 040525
2 Council who provided staff persons to provide
3 us with certain assistance in putting together
4 this proposal and making sure that Council was
5 made aware of our concerns and the efforts
6 that we are trying to complete.

7 I would also like to thank the
8 Administration for some of the efforts that it
9 has extended in terms of opening its doors to
10 hear our membership and the concerns that we
11 have.

12 As you well know, there has been a
13 utilization study which has been publicized
14 which has raised some serious questions about
15 the inclusion of African-American and Hispanic
16 businesses in the contracting process of the
17 City of Philadelphia.

18 And we are all embarrassed by those
19 statistics that have been revealed. And we,
20 the Contractors Roundtable Council, are
21 committed to reversing those statistics in a
22 meaningful and creative way with the
23 assistance and support of City Council, as
24 well as the Administration.

25 There was one meeting that we have

1 RES. 040345, 040618, 040619, 040501, 040525
2 had in particular with respect to the proposal
3 that we submitted to Council and to the city
4 Administration.

5 That meeting was with Ms. Pat Smith
6 and several staff members and other
7 representatives in connection with that
8 proposal.

9 That meeting was the first in what
10 is expected to be a series of dialogues in
11 moving toward a meaningful resolution of the
12 issues related to the substantial inclusion of
13 African-American and Hispanic businesses as
14 mandated by Section 1(b) of the amendment to
15 Bill No. 020036.

16 As you know, this section requires
17 the service agreement, which is labeled
18 Program Framework, to include an economic
19 opportunity plan, which is found on Page 29 of
20 the legislation.

21 That plan specifically states that
22 for the overall NTI program, each consultant
23 and contractor's good faith and
24 nondiscriminatory efforts shall be presumed if
25 during each phase of the project the following

1 RES. 040345, 040618, 040619, 040501, 040525
2 levels of participation are achieved: 35
3 percent of participation for minority
4 business, 12 percent participation for
5 women-owned businesses, and 2 percent
6 participation for disabled-owned businesses.

7 Now, this totals 49 percent of all
8 minority, female, and disabled-owned
9 businesses.

10 In reality, the city's utilization
11 study and the insightful report of the 21st
12 Century Committee generally have shown that
13 the presumption of the consultant and
14 contractor's good faith and nondiscriminatory
15 efforts have been rebutted.

16 And we want to help the city to
17 address this issue now. Neither we nor the
18 city can afford to wait any longer. The time
19 to act is now.

20 I would also like to add that the
21 directors of the NTI program, Ms. Patricia
22 Smith, did respond to our correspondence in
23 which we were suggesting that we meet and work
24 together pursuant to Council's stated position
25 in that regard.

1 RES. 040345, 040618, 040619, 040501, 040525

2 We received a response dated May 31,
3 2004, from Ms. Smith, in which she stated that
4 the city intends to unveil a pilot program in
5 July of this year that will restrict bidding
6 on demolition contracts under the NTI targeted
7 program that do not exceed \$500,000, small
8 business owners certified by MBEC or SBA.

9 She also states in the letter that
10 there will be less burdensome performance bond
11 requirements and the prime contractors,
12 meaning -- she has clarified this for me --
13 the minority prime contractors, if qualified
14 to do so, may perform all of the work.

15 There was some confusion as to
16 whether or not the term "prime contractors"
17 meant minority- or majority-owned contractors,
18 and she has now resolved that confusion.

19 Because had it been literally meant
20 to include only minority or majority prime
21 contractors, I would have to caution that such
22 a statement would have made it easier for the
23 majority-owned contractors to continue to
24 dominate the field.

25 And, in so doing, this pilot program

1 RES. 040345, 040618, 040619, 040501, 040525
2 feature could have invited the risk of a
3 perpetuation of the past exclusionary
4 contracting practices.

5 But it seems now that, in light of
6 that clarification, that this risk may not be
7 out there.

8 There are -- in her letter, there
9 are no specific funding commitments stated
10 which are commensurate or compatible with the
11 35 percent contract dollar participation
12 stated earlier that comes from the ordinance
13 and the service agreement. And there are no
14 time lines for this framework to occur.

15 Moreover, this pilot program does
16 not specifically address the funding for the
17 proposal, which has been submitted by the
18 Contractors Roundtable Council.

19 In further discussions with Ms.
20 Smith just within the last few minutes, we
21 have received, I have received, certain
22 information which indicates that this will be
23 worked out in the months to come.

24 I think that all in all -- and I
25 want to be brief in the interest of time -- I

1 RES. 040345, 040618, 040619, 040501, 040525
2 think that all in all we have had some
3 dialogue. There is clearly a need for
4 additional dialogue. And we need to keep
5 Council abreast of the developments as we go
6 forward.

7 We are not only looking at NTI, but
8 looking beyond NTI, post demolition. Because
9 it is those contracting opportunities for the
10 building and trades industry, and in
11 particular our members, which will have a
12 profound impact on achieving one of the
13 objectives that my colleague, Mr. Ali, has
14 articulated; that is, addressing the whole
15 question of family values, in terms of
16 economic family values.

17 It is those opportunities and it is
18 those contractual opportunities, as well as
19 those employment opportunities, which can
20 positively impact on the neighborhoods that
21 have been positively affected by the NTI
22 initiative overall, and also the development
23 of an affordable housing stock here in the
24 City of Philadelphia.

25 I think that goes forward. If we

1 RES. 040345, 040618, 040619, 040501, 040525
2 are able to work closely with Council, as well
3 as the Administration, I think that we can
4 come up with some creative ways in which to
5 address most of the issues that are raised in
6 the proposal, as well as most of the concerns
7 that have since been dealt with through my
8 discussions with Ms. Smith.

9 I thank you for your time. I thank
10 you for your interest. And we hope to move
11 forward in a positive vein in the very near
12 future. Thank you very much.

13 COUNCILWOMAN BLACKWELL: Thank you
14 very much.

15 And certainly we will ask, when the
16 Administration responds, that they respond
17 more specifically to times and to goals and
18 specific timelines so that we know what their
19 goals are and when.

20 We don't want this to drag on and
21 on. And we know with regard to federal
22 ordinance -- I mean, the Mayor's executive
23 order, 295, and Section 3 from the federal
24 government, we are hoping that they also help
25 us with regard to making sure that we have

1 RES. 040345, 040618, 040619, 040501, 040525
2 more minority participation. Thank you.

3 Judith Robinson.

4 Leona Keitt, is she here as well?

5 What about Mageedah Rasheed?

6 All right. We will mark them
7 absent, Leona Keitt and Mageedah Rasheed.

8 Is Allison Hughes, Homeownership
9 Council, here? Allison Hughes? Okay.

10 All right. Thank you for your
11 patience. Please identify yourself and begin
12 your testimony.

13 MS. JUDITH ROBINSON: Yes. My name
14 is Judith Robinson, and I am hear today as a
15 homeowner that resides in a property in North
16 Philadelphia.

17 Thank you for the opportunity to be
18 here. And because it appears that we are
19 connecting several different bills here, I am
20 going to try to correct them in that regard.

21 We are talking about the NTI program
22 and statement. We are also commenting on
23 OHCD's 30-year budget. And, in addition, the
24 Joint Committee of the Whole and Housing and
25 Neighborhood Development is also -- there is a

1 RES. 040345, 040618, 040619, 040501, 040525
2 resolution regarding the Housing Trust Fund.
3 Okay? So I am clear with that.

4 So in that regard, I am going to
5 make comments and try to be as succinct as
6 possible. But I am also going to reference
7 the HUD report regarding concerns as relates
8 to how NTI is being implemented. And I am
9 also going to refer to the Century 21 Forum
10 information findings.

11 In that regard, I want to touch on
12 NTI initially. And say that I want to talk
13 about not so much the houses, but I want to
14 talk about how it is affecting the community,
15 what's going on in the hood now that a
16 substantial portion of demolition has taken
17 place. How it is affecting our seniors,
18 what's going on with our neighborhood, how is
19 it changing our neighborhood.

20 And also to say, with all of this
21 banging and booming going on, it is just
22 unconscionable that we cannot find a way to
23 have equitable inclusion from
24 African-Americans.

25 It is just truly out of order that

1 RES. 040345, 040618, 040619, 040501, 040525
2 we are moving so far along in this process and
3 we haven't figured that out. It should have
4 been figured out before it started, but that's
5 a whole other story.

6 So I want to talk about some of the
7 positive things that I see in this year's NTI
8 budget. Because there are some good things.
9 And I am going to put this in the category of
10 better late than never.

11 The Adaptive Modification Program, I
12 am glad to see that it is there and it seems
13 to be expanding. The retaining wall program.

14 The Historic Property Repair
15 Program. I live in North Philadelphia, which
16 has the first historic district on Diamond
17 Street, West Diamond Street. And I am glad to
18 know that that's a program to help my
19 neighbors maintain the repairs of their
20 historic properties.

21 Also, the Housing Trust Fund, I
22 think that's a good thing. I referenced that
23 from the Century 21 Forum recommendations.
24 That's a good thing.

25 However, I don't want us to lose

1 RES. 040345, 040618, 040619, 040501, 040525
2 sight of the fact that every time a PHA
3 development is created, that there is a
4 reduction in affordable housing. Let us not
5 forget that.

6 So, you know, we need to be clear on
7 a substantial amount of reduction of
8 affordable housing in that regard.

9 Also, another area that I think we
10 are not really focusing on is our intact
11 blocks that have really nice affordable
12 housing on some of those blocks, and they
13 could be maintained to stabilize.

14 I do see an area in here about
15 vacant property stabilization. I think that's
16 an area we definitely need to move towards.

17 I am greatly concerned that we
18 continue to have our blocks, like the 1400
19 block of North Corlies Street, properties
20 demolished out of those strong intact blocks.

21 There are strong and intact blocks
22 in every neighborhood, and I think they should
23 be maintained. Because money will run out
24 soon for demolition, so we should be focusing
25 on areas where there will be redevelopment in

1 RES. 040345, 040618, 040619, 040501, 040525
2 the future, not on our strong blocks that will
3 not have a maintenance plan in the future.

4 In that regard, I am really
5 concerned that there is a fund for
6 redevelopment in the future. But I am
7 concerned after the \$4 million is exhausted,
8 that there will not be maintenance of these
9 lots, which a substantial number of them are
10 in my neighborhood.

11 So that's a concern that I have
12 because I remember the tot lots and all of
13 these developments, or I should say all of
14 those areas, that were left from 30 years ago,
15 when there was demolition in the past.

16 So I am going to just, in the
17 essence of time, just mention some of the
18 negatives of OHCD's budget that concerns me.

19 Because there will be a reduction in
20 funding, we must use best practices and pick
21 the best developments that are going to be of
22 value to our future.

23 We should not do 3S-type projects
24 and other back-street projects that do not
25 have any positive effect on our community.

1 RES. 040345, 040618, 040619, 040501, 040525

2 So I think that all the projects
3 should be streamlined and a cost/benefit
4 analysis should be done in that regard.

5 I want to get to the HUD report and
6 the findings.

7 I remember a very, very, according
8 to Mr. Hanna, severely flawed process of last
9 June the 3rd. And there were some
10 recommendations made from HUD as a result of
11 that very flawed process.

12 And I would like to know how many of
13 these -- how many corrections have been made
14 relating to HUD findings. So in the future,
15 or when the Administration comes back up here,
16 I would really appreciate if they would touch
17 on how many of these areas have been
18 corrected.

19 One area I am very much concerned
20 about is that people are getting fair market
21 value for their homes.

22 I am a real estate broker, and I
23 know for a fact that there is no house that is
24 being lived in in the City of Philadelphia
25 that should be being appraised at \$3,500. I

1 RES. 040345, 040618, 040619, 040501, 040525
2 have seen that. It is out of order. It is
3 terribly wrong, and it should be corrected
4 ASAP.

5 There is no way that a house should
6 be purchased from the government -- from a
7 citizen by the government at such a low price.

8 And when an appraisal comes back
9 across one's desk and across the Board's
10 meetings, that should be not accepted.

11 There are various areas. And, in
12 the essence of time, I am not going to go
13 through all of them. But one area that there
14 was a major concern about was notification as
15 it relates to notice of intent.

16 It states here in the HUD concerns
17 that the notice of intent did not contain
18 statements explaining that the owners would be
19 given fair market value.

20 I am concerned, also, that with the
21 relocation process, that people are not being
22 given every opportunity to move to the next
23 step to protect themselves as relates to fair
24 market value.

25 I am going to move on next to some

1 RES. 040345, 040618, 040619, 040501, 040525
2 of the findings of the Century 21 -- 21st
3 Century, I should say, Review Form.

4 This was commissioned by the Mayor.
5 So, you know, these are friendly folks, I am
6 sure, giving recommendations.

7 And one of the recommendations that
8 they made is that this process of NTI be more
9 transparent.

10 Well, we have been hearing that for
11 several years now, and it has been three years
12 of this process. And I would like for it to
13 actually be, instead of just being a
14 suggestion.

15 When you are transparent, the
16 community could have an opportunity to buy
17 into a process that they are a part of the
18 planning.

19 Even though I have attended many NTI
20 meetings as it relates to planning, a
21 substantial of them felt as though we were
22 just being told what we would accept.

23 Also, I am very much concerned that
24 we are doing a lot of talk about housing.
25 Where are the people going to eat? Where are

1 RES. 040345, 040618, 040619, 040501, 040525
2 the supermarkets? There is no money budgeted,
3 according to the findings of the 21st Century
4 Review Forum, that there is no money budgeted
5 under the NTI bonding for residential or
6 retail development. We need to quickly change
7 that.

8 One of the other areas of concern is
9 that, I feel that one Council person, with all
10 due respect, has too much power to determine
11 what happens in a district without, without
12 proper consulting of the community folk,
13 people that live in the houses.

14 It is unfortunate. Now, this is
15 related to OHCD. That here you are with
16 people in the homeownership zone still
17 unaware, after years of this moving forward in
18 process, they aren't aware that they were even
19 in a homeownership zone, and what the
20 implications would be as it relates to that.

21 And now they are being asked to move
22 and relocate out of their homes, and they did
23 not have proper planning or inclusion in that
24 process. So there is a major disconnect here
25 as it relates to that.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Also, as it relates to affordable
3 housing, there are city-owned and PHA-owned
4 properties that have been managed over a
5 period of time that could very well be
6 affordable housing. They are being
7 demolished.

8 So, you know, I hear us trying to
9 build this trust, and that's a good thing on
10 one hand. But, on the other hand, we are sort
11 of not being very smart about how we are
12 preserving what we already have.

13 I have never heard of a poor person
14 asking for a brand-new home; they just want a
15 decent home.

16 Also I have some concerns about land
17 assembly. And that's something I am sure that
18 we can discuss in the future.

19 Also, there has not been a major
20 effort to deal with foreclosure. And I still
21 contend that there is no subprime product that
22 will address the issue of people having less
23 than perfect credit.

24 I appreciate the time. And I would
25 also just say that, as we talk about trust

1 RES. 040345, 040618, 040619, 040501, 040525
2 funds, as I close up, there also was a request
3 in this Century 21 Review Forum for something
4 called a committee, or futures committee, that
5 would address issues of all aspects of this
6 development.

7 So, I mean, I understand people want
8 to deal with the issues that have to be
9 funded, et cetera. But some of these efforts,
10 because they are voluntary, could be dealt
11 with before we start divvying up the cash.

12 Thank you very much for your time.

13 COUNCILWOMAN BLACKWELL: Thank you
14 very much.

15 (Applause.)

16 COUNCILWOMAN BLACKWELL: Ms. Hughes,
17 Homeownership Council of the Delaware Valley.

18 MS. ALLISON HUGHES: Good afternoon,
19 Madam Chair and members of City Council.

20 The Homeownership Counseling
21 Association is a membership-based organization
22 of 31 community non-profit housing agencies
23 and 6 associate organizations, which are
24 corporations

25 HCA basically acts as a support

1 RES. 040345, 040618, 040619, 040501, 040525
2 network for housing practitioners. We focus
3 on four key tasks; they are training,
4 mentoring, technical assistance, and policy
5 advocacy.

6 Our members, as you know, provide a
7 broad range of services, including prepurchase
8 counseling; anti-predatory lending counseling;
9 credit and budget counseling; post-occupancy
10 counseling; home improvement and
11 rehabilitation counseling; default,
12 delinquency, and foreclosure intervention
13 counseling.

14 Our members believe that housing
15 counseling will continue to play an essential
16 role in helping individuals and families
17 successfully not only achieve homeownership,
18 but also sustain homeownership. And I am
19 going to briefly go through some other points.

20 We urge the city to consider the
21 following: First, we applaud the city's
22 continued investment of significant resources
23 to provide residents with free comprehensive
24 housing counseling services. However, the
25 demand for housing services have continued to

1 RES. 040345, 040618, 040619, 040501, 040525
2 grow over the past years.

3 In addition to addressing credit and
4 budget issues for just first-time home buyers,
5 our counselors now find themselves interacting
6 with loan servicers on behalf of defaulted
7 borrowers, and now engaged in very complex
8 negotiation for victims of predatory lending
9 or for families on the verge of foreclosure.

10 We ask the city to continue to play
11 a strong role in encouraging the industry
12 stakeholders to help us keep families in their
13 homes.

14 Secondly, we ask you to increase the
15 closing cost grant from \$800 to -- I am sorry,
16 from \$800 to \$1500 per person using the
17 American Dream Funds.

18 Last year Council reinstituted the
19 \$800 Settlement Assistance Grant Program.
20 Since that time, participation in this program
21 has almost doubled. Nearly 600 new homeowners
22 were able to receive a grant.

23 We are also excited about the
24 creation of the American Dreams Down Payment
25 and Closing Cost Grant. However, we have deep

1 RES. 040345, 040618, 040619, 040501, 040525
2 concerns that the city's abilities to
3 implement the program may be curtailed by the
4 home inspection issue.

5 However, I am confident that the
6 staff of OHCD and NTI will be able to come up
7 with a workable solution for this problem.

8 Lastly, we really commend the city
9 for all of its efforts on anti-predatory
10 lending. Our efforts address both preventive
11 and remediation for residents of our
12 neighborhoods.

13 Since 2001, HCA has collaborated
14 with the Reinvestment Fund, Community Legal
15 Services, and Beneficial Savings Bank to
16 create the Home Equity Loan Preservation
17 Program, which we call HELPP.

18 HELPP was the region's first
19 predatory lending remediation program to offer
20 victims of predatory lending relief. This was
21 a ground-breaking effort which directly aided
22 victims of predatory lending by providing them
23 with a means to retire the predatory loan and
24 obtain a more manageable mortgage, thereby
25 allowing the homeowner to regain financial

1 RES. 040345, 040618, 040619, 040501, 040525
2 stability and keep their home.

3 The HELPP program consists of six
4 components: One, referral and intake; two,
5 legal assistance; three, borrower assessment
6 and initial counseling; four, refinancing of
7 the predatory loan; and then five and six,
8 ongoing counseling as well as community
9 outreach.

10 In 2003, we received a generous
11 grant in the amount of \$250,000 from the
12 city's Neighborhood Transformation Initiative
13 that allowed us to continue this effort.

14 To date, 18 loans have been
15 approved, of which 8 have settled. In fact,
16 our refinance of predatory loans generally
17 lowers the homeowner's interest rate by an
18 average of 4 points and reduces the amount of
19 their limited income that they need to use to
20 service their mortgage payments.

21 For example, I have a case of Mr.
22 And Mrs. M. They had a \$33,204 mortgage at
23 11.75 percent interest, which carried a
24 15-year with a balloon payment of \$29,222.04
25 in 2013. Needless to say, the family was not

1 RES. 040345, 040618, 040619, 040501, 040525
2 aware of the balloon lump-sum payment that
3 would be due. They carried a monthly housing
4 debt of \$421.53.

5 What we were able to do for them was
6 to provide a \$32,000 mortgage at 8.125 percent
7 interest. It is a 30-year fixed rate loan.
8 Bringing their monthly housing payment to
9 \$237.60, including their taxes and their
10 insurance.

11 This household will have a monthly
12 savings of \$183.93.

13 (Applause.)

14 MS. HUGHES: We have a current
15 balance of \$64,00 in our loan pool. This is a
16 valuable program; however, we may not be able
17 to continue this program without an allocation
18 of additional funds to replenish the loan
19 pool, as well as help with administrative
20 costs.

21 In the interest of time, I will also
22 say that we too endorse the creation of the
23 Housing Trust Fund as proposed by PACDC for
24 the reasons that numerous organizations have
25 previously stated.

1 RES. 040345, 040618, 040619, 040501, 040525

2 (Applause.)

3 MS. HUGHES: Thank you again for
4 this opportunity to testify on behalf of the
5 Homeownership Counseling Association.

6 COUNCILWOMAN BLACKWELL: Thank you
7 very much. Thank you both.

8 Debra Wilson Williams, are you here?
9 And Lillian Ford.

10 We do have a section for all of the
11 Affordable Housing Coalition.

12 AUDIENCE MEMBER: You had called
13 Leona Keitt previously, and she wasn't in the
14 room. She is here now.

15 COUNCILWOMAN BLACKWELL: Who are
16 you?

17 MS. WILLIAMS: Debra Wilson
18 Williams.

19 COUNCILWOMAN BLACKWELL: You are
20 Debra Wilson Williams. Thank you.

21 Is Lillian Ford here? I will get
22 back to Ms. Keitt here. Is Lillian Ford here?
23 Okay.

24 Is Lena Whitehead here?

25 What about Anthony Brooks Upchurch?

1 RES. 040345, 040618, 040619, 040501, 040525

2 What about Michael Lightner?

3 What about Bill Peebles?

4 And John Lane? John Lane I saw.

5 John Lane, you can come up, as well. Thank
6 you very much.

7 Identify yourself for the record and
8 begin your testimony.

9 MS. DEBRA WILSON WILLIAMS: Good
10 morning. My name is Debra Wilson Williams,
11 and I am testifying on behalf of the 4900
12 block of Girard Avenue.

13 It sits in Cathedral Park
14 Association, who is in the 105 census track,
15 part of the West Philadelphia Empowerment
16 Zone.

17 Since 1998, the Cathedral Park
18 Association has supported a housing
19 development project that would address the
20 4900 block of Girard Avenue.

21 This is an important block. It sits
22 in Cathedral Park, which begins at 48th on
23 Girard, and it goes west to 52nd Street, and
24 it goes down north to Lancaster Avenue, and
25 back to 48th and Girard.

1 RES. 040345, 040618, 040619, 040501, 040525

2 It is one of the gateways. It sits
3 across from Our Mother of Sorrows Church, a
4 beautiful site.

5 Habitat for Humanity has been
6 working on the 4900 block of Stiles Street,
7 just north of Girard, for almost 12 years.
8 The community has worked really hard trying to
9 fix the community itself.

10 And we are pleased that the
11 empowerment zone and OHCD have partnered
12 together to commit funds for redevelopment of
13 this block.

14 We anticipated that 15 new
15 homeownership units would be developed.
16 However, the development of this project also
17 requires Neighborhood Transformation
18 Initiative funds for acquisition.

19 Our estimate is that at least
20 \$750,000 is required for acquisition. This
21 project has been caught up in an unfortunate
22 circumstance. In which, when it was first
23 conceived, it was in the 4th Councilmanic
24 District. In the beginning of this calendar
25 year, it became part of the 3rd Councilmanic

1 RES. 040345, 040618, 040619, 040501, 040525
2 District.

3 This has created confusion as to
4 which Council person would provide the
5 acquisition funds.

6 I am here today to request urgently
7 that both Council persons Blackwell and Nutter
8 jointly support this project and identify
9 funds for acquisition.

10 The 4900 block of Girard Avenue is
11 an important gateway to that section of West
12 Philadelphia.

13 And thank you for allowing me to
14 testify.

15 COUNCILWOMAN BLACKWELL: Thank you
16 very much.

17 We note that we have spoken already
18 with the Empowerment Zone, Councilman Nutter,
19 and we are working jointly on behalf of your
20 neighborhood.

21 MR. JOHN LANE: Good afternoon,
22 Councilwoman and Council committee. My name
23 is John Lane, I am with the Greater
24 Philadelphia Urban Affairs Coalition. I work
25 with the Economics Development Project.

1 RES. 040345, 040618, 040619, 040501, 040525

2 We have been picked by the city to
3 monitor employment as it relates to NTI
4 projects.

5 In doing so, there were some goals
6 that were set early on that have been
7 presented to us through something called
8 Section 00820 of the Equal Opportunity
9 Employment contracts.

10 And those goals were 75 percent for
11 minority participation, 10 percent for female
12 participation. And, in addition to that, 80
13 percent of the hours worked on NTI projects
14 were to be worked by Philadelphia residents.

15 The goals as they are were somewhat
16 ambitious. But we find this we have met those
17 goals, we have tracked it, and some of those
18 have even exceeded in certain areas.

19 I am here today to let you know that
20 we present this information to NTI, namely,
21 Pat Smith's office, on a monthly basis, which
22 we track through the efforts of certified
23 payrolls submitted by those minority
24 contractors through Hill International.

25 Mine is a brief task, in stating

1 RES. 040345, 040618, 040619, 040501, 040525
2 what it is that we like to do and what we do.

3 We do this also in addition with a
4 number of organizations throughout this city;
5 such as, Temple University and the University
6 of Pennsylvania.

7 And I will be brief in that sense,
8 and just submit our particular information for
9 any questions later on in this procedure.

10 Thank you very much.

11 MR. WILLIAM L. PEEBLES: Good
12 afternoon, Madam Chairwoman, members of the
13 Council.

14 I have prepared testimony here, if
15 you wish to have it distributed.

16 My name is William Peebles, Director
17 of the Diversity Apprenticeship Program, know
18 to most of us as the DAP program.

19 DAP is a program of the Philadelphia
20 Revitalization and Education Program
21 Incorporated, PREP. PREP is led by its
22 Chairman of the Board of Directors, Mr. Sam
23 Staton, Senior, and its managing partner, Mr.
24 Anthony Lewis.

25 I am here to testify before this

1 RES. 040345, 040618, 040619, 040501, 040525
2 committee in support of the Neighborhood
3 Transformation Initiative and its Work Force
4 Development Employment Program.

5 Specifically, I will address how NTI
6 provides new opportunities for the minorities
7 in this city to participate in the
8 construction industry throughout the city.

9 I want to commend the Mayor and the
10 NTI director, Ms. Patricia Smith, for having
11 the foresight to engage that as the training
12 and employment entity of the NTI.

13 As a result of the work we have put
14 together as a team, DAP has assisted in
15 gaining employment for over 100 city
16 residents.

17 DAP was created to move qualified
18 minorities into the apprenticeships of the
19 building trades. It is a public/private
20 partnership founded by members of the
21 Pennsylvania Black Caucus, Legislative Caucus,
22 the Philadelphia Building Trades Council, and
23 the Philadelphia Revitalization and Education
24 Program.

25 A number of partners developed its

1 RES. 040345, 040618, 040619, 040501, 040525
2 training design. They include members of the
3 building trades, the black elected officials
4 of Philadelphia, PREP, the Philadelphia Office
5 of the AFL-CIO, Cheyney University, Berean
6 Institute, and other concerned citizens.

7 DAP is an economic development
8 program, not a job training program. DAP was
9 and still is designed to provide economic
10 opportunities to minorities who live in the
11 city.

12 Through NTI and this economic
13 opportunity plan, DAP has placed 41
14 participants into 15 different construction
15 trades. Note that I said apprenticeships, not
16 just members of the union.

17 The key point is that city residents
18 are indeed moving into unions on a career
19 track that will allow them to earn
20 self-sufficient wages, learn a profession, and
21 in time possibly move into owning their own
22 construction companies able to take on city
23 construction contracts. Without NTI, these
24 new apprentices may not have occurred.

25 In the past, major projects did

1 RES. 040345, 040618, 040619, 040501, 040525
2 allow city residents to work as union members,
3 but not initially as apprentices.

4 This format has led to, I believe, a
5 stark lack of city residents in general, and
6 minorities in particular, not joining the
7 trades ranks as journeymen in the 16 different
8 unions and 29 trades in Philadelphia Building
9 Trades Council.

10 69 other participants gained
11 employment related to NTI and other
12 nonconstruction employment. The participants
13 learned from the beginning of their training
14 to change their attitudes and values that may
15 have precluded them from seeking to improve
16 themselves.

17 DAP's training model provides case
18 management, behavior modification, life
19 skills, and academic training designed to move
20 our participants into the construction trades.

21 However, we have found many
22 employers have sought out our participants due
23 to the training and standards we demand from
24 our participants in order for them to be
25 successful.

1 RES. 040345, 040618, 040619, 040501, 040525

2 One area DAP will improve in the
3 coming year for NTI is to have more
4 contractors, both minority and majority,
5 sponsor our participants.

6 Many trades will need to recruit
7 apprentices to take the place of those who are
8 leaving the trades due to retirement or other
9 reasons.

10 As NTI continues, and neighborhood
11 development and blight removal, specific
12 trades will take on more apprentices that we
13 expect to look more like the current
14 demographics of Philadelphia.

15 Contractors, informed through direct
16 meetings, prebid meetings, the city
17 procurement department, and others who are
18 notified of the availability of city
19 residents, will find our apprentices from our
20 program.

21 Through NTI, that provides a city --
22 provides the city agencies a list of
23 apprentices available to be placed on sites to
24 be sponsored by contractors through the trades
25 to meet and/or exceed the goals for city

1 RES. 040345, 040618, 040619, 040501, 040525
2 residents as described in the economic
3 opportunity plan.

4 NTI has achieved unprecedented
5 success for the city in terms of employment
6 opportunities. The Work Force Development
7 Training Program has provided career options
8 for city residents, not just jobs.

9 DAP expects that this next year of
10 NTI activity will increase the number of
11 participants gaining apprenticeships, as we
12 have developed relationships and protocols
13 internally and externally to better serve the
14 residents of this city through the
15 Neighborhood Transformation Initiative.

16 Madam Chair, I want to thank you for
17 allowing me to make this presentation.

18 COUNCILWOMAN BLACKWELL: Thank you
19 both very much, and thank you for your
20 patience.

21 CDCs. Steve Mullen, Philadelphia
22 Association of CDCs.

23 Rick Sauer, Philadelphia Association
24 of CDCs, please come forward.

25 Blaine Stoddart, Partnership CDC;

1 RES. 040345, 040618, 040619, 040501, 040525
2 Steve Culbertson, Frankford CDC; Claudia
3 Sherrod, Point Breeze CDC; D.K. Johnson,
4 United Communities CDC. All right.

5 After Mr. Sauer, then, is John
6 McDonald, IMPACT Services, here? Mr. McDonald
7 here?

8 Is Guillermo Salas, HACE, here?

9 Is Manny Delgado, APM, here? All
10 right.

11 Thank you. Thank you for your
12 patience. Please identify yourself for the
13 record and begin your testimony.

14 MR. RICK SAUER: Thank you,
15 Councilwoman Blackwell and other members of
16 Council.

17 My name is Rick Sauer, and I am the
18 Executive Director of the Philadelphia
19 Association of Community Development
20 Corporations, which is the citywide
21 association of 80 local CDCs and other
22 organizations working to rebuild communities
23 and revitalize our neighborhoods.

24 And I want to thank you for the
25 opportunity to testify on sort of the wide

1 RES. 040345, 040618, 040619, 040501, 040525
2 range of issues around housing, community
3 development that are before you today.

4 I am primarily here about creating a
5 Housing Trust Fund for Philadelphia. And seed
6 funding for this historic initiative is
7 identified in the '05 NTI statement and
8 budget.

9 And, as you well know, legislation
10 to establish a trust fund was recently
11 introduced by yourself and Councilwoman
12 Reynolds-Brown.

13 PACDC initially proposed creating a
14 Philadelphia Housing Trust Fund back about a
15 year ago, when 15 Council Members endorsed
16 such a fund as part of our Invest In
17 Neighborhoods agenda.

18 In following extensive research on
19 Housing Trust Funds around the country --
20 which there is over 275 now, including about
21 51 right here in Pennsylvania -- we issued a
22 report last fall outlining our proposal for
23 creating a trust fund for Philadelphia.

24 I think we all know that it is no
25 secret that housing resources in Philadelphia

1 RES. 040345, 040618, 040619, 040501, 040525
2 are inadequate. The need for affordable
3 housing dwarfs the number of units we are able
4 to build each year.

5 And while the city is committed to a
6 significant pipeline of proposed rental and
7 homeownership development projects, given
8 current levels of funding it is going to take
9 years to actually get these units built.

10 Also, the wait list for city home
11 repair programs are also years in length.

12 And at the same time, while it was
13 mentioned by Kevin Hanna, who testified
14 earlier, the resources we are receiving from
15 the federal government to address this crisis
16 are steadily shrinking.

17 In fact, since 1993, the real
18 dollars the city has invested in housing
19 production have shrunk by more than 60
20 percent.

21 Without significant new funding
22 dedicated to addressing our housing needs and
23 spurring neighborhood revitalization, the lots
24 cleared and assembled under NTI will remain
25 vacant and many of our neighborhoods will

1 RES. 040345, 040618, 040619, 040501, 040525
2 continue to decline.

3 PACDC has formed a broad-based
4 coalition of over a hundred organizations,
5 including CDCs, members of the Philadelphia
6 Affordable Housing Coalition, banks, the
7 Eastern Pennsylvania Organizing Project,
8 GPUAC, ACORN, and many others, to advocate for
9 the creation of a \$20 million per year
10 Philadelphia Housing Trust Fund.

11 They all recognize how investing in
12 affording housing means increased stability
13 for families and our city. Stable
14 neighborhoods attract businesses, people, and
15 investment.

16 Here is what a \$20 million
17 Philadelphia Housing Trust Fund would do. It
18 would help nearly 3,000 families a year,
19 including creating nearly 400 more rental
20 units and mixed-income homeownership homes;
21 increasing housing production by city agencies
22 by more than 80 percent; an increase in the
23 supply of accessible homes; it would also help
24 more than 1200 additional homeowners with home
25 repairs each and every year; and would help

1 RES. 040345, 040618, 040619, 040501, 040525
2 prevent homelessness being experienced by
3 1,300 families a year.

4 The trust fund will also support
5 neighborhoods with new investment to promote
6 revitalization and improve the quality of life
7 there.

8 And in return for an initial
9 investment of trust fund dollars, Philadelphia
10 will leverage an additional \$50 million in
11 funding every year from outside sources; such
12 as banks, investors, and the Pennsylvania
13 Housing Finance Agency.

14 It seemed clear to us, when we were
15 talking about creating a trust fund, that it
16 would have significant economic impact on the
17 city.

18 So to get a more accurate analysis,
19 we hired E Consult Corporation to do a study.
20 They found the trust fund's investment will
21 have an extremely significant positive
22 economic impact, spurring \$116 million in
23 total economic activity for the city each
24 year, while creating jobs and building the
25 city's tax base.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Members of the Council should have
3 received a copy of this report right here.
4 And Steve Mullen, who was here earlier this
5 morning, I believe, plans on returning here
6 this afternoon to be able to testify on their
7 findings.

8 Recognizing the broad range of
9 housing needs across the city, the trust fund
10 is structured to be flexible so that it can
11 address the specific housing needs of
12 individual neighborhoods and residents, as
13 well as the plans of local community-based
14 organizations.

15 And to ensure an equitable
16 distribution of funds, half of the trust fund
17 resources are targeted meeting the housing
18 needs of those earning below 30 percent of
19 area median income, which is approximately
20 20,000 a year for a family of four, while the
21 other half will be used to address the needs
22 of working families earning between 30 and 115
23 percent of median.

24 Recognizing the challenges faced by
25 the disabled community from the city's current

1 RES. 040345, 040618, 040619, 040501, 040525
2 housing stock, the trust fund also balances
3 the need to increase the creation of
4 accessible homes, while ensuring reasonable
5 cost controls are in place.

6 Transparency and accountability have
7 been critical to the success of Housing Trust
8 Funds around the country.

9 And we believe that it is essential
10 that the Philadelphia Housing Trust Fund have
11 an oversight Board that includes significant
12 and meaningful community representation, and
13 that a competitive RFP process is used to
14 distribute funds.

15 However, to avoid adding
16 bureaucratic layers to our city government,
17 the trust fund should be administered by staff
18 from existing city agencies and programs.

19 We believe that the accountability
20 and transparency aspects of the trust fund
21 contained in the legislation that has been
22 introduced in Council needs to be strengthened
23 to ensure the integrity of the trust fund, and
24 we expect amendments to be offered to address
25 these.

1 RES. 040345, 040618, 040619, 040501, 040525

2 I would also like to briefly comment
3 specifically on the funding sources contained
4 in the trust fund ordinance that has been
5 introduced.

6 Bill 040594 supports two of our
7 proposed funding sources, which Pat Smith
8 mentioned earlier in her testimony that the
9 Administration also supports.

10 The first is including Philadelphia
11 in the state's optional county affordable
12 Housing Trust Fund Program, known as Act 137,
13 which basically allows the county to double
14 document recording fees and to use that
15 revenue for affordable housing.

16 51 other Pennsylvania counties
17 currently do this. And it is projected the
18 source would generate \$11 million per year,
19 every year, for Philadelphia.

20 Secondly, one and a half million in
21 funding from NTI to help seed the trust fund
22 is included in the NTI ordinance, as well as
23 the Housing Trust Fund ordinance.

24 And while we are glad to see this
25 commitment of funding, we request the language

1 RES. 040345, 040618, 040619, 040501, 040525
2 in the NTI program statement be modified to
3 make the seed funding more flexible and
4 usable.

5 One of the benefits of the trust
6 fund is the dollars it will leverage for
7 trust-fund-supported projects. However, we
8 are concerned that requiring the private
9 sector to also provide matching funds up front
10 of the trust fund may not be realistic and
11 will slow the use of these funds.

12 Also key, we believe that eventually
13 funding level for the trust fund must reach at
14 least \$20 million per year in dedicated
15 revenue for the trust fund to succeed, and
16 have identified two additional sources to
17 achieve this.

18 The first is the increase in the
19 city's growing housing and redevelopment
20 assistance allocation from the state. And,
21 secondly, a portion of the growth in the
22 future real estate transfer tax revenue
23 collected by the city.

24 2004 is a critical year in
25 Philadelphia housing policy. As NTI funding

1 RES. 040345, 040618, 040619, 040501, 040525
2 is dwindling, we need to focus on building on
3 the groundwork NTI has laid and in providing
4 the resources needed to achieve our housing
5 and community development goals.

6 Creating and implementing a Housing
7 Trust Fund is a historic step forward for the
8 city. We have worked hard to strike a
9 reasonable and appropriate balance of
10 competing demands that will result in an
11 effective, sustainable source of new revenue
12 for housing Philadelphians and spurring
13 neighborhood revitalization.

14 We urge you to pass Bill 040594 with
15 amendments and support bringing funding up to
16 a level of \$20 million per year.

17 I would also like to just briefly
18 touch on a couple of other key housing
19 community development issues before the
20 Council today.

21 The first is restoring funding for
22 the second year of the Targeted Basic System
23 Repair Program. I think we will all
24 acknowledge that there were some initial
25 startup issues with this program. But now ten

1 RES. 040345, 040618, 040619, 040501, 040525
2 CDCs are engaged in targeted efforts to assist
3 homeowners with home repair.

4 Unfortunately, the previously
5 announced \$2 million in funding for the second
6 year of this program has been eliminated in
7 the proposed NTI budget.

8 And we urge the city to follow
9 through on its commitment to these ten
10 neighborhoods to support this program for the
11 full two years.

12 Secondly, we support the addition of
13 the 15 million in new acquisition funding to
14 be issued through RFPs to support rental and
15 homeownership development projects.

16 We also want to see the city
17 immediately implement the proposed and
18 long-discussed recycling agreement whereby
19 acquisition funds currently being expended
20 will be recycled for future acquisition use,
21 as well.

22 Thirdly, funding for economic
23 development programs. We are glad to see the
24 city has met the mandate to use 5 percent of
25 its CDBG funds for economic development

1 RES. 040345, 040618, 040619, 040501, 040525
2 activities by CDCs. But the funding that's
3 proposed in the consolidated plan is a
4 significant cut from the current funding year
5 levels.

6 While we are glad to see that the
7 proposed Main Street Program funding will help
8 address this funding shortfall, we don't think
9 this funding should be viewed as a means to
10 supplement our -- it should be used to
11 supplement existing funding and not to replace
12 existing funding that has been in place.

13 It does not make sense for the city
14 to invest hundreds of millions of dollars
15 through NTI and then to reduce CDBG funds to
16 support our neighborhood economies.

17 Finally, we want to encourage the
18 city to economize on their administrative
19 costs. We continue to see a trend of the
20 city's allocating less than half of its CDBG
21 funding directly to programs that go on the
22 streets and a significant amount of funding to
23 administrative and program-delivery cost, as
24 well as repaying previous Section 108 loans.

25 While the city is faced with a cut

1 RES. 040345, 040618, 040619, 040501, 040525
2 in CDBG funding for next year, it is proposing
3 to increase funding on administrative costs.

4 Given the high funding levels and
5 the fact that the city receives its CDBG
6 allocation because of the large housing
7 community development needs, we think those
8 dollars should be directly spent on addressing
9 the needs of neighborhoods and residents, and
10 urge the city to cut its administrative and
11 program-delivery cost.

12 We would like to acknowledge the
13 past support City Council and the city's
14 agencies have provided to local CDC
15 communities and believe these investments have
16 paid significant dividends to our
17 neighborhoods and residents.

18 PACDC and its members and allies
19 look forward to working with you to better
20 address our housing needs and advance
21 neighborhood revitalization.

22 And while we realize the city has
23 difficult decisions to make on how to allocate
24 its limited resources, that's exactly why we
25 urge the city to create and implement a \$20

1 RES. 040345, 040618, 040619, 040501, 040525
2 million Philadelphia Housing Trust Fund now
3 and to allocate our other community
4 development resources in a way that makes this
5 partnership as effective as possible.

6 Thank you.

7 COUNCILWOMAN BLACKWELL: Thank you
8 very much. Thank you for your work and for
9 speaking on behalf of all the CDCs.

10 (Applause.)

11 COUNCILWOMAN BLACKWELL: Thank you,
12 Mr. Sauer.

13 Good afternoon.

14 MR. D.K. JOHNSON: Good afternoon,
15 Council Chair Blackwell and members of Council
16 who are here and those who are elsewhere.

17 I have waited three hours to
18 testify, I am here -- I will be brief. I am
19 here for one purpose --

20 COUNCILWOMAN BLACKWELL: Please
21 identify yourself.

22 MR. JOHNSON: I am D.K. Johnson, I
23 am sorry, Executive Director of the United
24 Communities Community Development Corporation
25 in Northeast Philadelphia. I am here to

1 RES. 040345, 040618, 040619, 040501, 040525
2 support the Housing Trust Fund, Bill 040594,
3 and all the amendments to bring it up to \$20
4 million per year.

5 (Applause.)

6 MR. JOHNSON: We have experienced
7 declining funds for affordable housing at the
8 city, state, and federal levels in recent
9 decades.

10 In order to keep Philadelphia
11 competitive with other cities, people looking
12 for affordable housing can go elsewhere, we
13 have a very small housing pie, and it needs to
14 be bigger.

15 Our CDC has a target area bounded by
16 4th Street, South 9th Street, Mifflin Street,
17 and Wolf Street, the 7th Street Neighborhood
18 Planning Area.

19 And with the programs that are in
20 place today, we are able to stabilize the
21 perimeter of this target area, but we are not
22 effectively able to address the deteriorated
23 core of this area.

24 It has a lot of vacant land, like
25 many other areas in the city; and it remains

1 RES. 040345, 040618, 040619, 040501, 040525
2 largely untouched, needing further housing
3 subsidy programs.

4 It is unrealistic to expect that
5 market-rate housing will come in and take
6 place in this area and many others in the city
7 with lower property values.

8 We also need to have the NTI program
9 come and proceed into our 7th Street NTI
10 district so that we will have more cleared
11 spaces for redevelopment.

12 We are ready and fully capable of
13 undertaking more and larger affordable housing
14 projects. We simply need the Council's
15 support in passing this much-needed
16 legislation and in funding it fully to make it
17 possible for us to do this.

18 We can't sit back and expect all the
19 vacant land to attract market-rate
20 development. It is just not going to happen.
21 And good, affordable housing development in
22 this neighborhood will spur reinvestment near
23 by.

24 So I ask for Council's votes on the
25 Housing Trust Fund. Thank you.

1 RES. 040345, 040618, 040619, 040501, 040525

2 (Applause.)

3 COUNCILWOMAN BLACKWELL: Thank you,
4 Mr. Johnson.

5 David Koppish. And also Leona
6 Keitt. Leona Keitt and David Koppish come
7 forward.

8 (Applause.)

9 COUNCILWOMAN BLACKWELL: Is Phil
10 Lord here? Phil Lord?

11 What about Galen Tyler, Kensington
12 Welfare Rights? No.

13 What about Jimmy Shrode, Disabled in
14 Action. Okay. All right. You might as well
15 stay.

16 So it will be Leona Keitt, and Jim
17 Shrode come forward.

18 Thank you for your patience. Please
19 begin your testimony.

20 MS. LEONA KEITT: Good afternoon.
21 My name is Leona Keitt. I would like to thank
22 Councilwoman for allowing me to testify today.
23 I would like to thank Jannie Blackwell for
24 amending and making the trust fund at \$20
25 million and using real estate transfer funds

1 RES. 040345, 040618, 040619, 040501, 040525
2 for it. Thank you.

3 May name is Leona Keitt, and I am on
4 behalf of over 150,000 physically disabled
5 consumers who live in Philadelphia. Being
6 disabled myself, I know firsthand how
7 difficult it is to locate and secure
8 affordable accessible housing.

9 I became disabled in 1998. I lived
10 in an inaccessible apartment with my four
11 children. My sons had to learn responsibility
12 before they were ready to.

13 My older two sons became my
14 care-giver instead of me taking care of them.
15 Since our home was inaccessible, my sons
16 carried me up the 32 stairs that were located
17 at the front entrance of our home.

18 Once we finally got into our home,
19 their work was not done. I was unable to
20 prepare meals for my children, since I could
21 not reach any of the appliances or cabinets;
22 therefore, all shopping, cooking, and meal
23 preparations were done by them.

24 In addition to our inaccessible
25 kitchen, we also had an inaccessible bathroom.

1 RES. 040345, 040618, 040619, 040501, 040525

2 I was not able to get into the bathroom
3 because the doorways were not wide enough for
4 my wheelchair. My sons, again, would have to
5 lift me and assist me in toileting and
6 bathing. This was a very embarrassing and
7 degrading experience for me.

8 I was also virtually a prisoner in
9 my home. Because I could not pass freely into
10 any other rooms, I was trapped in my own home.
11 I became very depressed because I knew who
12 care for my family but was not able to because
13 I was in an inaccessible home.

14 My difficulties grew worse and I was
15 eventually forced to enter a nursing home. My
16 children were split between family and the
17 foster care system.

18 I lived in a nursing home for 11
19 months before I could not take it anymore. I
20 moved into an only accessible unit, which was
21 a one bedroom.

22 My two sons and I shared one
23 bedroom, but DHS would not allow my daughter
24 to return home until she had her own room. It
25 took me another year before I could find a

1 RES. 040345, 040618, 040619, 040501, 040525
2 two-bedroom accessible unit

3 The two-bedroom unit was only large
4 enough for me and my sons. It took another
5 two years before I could be successful in
6 locating and securing a three-bedroom unit for
7 our family.

8 It took over four years for our
9 family to be reunited, and we are still trying
10 to overcome the emotional pain that that
11 situation caused for all of us.

12 Now life is very different because
13 we live in a fully accessible unit that we can
14 afford.

15 I now come and go freely, without
16 any assistance. I shop, I cook, I clean. I
17 am the mother I used to be. I now have full
18 time employment, and I could provide for my
19 family. Most important, I have my pride back.

20 However, this is only one story, and
21 there are still thousands of others like me
22 who are still searching and waiting for
23 affordable, accessible housing in the city
24 alone.

25 Now, I am working at Liberty

1 RES. 040345, 040618, 040619, 040501, 040525
2 Resources advocating for the housing rights of
3 others.

4 I want to thank City Council for
5 giving me this opportunity to tell my story.
6 And I would like to urge all of you to make
7 sure that Philadelphia seizes this opportunity
8 to create a \$20 million per year affordable
9 Housing Trust Fund.

10 Bill No. 040594 is a good start, but
11 it needs to be amended in order to create
12 nothing less than a \$20 million per year
13 Housing Trust Fund.

14 Thank you.

15 (Applause.)

16 COUNCILWOMAN BLACKWELL: Go ahead.

17 MR. JIMMY SHRODE: My name is Jimmy
18 Shrode, and I am here on behalf of Disabled in
19 Action of Pennsylvania as an advocate for
20 housing for people with disabilities that is
21 affordable, accessible, visitable, and, above
22 all, integrated.

23 There is a severe housing crisis in
24 the City of Philadelphia for poor people and
25 people with disabilities. We are a part of

1 RES. 040345, 040618, 040619, 040501, 040525
2 the Philadelphia Affordable Housing Coalition
3 whose mission is to increase housing resources
4 to create affordable, accessible, and
5 integrated housing for people who make under
6 \$20,000 a year.

7 We would like to thank you for
8 amending the trust fund bill to include \$20
9 million and also money from a real estate
10 transfer tax.

11 We feel that this \$20 million fund
12 is going to help bring much-needed housing
13 money to the City of Philadelphia, much-needed
14 housing to over 60,000 families in the City of
15 Philadelphia.

16 According to a study released by our
17 coalition, the City of Philadelphia has the
18 largest population of disabled people in the
19 United States. According to the 2000 census,
20 there are 354,409 people with disabilities.
21 151,250 of them are people with mobility
22 disabilities.

23 25.3 percent of the population of
24 Philadelphia is disabled, compared to the
25 national average of 19.3 percent.

1 RES. 040345, 040618, 040619, 040501, 040525

2 To the city's shame, there is an
3 overwhelming lack of affordable and accessible
4 housing for people with disabilities. There
5 are only 2,100 accessible subsidized units in
6 the entire city for people with disabilities,
7 in which there are long waiting lists to get
8 in.

9 In OHCD's budget it claims there are
10 66,000 people with disabilities in need of
11 housing. That's six times more than seniors
12 and ten times more than people with AIDS.

13 And, yet, the city proposes to do
14 very little for us and acts as if Section 811
15 housing is a housing choice. It is a housing
16 choice that institutionalizes and segregates
17 us as disabled people. I refuse to believe
18 that it is a real housing choice until the
19 city proposes then to segregate all minorities
20 on the same basis, then that will be justice.

21 Partnering with nursing homes to
22 build housing which isolates and stigmatizes
23 us is never acceptable.

24 I would also like to point out, of
25 the 22 families that were displaced to make

1 RES. 040345, 040618, 040619, 040501, 040525
2 room for Jefferson Square, three of those
3 families had people with disabilities in them.
4 And one of them, the head of household was a
5 person with disabilities. The city moved them
6 out to make room for Jefferson Square, and
7 their whereabouts are still unknown.

8 The city spends more money on
9 shelters and transitional housing and DHS
10 placement for children than it does on
11 permanent, affordable, accessible housing for
12 people who make less than \$20,000 a year.

13 It takes \$25,000 a year for DHS just
14 to house one child, when that money could go
15 to house the family, instead.

16 Therefore, Disabled in Action, in
17 addition to 90 other organizations, supports
18 the Housing Trust Fund to be created to
19 provide Philadelphia with badly needed new
20 resources for housing, complement the
21 Neighborhood Transformation Initiative,
22 increase city housing production by 80
23 percent, assist 1,200 additional homeowners
24 per year with home repairs, increase the
25 supply of accessible housing, and prevent over

1 RES. 040345, 040618, 040619, 040501, 040525
2 1,000 families each year from becoming
3 homeless.

4 We fully support Bill 040594, the
5 trust fund, to create a \$20 million a year
6 affordable Housing Trust Fund. Nothing less
7 than 20 million per year will begin to make a
8 dent in our city's crisis in decent,
9 affordable, accessible housing.

10 We urge you to include Philadelphia
11 in the state's Act 137 County Housing Trust
12 Fund Program, which allows counties to double
13 document recording fees and use the increased
14 revenue for affordable housing.

15 In addition, dedicate \$1.5 million
16 in NTI trust funds as seed money for the
17 Housing Trust Fund. Furthermore, the trust
18 fund must mandate that 10 percent of all
19 housing built with this money be accessible
20 for people with physical disabilities, and 4
21 percent for people with sensory disabilities,
22 and all of the new housing must be 100 percent
23 visitable.

24 We urge that Bill 040594 be amended
25 in order to add these revenue sources to

1 RES. 040345, 040618, 040619, 040501, 040525
2 create this trust fund.

3 The city has constantly found the
4 will to exempt law firms from paying taxes
5 with the promise of a new building near 30th
6 Street Station.

7 You found the will to grant Comcast,
8 a growing monopoly in the country, a 20-year
9 tax exemption for its new headquarters.

10 The city has bent over backwards for
11 the Phillies and the Eagles to keep them here
12 by building them two new stadiums.

13 And now at NTI we build green spaces
14 so that marigolds will have housing, and yet
15 human beings won't.

16 Don't tell me the city can do
17 nothing for us. We pay taxes. We are
18 citizens of this city. If this august body be
19 truly democratic and listens to the will of
20 the people, rather than special interests,
21 then do this for us.

22 Thank you very much.

23 COUNCILWOMAN BLACKWELL: Thank you,
24 Mr. Shrode.

25 (Applause.)

1 RES. 040345, 040618, 040619, 040501, 040525

2 COUNCILWOMAN BLACKWELL: Jeff Thul
3 and Tom Earle, Liberty Resources, are you
4 here? Jeff Thul? Come forward.

5 Is Tom Earle here? All right. We
6 welcome you. Thank you very much for the
7 testimony.

8 Thank you for your patience. Please
9 identify yourself and make your testimony.

10 MR. JEFF THUL: Good afternoon. My
11 name is Jeff Thul. I am from Liberty
12 Resources.

13 On behalf of the Liberty Resources,
14 I would first like to thank the members of
15 City Council for the opportunity to testify
16 here today.

17 Liberty Resources is a place where
18 consumers with disabilities in Philadelphia
19 and the surrounding counties can receive
20 support, advocacy, and services in order for
21 them to live independently in their own
22 community.

23 Liberty Resources serves over 3,200
24 people with disabilities annually. Out of
25 these 3,200 people, approximately 700 people

1 RES. 040345, 040618, 040619, 040501, 040525
2 with disabilities each year contact Liberty
3 Resources for assistance with locating
4 affordable accessible housing.

5 Because of the dire unmet housing
6 needs of our consumers, Liberty Resources has
7 joined with the myriad of other community
8 organizations, the Philadelphia Affordable
9 Housing Coalition, to effectively address the
10 housing crisis facing Philadelphians with
11 disabilities.

12 Liberty Resources recognizes that
13 the work that OHCD has put into this plan,
14 considering the significant reduction in
15 anticipated budgetary resources provided in
16 this Year 30 plan.

17 It is with this disheartening fiscal
18 reality in mind that all of us housing
19 advocates, consumers of housing, and those
20 seeking housing, together with OHCD, must
21 develop and support innovative and creative
22 solutions like the Philadelphia Housing Trust
23 Fund to help solve our housing crisis in
24 Philadelphia.

25 Sadly, Philadelphia is one of the

1 RES. 040345, 040618, 040619, 040501, 040525
2 only large cities in the United States that
3 does not have a Housing Trust Fund. For our
4 testimony today, we have identified some
5 problem areas in the currently proposed Year
6 30 plan that are potentially troubling.

7 First, OHCD hints that they are
8 aware of the housing needs of persons with a
9 disability in the city and state, that there
10 are approximately 66,000 persons with
11 disabilities that have a housing need.

12 However, we are baffled by the
13 manner in which the need is categorized in the
14 strategic plan.

15 In Table 3.4, Estimated Housing
16 Needs, persons with disabilities are listed in
17 a category designated Nonhomeless and, in
18 turn, prioritized as such.

19 We believe that this is an
20 inaccurate assessment. The reason being that
21 many persons with disabilities are forced into
22 unnecessary institutionalization because there
23 is a lack of affordable accessible housing in
24 the city.

25 When disabled persons can no longer

1 RES. 040345, 040618, 040619, 040501, 040525
2 live in their homes because they are not
3 wheelchair accessible and affordable to those
4 who can live on less than \$20,000 a year, they
5 are forced into very costly institutional care
6 at a great expense to taxpayers.

7 Many of the 66,000 persons with a
8 disability who have been recognized in this
9 plan as nonhomeless are in fact harbored in an
10 institution, either a nursing home or boarding
11 home or shelter.

12 Institutionalization is never a
13 solution to ending homelessness, and most of
14 the people we meet would never consider this
15 an option and certainly not a home.
16 Therefore, we believe that most in this
17 population are in fact homeless.

18 The real answer to meeting the needs
19 of our population is to provide more
20 permanent, affordable, accessible housing so
21 that they can then be considered nonhomeless.

22 If the city were to rethink their
23 approach to housing this population and create
24 more viable options for persons with a
25 disability, then our city would, in return,

1 RES. 040345, 040618, 040619, 040501, 040525
2 save thousands of dollars that would have been
3 dumped into institutional care for each person
4 housed in their own home. To sum this up,
5 providing permanent homes would save the city
6 money.

7 Second, the plan omits the
8 additional \$10 million obtained last year by
9 the Philadelphia Affordable Housing Coalition
10 to supplement the city's basic systems repair,
11 accessible modifications, and housing
12 production programs.

13 These three programs specifically
14 target the need of our most vulnerable housing
15 population, those making \$20,000 or less a
16 year.

17 As identified in a comprehensive
18 study by the University of Pennsylvania,
19 Closing The Gap, the city has a crisis-level
20 shortage of housing for those earning \$20,000
21 or less.

22 While OHCD acknowledges this crisis,
23 stating that persons living on less than
24 \$20,000 annually do have the most pressing
25 housing needs, its proposed plan has dedicated

1 RES. 040345, 040618, 040619, 040501, 040525
2 less than 8 percent of its total budget to the
3 creation of more affordable homes for this
4 population.

5 Considering that the total resource
6 allocation for this budget increased by \$84
7 million, compared to the preliminary
8 consolidated plan, it is shameful that only 8
9 percent has been reserved for those with the
10 most dire needs. The math simply does not add
11 up.

12 Addressing crisis by allocating 8
13 percent of the entire budget falls woefully
14 short of the mark and is unacceptable.

15 It is this population, those making
16 \$20,000 or less per year, that the city must
17 focus its priorities. And the solution is to
18 create a Housing Trust Fund in Philadelphia.

19 Bill No. 040594 is a good start, but
20 it needs to be amended in order to create a
21 \$20 million per year affordable Housing Trust
22 Fund. Nothing less than \$20 million per year
23 will begin to make a dent in our city's crisis
24 in decent affordable accessible housing.

25 Lastly, on a positive note, we

1 RES. 040345, 040618, 040619, 040501, 040525
2 applaud the section of the plan where by OHCD
3 requires that 10 percent of all newly
4 constructed dwelling units be designed and
5 built as accessible units with people with
6 fiscal disabilities, mobility impairments, and
7 4 percent for people with hearing and vision
8 impairments.

9 This supplements the momentum that
10 the city has gained through Councilwoman
11 Blackwell's reintroduction of a housing and
12 disability ordinance.

13 Let's all continue to build on this
14 momentum with the establishment of a permanent
15 Housing Trust Fund for the City of
16 Philadelphia

17 Thank you.

18 COUNCILWOMAN BLACKWELL: Thank you
19 very much.

20 Francis Carney, United Communities
21 of Southeast Philadelphia.

22 Liz Robinson, Energy Coordinating
23 Agency.

24 Kai Sjogren and Sister Margaret
25 McKenna from New Jerusalem.

1 RES. 040345, 040618, 040619, 040501, 040525

2 We will be ready for questions
3 shortly, all of you who are waiting. We are
4 just about there. Thank you for your
5 patience, too.

6 Please identify yourself for the
7 record and begin your testimony.

8 MS. LIZ ROBINSON: Thank you. Good
9 afternoon, Councilwoman Blackwell. I am Liz
10 Robinson. I direct the Energy Coordinating
11 Agency of Philadelphia.

12 Now, my testimony is going to focus
13 on two issues, energy affordability and
14 homelessness prevention.

15 We are now at a critical juncture
16 for energy affordability in Philadelphia for a
17 number of reasons. Natural gas prices have
18 almost doubled in the last four years,
19 creating an unprecedented crisis for
20 low-income gas customers and our local gas
21 utility.

22 PGW issued a record-breaking 135,000
23 termination notices this spring and is now, as
24 we sit here, in the process of terminating
25 thousands of customers for nonpayment.

1 RES. 040345, 040618, 040619, 040501, 040525

2 PGW expects to shut off 35,000
3 households this year. Likewise, PECO expects
4 to shut off 68,000 households systemwide.
5 This will set new records for both utilities.

6 As ECA and other researchers have
7 shown, utility terminations lead to housing
8 abandonment, homelessness, and even fatal
9 fires, as people turn to desperate measures to
10 provide heat, light, and water in their homes.

11 The new building code, which has
12 just been adopted statewide, the Uniform
13 Construction Code, which embodies the
14 International Energy Conservation Code 2004,
15 has just gone into effect in Philadelphia.

16 The national Energy Star standard is
17 now under active consideration at both the
18 city and state levels for affordable housing
19 and market-rate housing.

20 For all of these reasons, ECA and
21 OHCD need to be spending more time, not less,
22 in training and working with architects,
23 builders, housing developers, and community
24 development corporations, as well as with
25 housing inspectors and city code officials to

1 RES. 040345, 040618, 040619, 040501, 040525
2 ensure that affordable housing in Philadelphia
3 is truly affordable.

4 Why use scarce public dollars to
5 subsidize the construction of an affordable
6 housing unit if its low-income occupants
7 cannot afford to live there?

8 Under the RDA Affordable Housing
9 Program, about 350 to 400 new and rehabbed
10 residential units are built each year
11 according to the City of Philadelphia's small
12 building specifications, a major component of
13 which is an energy-efficiency requirement that
14 all units be built so that the associated
15 utility costs are as low as possible.

16 A considerable amount of time and
17 experience has gone into the energy-related
18 aspects of the specs. ECA and OHCD have just
19 completed a new contractors' guide to help
20 architects, builders, and contractors follow
21 them more easily.

22 When compared to housing that is not
23 built to city specs, an RDA unit will save on
24 average \$110 per year in natural gas and about
25 \$25 per year on electricity.

1 RES. 040345, 040618, 040619, 040501, 040525

2 This means that, over a ten-year
3 period, a low-income resident will save about
4 \$1500.

5 The energy savings in the 350 units
6 built per year amount to about \$500,000 over
7 ten years.

8 To assure that RDA housing is in
9 fact meeting the energy specs, regular on-site
10 inspections are required.

11 Currently the city has only one
12 inspector, the Energy Coordinating Agency,
13 which is contracted at \$75,000 a year to
14 perform all RDA inspections and related
15 trainings.

16 Reducing this contract will
17 certainly have a negative impact on the
18 detailed inspection and monitoring process and
19 will result in higher utility bills for
20 low-income residents.

21 If only 50 out of the current 350
22 units now being inspected annually were not
23 built to the spec, the additional cost to the
24 low-income residents in these units would
25 total about \$5,500 per year, or \$55,000 over

1 RES. 040345, 040618, 040619, 040501, 040525
2 ten years.

3 This increase in utility costs is
4 more than twice the amount proposed to be cut
5 in the inspection contract, and this
6 represents just one year of construction.

7 This is a program which has returned
8 handsomely on the increment the city has made
9 by making housing more affordable to maintain
10 year after year, by improving the quality of
11 housing, and by increasing the knowledge and
12 skills of the housing community in the region.

13 As we know all too well, when
14 low-income people cannot pay their gas bills,
15 that impacts immediately on PGW, which in turn
16 impacts directly on the city itself.

17 This year for the first time PGW is
18 unable to pay its \$18 million annual fee in
19 lieu of taxes to the city. For all these
20 reasons, it is essential to maintain the ECA
21 technical services contract at least at its
22 current level.

23 ECA has recently realized that the
24 city specs, which were developed several years
25 before the national Energy Star standard, are

1 RES. 040345, 040618, 040619, 040501, 040525
2 in fact comparable to Energy Star. We are now
3 in the process of rating a number of units to
4 see how they perform on the home energy rating
5 system scale.

6 Thus far, all four homes we have
7 analyzed have passed. This means that the set
8 of standards developed in Philadelphia a
9 decade ago and painstakingly improved over the
10 years are in fact comparable to the Energy
11 Star standard developed by the EPA.

12 This is extremely important because
13 Energy Star has become increasingly accepted
14 and adopted all across the country as a
15 standard for energy efficiency.

16 ECA is also working with the
17 Pennsylvania Housing Finance Agency, PHFA, to
18 have them adopt the Energy Star standard for
19 affordable housing all across the
20 Commonwealth.

21 Real progress is now occurring in
22 their homeownership choice program.
23 Philadelphia has been the leader for the rest
24 of the state in this area. Philadelphia needs
25 to continue to provide leadership by extending

1 RES. 040345, 040618, 040619, 040501, 040525
2 the Energy Star standard beyond affordable
3 housing to market-rate housing, as well.

4 Now that hundreds of new housing
5 units are being built in the city, it is
6 critical that these units be energy efficient
7 and durable.

8 The Energy Star standard needs to
9 become the minimum acceptable energy standard
10 for all housing in Philadelphia.

11 The Energy Star rating on a home has
12 market value. As energy prices climb,
13 consumers are increasingly aware of energy
14 efficiency in new homes.

15 Energy efficiency not only means
16 lower monthly bills, it also means
17 higher-quality construction and longer-lasting
18 appliances.

19 Like the Good Housekeeping seal, the
20 Energy Star label tells consumers they have
21 found a quality product.

22 Tax abatements for all buildings,
23 whether residential or commercial, should be
24 tied to Energy Star or equivalent standards.

25 Certainly all public subsidies,

1 RES. 040345, 040618, 040619, 040501, 040525
2 whether CDBG, HUD, state funding, or tax
3 credit financing, should be used to build
4 energy-efficient housing.

5 Energy efficiency and affordability
6 can give Philadelphia a competitive advantage
7 in its efforts to attract the middle class
8 back into the city to live and work.

9 We urge City Council to fund ECA's
10 technical services contract at least at its
11 full level. Further, we urge Council to pass
12 a resolution requiring that all housing built
13 with public funding or tax incentives meet or
14 exceed the Energy Star standards.

15 Furthermore, we urge the
16 Administration to use the Energy Star
17 standards in all publicly funded home repair
18 and rehabilitation programs, as well as in new
19 market-rate construction.

20 There are dozens of programs in
21 Philadelphia, from lead abatement, to
22 community revitalization, which are attempting
23 to solve problems of public health,
24 neighborhood deterioration, and blight.

25 However, if they are replacing

1 RES. 040345, 040618, 040619, 040501, 040525
2 windows or furnaces or making other needed
3 repairs, and doing so with energy-inefficient
4 materials, they are merely solving one problem
5 and creating another.

6 Energy affordability is a crisis in
7 Philadelphia for all-low income people. As we
8 have seen from newspaper reports of the recent
9 PUC public hearings, PGW cannot solve this
10 problem by itself.

11 Leadership at all levels of
12 government, city, state and federal, is
13 urgently needed to create an energy-efficient
14 and affordable future for all of us.

15 Homelessness prevention. ECA
16 believes it is critical for Philadelphia to
17 continue to operate homelessness prevention
18 efforts and to evaluate them in order to
19 refine the program.

20 Given the demographics of
21 Philadelphia, the financial problems now
22 facing the city, the sluggish national
23 economy, and ballooning federal deficit,
24 combined with rising energy prices, record
25 levels of utility termination and mortgage

1 RES. 040345, 040618, 040619, 040501, 040525
2 foreclosure, it is safe to assume we are in
3 for another period of rising homelessness.

4 The city simply does not have the
5 resources to provide emergency shelter for all
6 the homeless people who request it.

7 It now costs \$24,000 a year to
8 provide shelter for the average family of
9 four. It is important to note that, in
10 Philadelphia, this average family actually
11 lives more than a year in shelter.

12 In contrast, it costs approximately
13 \$1,000 to prevent homelessness for that same
14 family.

15 The city must work harder to find
16 ways to prevent homelessness and to reduce the
17 demand for shelter.

18 Prevention is an infinitely more
19 preferable response to homelessness than is
20 shelter. Not only is it far less expensive,
21 but it is much better social work. Sparing a
22 family the indignity and disruption of
23 emergency shelter helps to preserve the fabric
24 and cohesion of the family.

25 Most people find that losing their

1 RES. 040345, 040618, 040619, 040501, 040525
2 home brings a loss of self-respect and
3 self-confidence, as well. This is supported
4 by the fact that the single best predictor of
5 shelter stay is previous shelter stay.

6 Since 1996, ECA's community-based
7 homeless prevention program has served 42,723
8 clients. Emergency housing payments were paid
9 to 7,279 households during this seven years.
10 The program also secured full-time employment
11 for 817 of these clients.

12 The program has been evaluated twice
13 by the University of Pennsylvania, and both
14 times been found to be highly effective in
15 preventing homelessness.

16 A study of homelessness prevention
17 performance show that the program prevented
18 homelessness among 99 percent of program
19 participants.

20 ECA is working to improve the
21 program even further by refining the targeting
22 of clients and forging relationships with
23 shelters to help them move their clients more
24 quickly into permanent unsubsidized housing.

25 The most recent analysis, which was

1 RES. 040345, 040618, 040619, 040501, 040525
2 performed by OESS, found that ECA's program
3 reduced shelter stay for clients. ECA
4 believes it is critically important for the
5 city to have a comprehensive plan to address
6 homelessness, and that plan must incorporate
7 prevention.

8 It will be essential to hire an
9 outside evaluator to assist the city in
10 evaluating its current homelessness prevention
11 efforts and helping it to plan for the most
12 effective use of its increasingly scarce
13 public resources.

14 Thank you for your commitment to
15 energy efficiency, housing affordability, and
16 to a more livable city.

17 COUNCILWOMAN BLACKWELL: Thank you
18 very much.

19 (Applause.)

20 COUNCILWOMAN BLACKWELL: Is
21 Rosemary Cubas, Community Leadership
22 Institute, here?

23 Habeebah Ali and Charles Thompson,
24 Raise of Hope?

25 Robert Meek, Disabilities Law

1 RES. 040345, 040618, 040619, 040501, 040525
2 Project?

3 Amanda Schreiber and Stephanie
4 Gillard Center for Social Change from Temple?
5 Wendy Hyatt.

6 Okay. Three people have come in.
7 We have three people who came in since we
8 spoke, and that should be our list, unless
9 someone else comes in, then we will do
10 questions. Okay? Thank you.

11 Have a seat, please identify
12 yourself. Thank you for your patience.

13 MS. STEPHANIE GILLARD: Good
14 afternoon, Councilwoman Blackwell. My name is
15 Stephanie Gillard.

16 I am here because I am concerned
17 about affordable housing. Right now I am in a
18 situation where I have nine children in DHS
19 that are not able to come home because I do
20 not have a big enough house for them.

21 It is very stressful not to be able
22 to afford a home for my family. Constantly my
23 kids are asking me, "Mom, did you find a house
24 yet? Mom, can we come home yet?" And I have
25 to tell them no.

1 RES. 040345, 040618, 040619, 040501, 040525

2 I have nine kids, five girls and
3 four boys, and me. And I just can't afford a
4 house that big.

5 DHS have lots of rules about how
6 many bedrooms I need and which kids can share
7 a room. I can't afford those rules.

8 The judge already court ordered my
9 kids to come home, but they can't because I
10 don't have big enough housing.

11 DHS tried to get me housing, but the
12 lists were full. Philadelphia does not have
13 enough affordable housing for families who
14 want to be together.

15 Right now I am getting training at
16 the Temple Center for Social Policies, Working
17 to Unite Families Program, and there are women
18 in my class with the same situation as me.

19 These women love and want to be with
20 their kids, but they can't because they need
21 affordable housing.

22 Councilwoman, we support Bill
23 040594, but it doesn't go far enough. The
24 trust fund needs to be at least \$20 million
25 each year to be effective in creating

1 RES. 040345, 040618, 040619, 040501, 040525
2 affordable housing in Philadelphia for the
3 families that desperately need it.

4 Thank you, Councilwoman, for
5 listening to my speech.

6 COUNCILWOMAN BLACKWELL: Thank you.
7 (Applause.)

8 MS. WENDY HYATT: My name is Wendy
9 Hyatt. I am the Housing Case Manager At Women
10 Against Abuse. I am here today in support of
11 the creation of a \$20 million affordable
12 Housing Trust Fund.

13 Bill 040594, sponsored by
14 Councilwoman Blackwell, is a good start. But
15 as the person who spoke before me said, it
16 does not go far enough.

17 We thank you and Debra McColloch for
18 coming to our community meeting last
19 Wednesday. We now need this bill to be
20 amended so that it results in a \$20 million
21 Housing Trust Fund originally asked for.

22 Women Against Abuse is also a
23 supporter of the Affordable Housing Coalition.

24 I am speaking to you as someone
25 whose job it is to know every type of

1 RES. 040345, 040618, 040619, 040501, 040525
2 available housing in Philadelphia. Every day
3 I meet with women and their children to help
4 them navigate this system. These meetings are
5 frank and limited.

6 Public housing waiting lists are
7 closed. Security deposit funds have run out.
8 Transitional housing programs have lengthy
9 waiting lists.

10 These women are frustrated and often
11 trapped. Faced with these options and fixed
12 incomes, many people fall into despair at a
13 time when they most need their courage.

14 Currently our emergency shelter can
15 house only 46 women and children. Our
16 Transitional Housing Program consists of a
17 mere 12 units. Currently there are no
18 domestic violence services for male or
19 transgendered survivors of domestic violence.

20 We receive approximately 15 to 20
21 shelter-related requests per day. When
22 someone leaves an abusive relationship, they
23 often have nowhere to go. This is
24 particularly true of those with few resources
25 and the disabled.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Lack of affordable housing and long
3 waiting lists for assisted housing mean that
4 many women and their children are forced to
5 choose between physical and psychological
6 safety and the uncertain dangers of
7 homelessness.

8 For example, many battered men and
9 women have to leave their jobs because of
10 workplace stalking. Disturbances by the
11 abuser and accounts of police visits damage
12 their reputation as a reliable tenant.

13 One often leaves suddenly, with no
14 money having been saved. Survivors must
15 purchase clothing, furniture, and house items
16 all over again. For many, these hurdles are
17 just too much.

18 When their 60th day comes at the
19 shelter, they return home hoping to survive,
20 hoping to wait it out

21 Sometimes a survivor will hastily
22 form a new relationship in exchange for
23 housing and become vulnerable to new violence.

24 They need access to safe, decent,
25 affordable housing in order to permanently end

1 RES. 040345, 040618, 040619, 040501, 040525
2 the cycle of violence.

3 I would like to share with you the
4 story of Lisa. Lisa was attacked by her
5 husband. He kicked in the door and beat her
6 with the vacuum. When he tried to go for his
7 gun, Lisa fought him until the police arrived.

8 Because of severe injuries in her
9 hands that she sustained from defensive
10 wounds, Lisa had to quit her nursing job.

11 She came into the shelter and
12 applied for transitional housing. Two days
13 before Christmas she and her four-year-old son
14 had reached the limit of their stay. The
15 transitional housing program she was accepted
16 to still did not have an available apartment.

17 She slept on the couch at her
18 brother's house for a month, waiting for space
19 to open up. During this time, she also began
20 a new semester at college and continued with
21 her son's speech therapy.

22 Fortunately, Lisa was able to hold
23 on to all of these things and fight the onset
24 of severe depression and is now in
25 transitional housing. She is also beginning

1 RES. 040345, 040618, 040619, 040501, 040525
2 an internship as a Congressional Aide.

3 Lisa is a success story. But in
4 eight months, she is one of only six women
5 from the shelter who were able to enter our
6 transitional housing program.

7 Taking into consideration the
8 continual changes in federal housing policy
9 and changes in local housing markets, we need
10 to develop a response to the transitional and
11 permanent housing needs of those who are
12 survivors of domestic violence.

13 Help to end domestic violence has to
14 come from the top and be supported by local
15 city administrators. The city must send a
16 message that it cares about these survivors.

17 We are grateful that the Mayor has
18 designated funding to support the increase in
19 domestic violence shelter beds and hotline
20 services.

21 But the domestic violence community
22 desperately needs your support for affordable
23 housing. And we are asking that you support
24 in full the housing initiatives proposed here
25 today, including the amendment to Bill 040594.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Thank you for your time.

3 (Applause.)

4 COUNCILWOMAN BLACKWELL: Thank you
5 very much. Thank you very much.

6 Would Steve Culbertson, Frankford
7 CDC, and I saw Claudia Sherrod, Point Breeze
8 CDC, come forward.

9 Thank you for returning and your
10 patience. Please identify yourself and make
11 your testimony.

12 MR. STEVE CULBERTSON: My name is
13 Steve Culbertson, and I am the Executive
14 Director of the Frankford Community
15 Development Corporation. I am a member of the
16 Philadelphia Association of Community
17 Development Corporations.

18 And I am here today in support of
19 all of the bills that have been presented
20 before Council. I would like to thank
21 Councilwoman Blackwell, President Verna for
22 allowing me the opportunity to testify.

23 I do not have written testimony. I
24 would like for a moment for us to suspend the
25 current circumstances surrounding the use of

1 RES. 040345, 040618, 040619, 040501, 040525
2 taxes for revenues for the City of
3 Philadelphia and think rationally for a moment
4 about the use of the real estate transfer tax
5 which is gained by sale of houses between two
6 individual parties.

7 To me it makes complete rational
8 sense to use the real estate transfer tax to
9 fund housing in the City of Philadelphia.

10 And even if we could figure out a
11 way so that the real estate transfer tax
12 continues to give to the city the same amount
13 of revenue or slightly more revenue each year
14 into the future, while still supporting the
15 Housing Trust Fund, I would think that that
16 would be a good compromise.

17 And, so, I would like to encourage
18 Council to think about how we might use the
19 real estate transfer tax, which indeed many of
20 us pay when we build affordable or market-rate
21 housing, to fund the Housing Trust Fund in
22 perpetuity.

23 It has been testified any number of
24 times today by many friends of mine that we
25 have a reduction in the amount of resources

1 RES. 040345, 040618, 040619, 040501, 040525
2 available from Community Development Block
3 Grant and HOME funds to the City of
4 Philadelphia to build affordable housing.

5 And it seems to me that this is a
6 ready source, even if we would say we are not
7 going to use it for the next couple of years,
8 to use the real estate transfer tax.

9 And, so, that's really the only
10 thing that I want to say today. Is that we
11 need Housing Trust Fund, and we need it funded
12 at a reasonable level.

13 And if we can figure out in the
14 future how to use this source and maybe other
15 sources to build more affordable and
16 mixed-income housing, it would be a good
17 thing.

18 Thanks.

19 COUNCILWOMAN BLACKWELL: Thank you
20 very much. And I will say that I personally
21 agree with you. Thank you, Mr. Culbertson.

22 (Applause.)

23 COUNCILWOMAN BLACKWELL: Thank you.
24 Ms. Sherrod.

25 MS. CLAUDIA SHERROD: Claudia

1 RES. 040345, 040618, 040619, 040501, 040525

2 Sherrod. I am the President of the Point

3 Breeze Community Development Coalition and the

4 Executive Director of South Philadelphia

5 H.O.M.E.S.

6 Chairman Councilwoman Jannie

7 Blackwell, in absence of our President Anna

8 Verna, to our distinguished members of City

9 Council of the City of Philadelphia, it is a

10 pleasure to appear before you this afternoon.

11 Thank you for inviting me to testify

12 before your committee. I am pleased to come

13 before you today to discuss the important work

14 associated with community and economic

15 development in the Point Breeze community.

16 This afternoon I will highlight a

17 few of the organization's accomplishments and

18 discuss the importance of working with all

19 existing organizations in a geographical

20 region.

21 First, no organization should be

22 perceived as the only viable developer in the

23 South Philadelphia area or entitled to receive

24 an abundance of resources to the detriment of

25 other groups.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Although we are a small grass-roots,
3 community-based organization, we are dedicated
4 to improving the quality of life for every
5 resident of the Point Breeze community.

6 It is imperative that the
7 Redevelopment Authority, Office of Housing and
8 Community Development, and Philadelphia
9 Housing Development Corporation use its
10 resources to inform every organization of the
11 opportunity to participate in the funding
12 process.

13 We need access to the funding
14 sources and training seminars to continue
15 building our community.

16 We have created several projects to
17 increase the quality of life in our area. In
18 December 2003 we submitted the Point Breeze On
19 the Move Project. This project was submitted
20 in conjunction with Habitat For Humanity.

21 It is my understanding that Habitat
22 has received some level of financial support
23 for a similar project. Will our project
24 receive funding? This comes from Page 121 of
25 the proposed plan for Year 30.

1 RES. 040345, 040618, 040619, 040501, 040525

2 When will we receive notice about
3 funding for our project?

4 Point Breeze Community Development
5 Coalition and South Philadelphia H.O.M.E.S.
6 must be included in any discussions or
7 planning meetings involving the Point Breeze
8 community. We will not accept nor support a
9 development plan for our neighborhood that we
10 did not develop.

11 We know what our community and its
12 residents need to increase their quality of
13 life. The NTI housing investment strategy for
14 Point Breeze must include financial support
15 for local groups.

16 Allow me to take a few minutes to
17 discuss the initiatives we have begun to
18 change our community.

19 We have hired a coordinator to
20 manage the Point Breeze Business Corridor.
21 The corridor will design programs to increase
22 its economic activities in the commercial
23 corridor.

24 We organized a new business
25 association, worked with the Parking

1 RES. 040345, 040618, 040619, 040501, 040525
2 Authority, Commerce Department, and PCDC;
3 completed a marketing survey with the
4 assistance of Temple University; revised the
5 strategic plan with the assistance of the
6 University of Pennsylvania; developed a plan
7 to enhance the Breeze by building a new
8 building.

9 Economic development committee,
10 local elected officials, and business leaders
11 and residents are working collectively to
12 change and increase the quality of life and
13 appearance of Point Breeze. We are exploring
14 an Empowerment Zone and Elm Street Project
15 designation.

16 The above initiatives are several
17 examples of the many efforts that are a huge
18 piece of the building block of Point Breeze.

19 We have outlined several priorities
20 for our future community development plans:
21 The creation of youth programs that are
22 designed to prevent and combat juvenile
23 delinquency; we need a dedicated funding
24 source; we need to restore support for
25 community economic development programs.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Council has mandated that the city
3 use 5 percent of its CDBG funds for its CDC
4 economic development activities. The proposed
5 consolidated plan is inadequate.

6 We urge that restoration of Year 29
7 levels of funding for CDC economic development
8 in particular funds that were cut out from the
9 facade and Security Grant Program, SBCIP,
10 predevelopment grants, planning and marketing
11 grants, the neighborhood development grant
12 program and the special services district
13 program should be restored.

14 These programs are vital elements to
15 the success of our programs designed to
16 maintain and improve the economic viability of
17 our neighborhoods.

18 It does not make any sense for the
19 city to invest hundreds of millions in
20 neighborhoods through NTI and then reduce the
21 funds to support our neighborhood economics.

22 Planning and Administration needs.
23 South Philadelphia H.O.M.E.S., the Community
24 Development Coalition, and other smaller
25 organizations would like to have access to the

1 RES. 040345, 040618, 040619, 040501, 040525
2 various sources of funding so that we can have
3 input in creating and implementing the
4 consolidated strategic plan for our beloved
5 community.

6 Affordable housing. South
7 Philadelphia H.O.M.E.S. supports affordable
8 housing initiatives. However, we should be
9 included in the planning of the vision for
10 affordable housing in our neighborhood.
11 Again, we cannot support a plan that we did
12 not create.

13 We support increasing the funding to
14 the Universal Business Center. This
15 institution has been successful in building
16 the economic capacity of local individuals and
17 businesses.

18 Geographical allocation of
19 resources. South Philadelphia is one of the
20 most economically and racially diverse areas
21 of Philadelphia. We are a mix of
22 neighborhoods and individuals that range from
23 low income, to middle class, to affluent, all
24 held together by a strong foundation and
25 commitment to community and our middle-income

1 RES. 040345, 040618, 040619, 040501, 040525
2 foundation row homes. Page 25 of the plan.

3 We believe an Enterprise Zone
4 designation would help the area. South
5 Philadelphia, especially the Point Breeze
6 area, should receive substantial consideration
7 for Year 30, restore funding for the second
8 year for the targeted base system repair
9 program.

10 After the initial start-up issues
11 with the program, ten community development
12 corporations are now engaged in target efforts
13 to assist homeowners with home repair.

14 Unfortunately, 2 million in funding
15 for the second year of the program has been
16 eliminated. The city must follow through on
17 its commitment to these neighborhoods.

18 The Targeted Based Systems Repair
19 Program must receive the additional financial
20 support needed to stabilize these
21 neighborhoods.

22 We support the addition of \$15
23 million in new acquisition funding. We
24 believe it should be funded directly from NTI.
25 In addition, the city should immediately

1 RES. 040345, 040618, 040619, 040501, 040525
2 implement the proposed recycling agreement for
3 acquisition funds to ensure that a portion of
4 funding being spent on acquisition will be
5 available to support future acquisition needs,
6 as well.

7 Economize on administrative costs.
8 On the proposed plan, less than half of the
9 city's CDBG funding is proposed to be spent on
10 actual programs and services, continuing a
11 long-term and disturbing trend. In fact, we
12 have almost a million less in CDBG resources
13 than we had in last year, but CDBG dollars
14 spent on Administration is proposed for an
15 increase of more than 1 million.

16 CDBG funding is given to the city
17 because of our high levels of poverty and must
18 be spent directly to address those needs. The
19 city must do a better job of cutting
20 administrative costs.

21 In addition to all of the above, we
22 urge you to view and support the Housing Trust
23 Fund. We urge you to support the proposed \$20
24 million Housing Trust Fund by passing Bill
25 040594, with the proposed amendments.

1 RES. 040345, 040618, 040619, 040501, 040525

2 (Applause.).

3 MS. SHERROD: Philadelphia

4 desperately needs new resources for housing.

5 A \$20 million Housing Trust Fund will build

6 400 new homes per year, repair 1,200 homes per

7 year, and help prevent homelessness, while

8 leveraging 50 million per year in outside

9 resources to the city and having a total

10 economic impact of more than \$115 million per

11 year.

12 We urge you to pass Bill 040594 with

13 amendments and support bringing funding up to

14 an eventual level of \$20 million a year.

15 I thank you very much, and God bless

16 you.

17 (Applause.)

18 COUNCILWOMAN BLACKWELL: Thank you

19 Ms. Sherrod.

20 John McDonald, IMPACT Services.

21 David Koppish, are you still here,

22 Women Community Revitalization Project?

23 And then Steve Mullen from E

24 Consult.

25 I see Sister Habeebah Ali is there,

1 RES. 040345, 040618, 040619, 040501, 040525
2 and Project Home, they have come in.

3 And that is it for our list. Is
4 there anybody I haven't mentioned here?

5 Thank you. I see you.

6 Thank you. Please identify yourself
7 for the record and begin your testimony.

8 MR. JOHN McDONALD: Councilwoman
9 Blackwell, thanks for hearing my testimony. I
10 am John McDonald. I am President of IMPACT
11 Services Corporation. And to all of Council
12 that's here.

13 In the interest of time, there are
14 two things that I would just like to present
15 testimony on.

16 One, I urge your support of the
17 proposed \$20 million Housing Trust Fund by
18 passing Bill 040594, with the proposed
19 amendments. Especially, to reiterate what
20 Steve had mentioned, if you can find alternate
21 sources of funding to eventually get us to
22 that \$20 million figure it would be a real
23 push forward.

24 Secondly, to restore support for
25 community economic development programs,

1 RES. 040345, 040618, 040619, 040501, 040525
2 especially support for the corridors, the
3 various corridors, and all the things that go
4 with it.

5 Corridors are our most successful
6 housing, really enable successful housing
7 efforts to succeed. And WE just urge you to
8 restore the corridor funding to Year 29
9 levels.

10 Thanks for THE opportunity to
11 present testimony.

12 COUNCILWOMAN BLACKWELL: Thank you,
13 Mr. McDonald.

14 Dave Koppish, Women Community
15 Revitalization Project. Please identify
16 yourself and begin your testimony.

17 MR. DAVID KOPPISH: Good afternoon.
18 My name is David Koppish. I am with the
19 Women's Community Revitalization Project.

20 We have two other folks from WCRP
21 which will be a part of this testimony, if
22 that's okay.

23 COUNCILWOMAN BLACKWELL: Yes. Thank
24 you.

25 MR. KOPPISH: One of whom is coming

1 RES. 040345, 040618, 040619, 040501, 040525
2 down the aisle here.

3 COUNCILWOMAN BLACKWELL: Steve
4 Mullen is here, who will be next. And I saw
5 Habeebah Ali.

6 Is there anyone else to testify, and
7 then we will begin Project Home. Is that it?

8 Please begin your testimony.

9 MS. STACY MOORE: Good afternoon.
10 Hello, Councilwoman Blackwell and all other
11 Council people. My name is Stacy Moore. I am
12 Co-chair of the Women's Community
13 Revitalization Project, which is also a member
14 of the Philadelphia Affordable Housing
15 Coalition.

16 Last year in June the Philadelphia
17 Affordable Housing Coalition and City Council
18 secured \$10 million of NTI money which was
19 supposed to fund the demolishing of homes.

20 Instead, \$2.5 million went to
21 neighborhood-based rental production to create
22 100 new units of affordable housing. Another
23 \$2.5 million went to the Adaptive Modification
24 Program to make homes wheelchair accessible,
25 and \$5 million went to the Basic Systems

1 RES. 040345, 040618, 040619, 040501, 040525
2 Repair Program to help low-income
3 homeowner/occupants repair their homes.

4 That was a great day, and good work
5 was done in the name of affordable housing,
6 but our work is not done yet.

7 There is still a shortage of 60,000
8 affordable homes in Philadelphia. Our
9 neighborhoods need more help to rebuild on
10 vacant lots, rehab abandoned buildings, and
11 create responsible relationships with
12 low-income homeowners who need help repairing
13 their houses and want to stay in their homes.

14 Because of these issues, as well as
15 many other issues lending itself to the
16 affordable housing crisis in Philadelphia, it
17 is why the Philadelphia Affordable Housing
18 Coalition has partnered with the Philadelphia
19 Association of Community Development
20 Corporations and other organizations who serve
21 tax-paying voters like myself all over the
22 city to ask City Council to help Councilwoman
23 Blackwell, who we thank for introducing Bill
24 No. 040594 last week, by amending the bill and
25 add incorporates more revenue, especially a

1 RES. 040345, 040618, 040619, 040501, 040525
2 small percentage of the real property transfer
3 tax, to ensure that the trust fund is at least
4 \$20 million a year every year.

5 We also ask that the trust fund bill
6 be amended so that the oversight Board has
7 community representatives on it. And it needs
8 to have Council approval of seats, not just
9 Mayor appointments, for true accountability to
10 the communities we serve.

11 I have heard many things from
12 different testimonies today. I heard the city
13 Administration congratulate themselves about
14 Jefferson Square. However, they didn't
15 mention the 22 families that were displaced,
16 nor 3 of the families of the 22 families which
17 had disabled family members.

18 I heard other testimony which spoke
19 of how neighborhoods like Fishtown and
20 Northern Liberties now have more higher-income
21 residents, but there was no mention of what
22 was being done about the lower-income
23 residents who move out of said and similar
24 neighborhoods simply because they can no
25 longer afford to live there.

1 RES. 040345, 040618, 040619, 040501, 040525

2 It seems as if in this testimony
3 lower-income residents just disappear.

4 I am here to let you know we don't
5 disappear. We pay taxes, too. We vote, too.
6 And we fight back and organize, too.

7 (Applause.)

8 MS. MOORE: Before I go, I will
9 leave City Council with this. I too am a
10 Section 8 low-income rental occupant raising
11 my son on my own. My Section 8 seven-year
12 limit has already begun, but that is just one
13 issue of the housing crisis.

14 There are good, decent community
15 folks I know personally who are homeowners in
16 jeopardy of losing their homes due to eminent
17 domain.

18 With Section 8's new year limits
19 looming over folk's heads, and other folks
20 facing the threat of losing their homes with
21 nowhere to go, what's my guarantee that, even
22 if I wanted to be a homeowner tomorrow, that
23 there would be a home out there for me that I
24 could afford?

25 What is the guarantee that once my

1 RES. 040345, 040618, 040619, 040501, 040525
2 Section 8 seven years are up, that there will
3 be affordable, decent rental apartments out
4 there for people like me to rent?

5 Philadelphia needs affordable,
6 decent, visitable, accessible housing. We
7 need a \$20 million Housing Trust Fund.

8 Thank you very much.

9 (Applause.)

10 COUNCILWOMAN BLACKWELL: Thank you.

11 MR. WILLIAM DOWELL: Councilwoman
12 Blackwell, good afternoon. My name is William
13 Dowell.

14 As you may know, I worked in the
15 area of affordable housing for 20 years, I
16 guess, now. And I have been here almost every
17 one of these 20 years for at least one of
18 these hearings.

19 Today I am speaking as a member of
20 WCRP's Board of Directors. I am the only man
21 on the Board, in fact.

22 And I want to thank you for
23 introducing your bill last week, a bill that
24 has been long overdue in the politics of
25 Philadelphia.

1 RES. 040345, 040618, 040619, 040501, 040525

2 And although your bill is a very
3 good bill, and we thank you for it, we still
4 need the \$20 million.

5 And I am saying we need the \$20
6 million because I have been out there for a
7 lot of years. I have done affordable housing.
8 I have done accessible housing. I have
9 protested.

10 My colleagues mentioned earlier how
11 you gave the city money for both of the
12 stadiums. I believe when you had hearings for
13 the stadiums, I was one of the few people in
14 the community who were for -- the
15 representatives of organizations who spoke
16 against the stadiums, and we have the
17 stadiums.

18 So, Councilwoman Blackwell -- and I
19 know your heart is in the right place. And I
20 heard my friend Steve Culbertson speak earlier
21 about the tax money from the real estate.
22 That's a good start, and that's a good way to
23 put money into that trust fund.

24 This will be a fund that must be
25 continued. And I speak not only to you,

1 RES. 040345, 040618, 040619, 040501, 040525
2 Councilwoman Blackwell, but I speak to my good
3 friend Councilman Nutter, I speak to
4 Councilwoman Verna. Good to see you again,
5 Councilwoman.

6 We ask you, as part of one of the
7 people who sat around the table -- when we
8 thought about the affordable coalition, I was
9 one of the people that was there trying to
10 tell the other people to get it together.
11 Although, you don't see me out there fighting
12 for them. I thank the people that are out
13 there fighting for them, because they are a
14 little bit younger than I am.

15 I thank you, Councilwoman. But we
16 do need the \$20 million. We need it to be at
17 \$20 million. Because without that \$20
18 million, anything less will just be a dent in
19 what we need for both affordable housing, both
20 accessible housing, and housing for women with
21 children.

22 We need \$20 million. And anything
23 less is, in my eyes, kind of a bitter victory.
24 And I don't like bitter victories. I like
25 sweet victories.

1 RES. 040345, 040618, 040619, 040501, 040525

2 So I hope today you give us a suite
3 victory. And I thank you for your time. And,
4 ladies and gentlemen, I am sure that the
5 Council people are going to do the right thing
6 and give us the \$20 million.

7 Thank you very much.

8 (Applause.)

9 MS. VERONICA HOWARD: Good
10 afternoon, Councilwoman Blackwell, Madam
11 President. My name is Veronica Howard, and I
12 live in North Philly.

13 Presently my home is part of the
14 Mayor's eminent domain abuse. I stand alone.
15 I live across the street from the Philadelphia
16 Gas Works. I am the last of my kind as far as
17 the Mohicans are concerned.

18 1800 North 8th Street once was a
19 beautiful, vibrant community. My mother and
20 father had eight children. I was born and
21 raised in Philadelphia County. I have six
22 brothers and one sister.

23 Because of this -- we are all
24 married, we grew up, we are graduates of
25 Philadelphia area high schools. And I myself

1 RES. 040345, 040618, 040619, 040501, 040525
2 am one. I am from Kensington High School for
3 Girls.

4 My father died and left me the
5 property. Presently, I am the caretaker and
6 landlord of 1839, along with my family.

7 There was an article in the
8 Philadelphia Daily News, of which I was the
9 main attraction and my family.

10 There was a statement made that, in
11 spite of all the efforts that I am trying to
12 make against the eminent domain condemnation,
13 that it was fruitless for us to fight.

14 I am here to tell you that the fight
15 goes on as far as 1839 is concerned, and I
16 want you to know that I am here to stay.

17 Please support the \$20 million trust
18 fund because, in the long run, if you pass
19 this, Councilwoman Blackwell and members of
20 Council, you won't go wrong.

21 I am a part of history, and I would
22 like for you to know that, along with my
23 family and all the families that have left the
24 1800 block of North 8th Street.

25 Please support the trust fund. I am

1 RES. 040345, 040618, 040619, 040501, 040525
2 here to testify on behalf of my colleagues
3 here. Because I am a member of WCRP, a member
4 of CLI, Community Leadership Institute, and
5 also a member of the Philadelphia Housing
6 Coalition.

7 That's why we are here today, and I
8 urge you to pass the bill. Thank you, and
9 thank you for allowing me to testify.

10 (Applause.)

11 MR. DAVID KOPPISH: Good afternoon,
12 my name is David Koppish. I am with the
13 Women's Community Revitalization Project
14 otherwise known as WCRP.

15 Since its origins in 1987, WCRP has
16 created about 125 new units of affordable
17 rental housing in Eastern North Philadelphia.

18 But for every unit that we build, we
19 have about 40 families who are equally in
20 desperate need of housing that apply for that
21 unit.

22 Every day dozens of folks, mostly
23 working people, from every corner of
24 Philadelphia, call our phones, walk through
25 our doors in dire need of housing.

1 RES. 040345, 040618, 040619, 040501, 040525

2 What we see very day is just the tip
3 of the iceberg that is the housing crisis in
4 our city. You heard other people's
5 experiences with the crisis every day.

6 Last spring we released a study that
7 was conducted by the University of
8 Pennsylvania entitled Closing The Gap, which
9 documented that nearly 1 in 4 Philadelphia
10 households are living on incomes below \$20,000
11 a year and pay more than they can afford for
12 their housing costs.

13 That's 130,000 Philadelphia
14 households living near or below poverty,
15 struggling to keep a roof over their heads,
16 living in dangerous, overcrowded, or
17 dilapidated conditions.

18 I want to submit for the official
19 record photographs of a woman who couldn't be
20 with us today. The house that she lives in,
21 which was condemned by L & I, she has nowhere
22 else to go, she is still living in this house
23 which is not fit for animals.

24 Last year, members of WCRP and other
25 Philadelphia Affordable Housing Coalition

1 RES. 040345, 040618, 040619, 040501, 040525
2 groups testified to you about this crisis and
3 the need to dedicate local dollars to ending
4 the crisis.

5 You heard our cry and responded by
6 shifting \$10 million of unspent NTI demolition
7 monies into existing affordable accessible
8 housing programs, which Stacy enumerated. And
9 we applaud you again for this act.

10 In the proposed NTI budget for this
11 coming year, we understand that the
12 Administration is proposing spending \$6.5
13 million of NTI for affordable rental housing.

14 While it is \$3.5 million short of
15 last year's infusion, we urge you to support
16 those line items as proposed.

17 However, the affordable housing
18 crisis in Philadelphia demands a long-term,
19 strategic, and well-funded plan or our
20 neighborhoods and our city will continue to
21 die.

22 In the first few pages of the
23 consolidated plan, the city states that rental
24 housing for very low-income households is
25 OHCD's top priority. Then why is it that the

1 RES. 040345, 040618, 040619, 040501, 040525
2 amount the city will spend on the production
3 or preservation of affordable housing for
4 these households is less than 10 percent of
5 the entire budget, OHCD and NTI budget
6 combined.

7 Closing The Gap calculated that
8 60,000 new units of affordable rental housing
9 are needed now to end our crisis.

10 As currently funded, it would take
11 Philadelphia nearly 200 years to build our way
12 out of this crisis, despite this year's and
13 next year's small increases from NTI.

14 We can no longer afford to throw
15 crumbs at this problem. Our housing stock
16 continues to get more expensive, and the ranks
17 of the ilhoused, the overcrowded, the doubled
18 and tripled up, the homeless, the evicted, the
19 foreclosed keep growing and will not go away
20 until a long-term plan with dedicated local
21 funding is enacted.

22 Last week we took an important step
23 towards making the affordable housing crisis a
24 public policy priority in Philadelphia.

25 Councilwoman Blackwell introduced Bill No.

1 RES. 040345, 040618, 040619, 040501, 040525
2 040594, at our request, which would create a
3 Housing Trust Fund in Philadelphia. We
4 applaud her leadership on this issue, a trust
5 fund with a dedicated source of local funds
6 that can only be used for addressing the
7 housing crisis at that locality.

8 More than 275 municipalities,
9 counties, and states around the country have a
10 trust fund. Philadelphia does not.

11 Virtually every other county in
12 Pennsylvania has a Housing Trust Fund.
13 Philadelphia currently does not.

14 Instead, we continue to rely on
15 ever-shrinking allocations from Harrisburg and
16 Washington to address housing problems in our
17 city.

18 And, as a result, the production of
19 new affordable housing in this city has
20 declined to its lowest level in about seven
21 years.

22 To make things worse, PHA has
23 systematically reduced its housing stock in
24 the past ten years, and there is a virtual
25 freeze on any new vouchers, in addition to

1 RES. 040345, 040618, 040619, 040501, 040525
2 time limits.

3 Again, we applaud Councilwoman
4 Blackwell for taking the step to introduce
5 this bill which would create a trust fund, a
6 long-overdue step.

7 We need this trust fund because our
8 Community Development Block Grant continues to
9 shrink. We need this trust fund because we
10 have a shortage of 60,000 units of affordable
11 rental housing in our city. We need this
12 trust fund because 130,000 Philadelphians are
13 in desperate need of decent, affordable, and
14 accessible housing. People want this.

15 I have here -- and I want to submit
16 all these, as well, for the official record --
17 approximately 2,000 signatures from
18 Philadelphians who desperately need housing
19 that people have been collecting over the past
20 several months.

21 These are people in every Council
22 district that want to see a \$20 million trust
23 fund.

24 These are approximately 2,000, and
25 there is more coming in, original signatures

1 RES. 040345, 040618, 040619, 040501, 040525
2 from folks all around the city.

3 The bill is a critical first step,
4 but it needs to be amended and strengthened so
5 that the trust fund would create an actual
6 noticeable impact on our housing basis.

7 We need a trust fund that will
8 generate at least \$20 million a year. And we
9 applaud Councilwoman Blackwell for committing
10 to amend this bill in the following ways.

11 One, dedicate a percentage of the
12 future growth and real property transfer tax
13 revenues, as many other people have suggested
14 here today.

15 Real property transfer tax revenues
16 have tripled since instituted about 15 years
17 ago. Recent jumps in this revenue stem
18 largely from the real estate boom in many
19 neighborhoods that were less affordable, thus
20 pushing poor working-class families out.

21 Most housing trust funds around the
22 country are funded with real property transfer
23 tax revenues. Taking a percentage of future
24 growth above current revenue levels would have
25 no effect on the current operating budget

1 RES. 040345, 040618, 040619, 040501, 040525
2 difficulties that we are currently going
3 through. That is important to remember.

4 This is another amendment that we
5 are looking for, dedicate the expected future
6 increases in housing redevelopment assistance
7 dollars, which are state dollars, into the
8 trust fund; require that 10 percent of all new
9 units built with Housing Trust Fund dollars be
10 fully wheelchair accessible, as other folks
11 have noted here today; ensure that at least 5
12 percent of Housing Trust Fund dollars be used
13 for homeless prevention programs and
14 strategies; ensure that housing advocates and
15 low-income persons have seats on the oversight
16 Board for the Housing Trust Fund; and also
17 ensure that minority-controlled contractors
18 have priority on jobs produced by Housing
19 Trust Fund dollars.

20 A \$20 million Housing Trust Fund,
21 with these small amendments, would achieve the
22 following: It would provide Philadelphia with
23 badly needed resources for affordable housing
24 development; it would increase affordable
25 housing production by nearly 80 percent in

1 RES. 040345, 040618, 040619, 040501, 040525
2 Philadelphia; it would assist 1,200 additional
3 homeowners each year with home repairs; it
4 would increase the supply of wheelchair
5 accessible housing, and it would prevent 1,000
6 families roughly every year from becoming
7 homeless.

8 A \$20 million Housing Trust Fund
9 would also leverage \$50 million in new
10 development monies each year for Philadelphia.

11 A \$20 million trust fund every year
12 would also have a total economic impact
13 through new tax revenues, jobs created, et
14 cetera, of about \$115 million every year.

15 So this is an investment, it is not
16 a hand-out, this \$20 million trust fund.

17 But to achieve all this, it cannot
18 be less than \$20 million per year, and it must
19 include a dedicated local revenue source, such
20 as a small percentage of the real estate
21 transfer tax.

22 Therefore, in closing, we urge you
23 to use your power to amend and pass Bill No.
24 040594 to create a \$20 million per year
25 Housing Trust Fund for Philadelphia. And

1 RES. 040345, 040618, 040619, 040501, 040525
2 thank you for this opportunity to testify.

3 (Applause)

4 COUNCILWOMAN BLACKWELL: Thank you
5 very much. Thank you all very much.

6 Steve Mullen, E Consult. Are you
7 here?

8 Mr. Mullen, as you are coming, I
9 will note that somewhere around 1980 we had a
10 young lady -- I don't think it matters if I
11 say her name now -- her name was Judith Stone.
12 And she came to us, to my office, seeking
13 help.

14 She had let a boyfriend move in.
15 She lived somewhere in North Philadelphia.
16 And I don't remember where she lived. But,
17 she wanted him out. She found out she made a
18 mistake, she shouldn't have let this fellow
19 move in.

20 And, so, we gave her money to file a
21 Complaint to get him out, because she didn't
22 have money. We didn't want her to have to go
23 through the system and wait.

24 Well, as it turns out, we saw the
25 next week in the paper that Judith Stone was

1 RES. 040345, 040618, 040619, 040501, 040525
2 killed with a hammer, the boyfriend, when he
3 was served papers that he had to leave, killed
4 her. He hammered her to death. So we are not
5 unmindful.

6 And, obviously, all these years
7 later, that was before many of us in this room
8 were here, and it is one of the past sad
9 housing stories that we talk about for people
10 in trouble.

11 And that's why we always take our
12 job seriously, and try to help each and every
13 person who needs help, and always consider
14 every story that we hear seriously. One never
15 knows.

16 Mr. Mullen, thank you for your
17 patience.

18 Blaine Stoddart, we see that you are
19 here. After we call Sister Habeebah, we will
20 call Blaine Stoddart from the Partnership CDC.

21 Mr. Mullen.

22 MR. STEVE MULLEN: Yes. Thank you,
23 Madam Chairwoman, and good afternoon members
24 of Council, President Verna, Councilman
25 Nutter, and I see Councilman Clarke and

1 RES. 040345, 040618, 040619, 040501, 040525
2 Councilman Kenney and Councilman Goode, and to
3 all the interested participants today.

4 My name is Steven Mullen, and I am a
5 principal with E Consult Corporation here in
6 Philadelphia. And I am here today to testify
7 in support of the Housing Trust Fund bill,
8 040594.

9 And I want to thank Council for the
10 opportunity to -- for allowing me to testify
11 in favor of such a promising program.

12 E Consult was asked and then engaged
13 by the Housing Trust Fund to estimate the
14 potential annual economic and fiscal impacts
15 of an implemented program as envisioned by the
16 Housing Trust Fund, and that is at the \$20
17 million annual level.

18 It is my understanding that our
19 report has been distributed to all Council
20 Members, along with other information provided
21 you by the Housing Trust Fund.

22 And what I would like to do today is
23 just give a very brief summary of our findings
24 there.

25 I would like to summarize our

1 RES. 040345, 040618, 040619, 040501, 040525
2 estimates. But, first, I would like to
3 outline the assumptions that were established
4 for this program, which, actually, the fellow
5 testifying just before me outlined many of
6 these assumptions, too.

7 And I will just note them here,
8 because these were the assumptions that we
9 used to generate the economic impact, the
10 potential economic impact, numbers.

11 First, that we examined this \$20
12 million annual funding scenario that
13 contemplated the following each year:
14 Building 400 affordable rental and
15 homeownership homes in each year, repairing
16 and preserving more than 1,200 additional
17 homes each year, preventing more than 1,300
18 families from becoming homeless each year,
19 and, as noted before, leveraging approximately
20 \$50 million in outside investment for
21 Philadelphia each year.

22 Based on these program assumptions,
23 we estimated the following potential economic
24 impact, economic and fiscal impacts, on an
25 annual basis.

1 RES. 040345, 040618, 040619, 040501, 040525

2 One, \$116 million of total -- let me
3 phrase it here. Actually, this program fully
4 implemented would generate \$116 million of
5 total economic activity for the city, \$193
6 million for the region, and \$230 million for
7 the state.

8 The reason those get larger and
9 larger is that the economic impacts go beyond
10 the city borders. So this is, actually,
11 something that's very attractive for the
12 entire State of Pennsylvania.

13 Approximately 400 jobs could be
14 generated for the city, up to 1,400 jobs for
15 the region, and over 1,700 jobs for the state
16 each year.

17 A total of over \$13 million in wages
18 and salaries by city workers, \$42 million in
19 wages and salaries throughout the region, and
20 \$53 million in wages and salaries throughout
21 the state each year

22 And, finally, \$1.2 million in city
23 taxes, \$2.6 million in regional taxes, and
24 \$9.4 million in state taxes per year.

25 I do want to note that while these

1 RES. 040345, 040618, 040619, 040501, 040525
2 are based on a \$20 million annual fund
3 operation, smaller fund amounts would generate
4 such benefits, and proportionally lower.

5 In addition to these quantitative
6 benefits, we also note the following potential
7 qualitative impacts which we believe are very
8 important, too.

9 Improved living conditions for many
10 low- and moderate-income households; improved
11 financial conditions for many households;
12 enhanced overall health and safety conditions
13 for many communities; and improved quality of
14 life for many families and neighborhoods.

15 In summary, we estimate the proposed
16 program would generate significant economic
17 and fiscal impacts to the city, region, and
18 the state. And, at the same time, they would
19 generate important qualitative benefits for
20 the city and its citizens.

21 I would like to thank you for
22 allowing me to testify in support of this
23 Housing Trust Fund Bill 040594, and thank you
24 very much.

25 COUNCILWOMAN BLACKWELL: Thank you,

1 RES. 040345, 040618, 040619, 040501, 040525

2 Mr. Mullen.

3 (Applause.)

4 COUNCILWOMAN BLACKWELL: Is that
5 Neighborhood Gardens you are from, with Sister
6 city, Project Home? Okay.

7 We called New Jerusalem earlier,
8 yes. All right. Come up. New Jerusalem,
9 Sister Margaret McKenna.

10 MS. KAI SJOGREN: Kai Sjogren
11 representing Sister Margaret McKenna.

12 COUNCILWOMAN BLACKWELL: Then we
13 have Sister Habeebah Ali. And we have Thomas
14 Earle, Liberty Resources. Okay.

15 MS. SJOGREN: I thank you for this
16 opportunity. I want to say hello to President
17 Anna Verna. You may remember that I gave you
18 a copy of Nickel and Dimed when I was in a
19 meeting with you.

20 Nickle and Dimed is a book that was
21 written by Barbara Erinreich which resulted --

22 PRESIDENT VERNA: Use the
23 microphone.

24 MS. SJOGREN: Thank you. I am not
25 used to this.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Which resulted in -- or came about
3 as a result of her putting herself in the
4 place of a disadvantaged and underprivileged
5 person looking for work, and working at
6 minimum wage and like jobs, given that she had
7 little to no skill. And it was a very
8 difficult thing for her to do.

9 I myself can identify with her to
10 some extent, having decided to devote my life
11 to underprivileged and disadvantaged people.
12 So I am here today representing some of them.
13 And they come from New Jerusalem, which is a
14 recovery community, a grass-roots community,
15 in North Philadelphia.

16 Folks who are in this community are
17 there in part as a result of this housing
18 crisis, because it is a kind of a trigger that
19 will bring on the symptoms of addiction. And
20 folks in our community have determined that
21 they are going to learn to control this
22 disease.

23 They live comfortably with us for
24 six months to a year, and then are thrust back
25 out into the community, where they have to

1 RES. 040345, 040618, 040619, 040501, 040525
2 seek out affordable housing.

3 Some of those folks were in a
4 meeting with me this morning, at which I told
5 them that Jannie Blackwell had determined that
6 our cause was so important, that she would not
7 only support the Housing Trust Fund, by which
8 half of the funds would be made available to
9 people such as our own -- the other half are
10 more available to middle-income folks; I
11 didn't try to explain that to our folks, they
12 might have been discouraged.

13 But I was able to say that the
14 meeting that we had with Jannie Blackwell last
15 Wednesday night was productive; that indeed
16 she is not only going to sponsor the Housing
17 Trust Fund bill, but she is talking about
18 sponsoring an amendment by which the real
19 estate transfer taxes would be included and by
20 which we could accomplish a \$20 million fund.

21 (Applause.)

22 MS. SJOGREN: Our folks were
23 empowered by the notion that their
24 participation in the political process could
25 indeed produce results of that magnitude.

1 RES. 040345, 040618, 040619, 040501, 040525

2 I heard them say that they are not
3 in the habit of voting because too often what
4 they hear politicians say is not what
5 politicians do.

6 (Applause.)

7 MS. SJOGREN: And I am actually very
8 glad that I do not have them here with me
9 today. Because I think they would be dismayed
10 at the fact that so few people who are going
11 to help determine their faith are in this
12 room. And if they are in this room, that they
13 are not listening

14 (Applause)

15 MS. SJOGREN: No doubt that when we
16 are talking about what will help the least of
17 these our brothers and sisters, we get
18 preoccupied with other things.

19 I believe that you two women sitting
20 in front of me, three, perhaps more, are
21 genuinely interested in providing for the
22 least of these.

23 And, indeed, the measure of the
24 worth and the wisdom of this institution
25 matters in terms of how we treat folks at this

1 RES. 040345, 040618, 040619, 040501, 040525
2 economic level.

3 So I look forward to going back to
4 the folks in our grass-roots recovery
5 community and saying, yes, these politicians
6 care. They want to empower us. And they know
7 that we are going to vote. And, so, they are
8 indeed going to support Housing Trust Fund
9 bill that will allocate \$20 million a year at
10 a minimum for our purposes.

11 Thank you.

12 (Applause.)

13 COUNCILWOMAN BLACKWELL: Sister
14 Habeebah Ali.

15 SISTER HABEEBAH ALI: Good
16 afternoon, Councilwoman Blackwell, Madam
17 Chair, Council President Verna. It is always
18 a pleasure to come before you all.

19 Councilman Cohen, it is good to see
20 you. Councilman Goode. I know that
21 Councilwoman Miller is probably listening, and
22 I have seen Councilman Clarke.

23 I want to thank all the Council
24 people who have bothered to stick around this
25 afternoon, and hope that everybody else is

1 RES. 040345, 040618, 040619, 040501, 040525
2 listening from their offices.

3 Because I know that there is much
4 work to be done at this level of city
5 government; and that often, because I have
6 visited your offices, I do hear this playing,
7 and I know that they listen and their key
8 staff people are listening.

9 You have heard all day, and
10 Councilwoman Blackwell and Council
11 Reynolds-Brown, I want to thank you for
12 introducing this bill.

13 But talking to Councilwoman
14 Blackwell is preaching to the choir. My plea
15 is for all the other Council Members who are
16 in my earshot or who will be in my earshot,
17 because I plan to come to your offices, along
18 with my colleagues.

19 We are in the need in the City of
20 Philadelphia for this \$20 million Housing
21 Trust Fund to be implemented, to be
22 implemented at the new fiscal budget.

23 We need the amendments to be
24 approved. We need Council to approve this
25 trust fund.

1 RES. 040345, 040618, 040619, 040501, 040525

2 Councilwoman Blackwell has already
3 made her position clear.

4 I am speaking as a formerly homeless
5 mother of the City of Philadelphia. I have
6 been voting since I was 18 years old. I have
7 not missed a vote. My mother wouldn't have it
8 any other way. She dragged us to the polls.

9 Because I realized that voting in
10 this country is not a right, it is a privilege
11 for people of color and women. They had to
12 fight to vote. And we educate people.

13 And our homeless constituents helped
14 register over 2,000 new registered voters this
15 year. And that can make or break a Council
16 person's election.

17 We have to make housing and homeless
18 a priority. There are currently 66,000
19 disabled people in the City of Philadelphia
20 who are in need of accessible housing. The
21 older we get, the chances are, if we are still
22 privileged to live long, we will need
23 accessible housing.

24 I have raised four, and I am happy
25 to say, productive children in Section 8

1 RES. 040345, 040618, 040619, 040501, 040525
2 subsidized housing. Two of them are now
3 homeowners, the other two are tenants, and
4 they are giving back to the City of
5 Philadelphia.

6 I want to say that I support OHCD,
7 the Redevelopment Authority, the Office of
8 Housing and Neighborhood Preservation. And I
9 am happy for an opportunity that these offices
10 are allowing my nonprofit organization, Raise
11 of Hope, to help house people, particularly
12 homeless men, ex-offenders, and drug addicts,
13 recovering addicts.

14 We went to Harrisburg and we fought
15 like hell. We stood in the freezing rain
16 because the government had the audacity to
17 remove the money from the drug and alcohol
18 recovery programs.

19 And when we went there and we
20 pleaded for this money, and we got poured on
21 and soaked. They would not let us in. They
22 would not let us in the State Capitol. Thank
23 God there were some neighborhood churches that
24 let us in.

25 We must establish this trust fund so

1 RES. 040345, 040618, 040619, 040501, 040525
2 that we can be competitive with other
3 metropolitan cities. And this \$20 million
4 trust fund will generate more income for the
5 City of Philadelphia.

6 While I know in the Year 2000 the
7 Philadelphia Housing Authority opened
8 application for Section 8 applicants, in less
9 than a month, in two weeks, over 27,000
10 Section 8 applications were received from
11 people who need subsidized and/or affordable
12 housing.

13 While I support the programs at 1234
14 Market Street, I have issues with Section 8
15 and with PHA. And I don't pick no bones about
16 it. And the city will continue to know where
17 we stand.

18 There is a seven-year time limit on
19 Section 8 subsidies. It is not mandated from
20 the Department of Housing and Urban
21 Development. This is something that Mr. Green
22 is implementing as a trial program.

23 I still live in subsidized housing.
24 If you are legally handicapped and can prove
25 that, or 55 years old, it does not pertain to

1 RES. 040345, 040618, 040619, 040501, 040525
2 you.

3 Well, I won't be 55, God willing, in
4 six years. Of seven years, one year is gone.

5 I have raised my children. I have
6 contributed to this city for the majority of
7 my adult life. And now I am told the way this
8 economy is and our government -- no one is
9 asking for a free hand -- but you would have
10 to make 14 dollars an hour to afford a
11 one-bedroom apartment in the City of
12 Philadelphia that goes for \$704. And this is
13 what HUD approves.

14 People cannot at the minimum wage,
15 and at the wages that we are making, and the
16 way the people are being laid off in droves,
17 in every councilmanic district, we cannot
18 afford to live in housing.

19 Our shelters are overcrowded. And
20 at this point in time our city government
21 spends millions of dollars more in temporary
22 housing in the shelter system than it does in
23 new affordable housing. I think there is
24 something wrong with that picture.

25 And we, the Philadelphia Affordable

1 RES. 040345, 040618, 040619, 040501, 040525
2 Housing Coalition, is making history with
3 partnering with PACDC.

4 And I thank Councilwoman Brown. I
5 thank Councilwoman Blackwell. But all the
6 other Councilmen and women have to support
7 this trust fund bill so that you can become a
8 part of the major metropolitan cities across
9 this nation that have trust funds.

10 We must look out for the poor, the
11 needy, and the homeless.

12 So, you know me, I can talk as long
13 as you give me a microphone. But I am
14 pleading to City Council that are in this room
15 today, and those who are elsewhere in the
16 earshot.

17 I want to thank Councilwoman Miller
18 and her office that have supported us. Raise
19 of Hope is getting ready to do things in a
20 large and different way for ex-offending men
21 and women.

22 We have women that are being
23 arrested in our city at alarming rates. And
24 when these ex-offenders come out and they have
25 done their time, they have got off parole,

1 RES. 040345, 040618, 040619, 040501, 040525
2 they have got off probation, they are being
3 penalized. They can't get their children from
4 OHCD because they can't get subsidized
5 housing. Most people is not going to hire an
6 ex-offender. And we are begging City Council
7 to help us.

8 We do not want to see women and
9 children and men thrown in the street in
10 droves. And I happen to feel personally that
11 a government that cannot support its most
12 needy citizens does not deserve the right to
13 represent the government.

14 We are going to vote like our lives
15 depend on it, because it does.

16 I want to thank you for your time,
17 and ask the Creator to continue to support you
18 and keep you well and doing what is right for
19 the citizens of Philadelphia, the most poor
20 and underprivileged, as well as the most
21 tax-paying, heavy corporate contributors.
22 Thank you.

23 (Applause.)

24 COUNCILWOMAN BLACKWELL: Thank you
25 very much. Mr. Earle.

1 RES. 040345, 040618, 040619, 040501, 040525

2 MR. TOM EARLE: Yes. Good
3 afternoon, Councilwoman Blackwell. Thank you.

4 My name is Thomas Earle. I am the
5 current Executive Director of Liberty
6 Resources, the Center for Independent Living
7 for People with Disabilities in Philadelphia.
8 My testimony will be brief and it will focus
9 on three points.

10 One will be OHCD's Plan 30, the
11 second will be NTI, and lastly will be closing
12 comments on the trust fund, the proposed
13 Housing Trust Fund for the City of
14 Philadelphia.

15 First, I would like to applaud the
16 Office of Housing and Community Development
17 with respect to the 10 percent new
18 construction requirement for accessibility,
19 that all new units constructed with monies
20 from the Office of Housing and Community
21 Development be required to be constructed in
22 an accessible way so that people with
23 disabilities, including people who use
24 wheelchairs, can use those units.

25 I commend Secretary Hanna, Executive

1 RES. 040345, 040618, 040619, 040501, 040525
2 Director Debra McColloch, and Special Needs
3 Director Dana Mintz for making that
4 requirement in plan 30.

5 (Applause.)

6 MR. EARLE: Secondly, last year at
7 this time we were gathered here with the
8 Philadelphia Affordable Housing Coalition.

9 And at that time we were applauding
10 the leadership efforts of Councilman Nutter,
11 who proposed legislation that would divert \$10
12 million worth of funding from unused
13 demolition funds from NTI to the Basic Systems
14 Repair Program, Rental Production Program, and
15 the Accessible Modification Program.

16 That bold move became a reality when
17 City Council unanimously supported that bill.
18 And those programs received much needed
19 additional funding this year, which has proven
20 to be directly beneficial to people in
21 Philadelphia, including the people that I work
22 with at Liberty Resources who have
23 disabilities.

24 This year we are on the advent of a
25 new innovative idea, and that has come under

1 RES. 040345, 040618, 040619, 040501, 040525
2 the leadership of you, Councilwoman Blackwell,
3 and that is the proposal of the Housing Trust
4 Fund.

5 That trust fund, however, must be
6 amended. And I applaud your effort and am in
7 agreement with your staff that that trust fund
8 will be amended to be fully funded at the
9 level of \$20 million for the year, including
10 the modest usage, eventual usage, of the real
11 estate transfer tax.

12 It is done in a smart way, a way
13 that won't interfere with the city's current
14 budget crisis, and it is a win/win situation.

15 We have heard a number of people
16 testify today. We have heard Steve Mullen
17 testify briefly about the economic impact
18 analysis of the trust fund.

19 And it is time that the city, City
20 Council, the Mayor's Office view this as an
21 investment in the city's future, not as an
22 expenditure.

23 A \$20 million trust fund will have
24 an economic impact of \$116 million in the city
25 from year one.

1 RES. 040345, 040618, 040619, 040501, 040525

2 This is a tremendous advantage to
3 the city. We are the only major city in the
4 country that currently does not operate a
5 trust fund to ensure that everybody has a
6 right, a human right, to housing that's
7 affordable and accessible to their needs.

8 Many Council people are not here in
9 chambers today, many are. However, the ones
10 that are not here are being visited.

11 We have teams of advocates in the
12 hallways as we speak visiting every Council
13 person to get their support for passage of
14 this bill tomorrow.

15 And we ask that you all work in a
16 unified method to reach a unanimous consensus
17 to pass this bill tomorrow.

18 Thank you very much.

19 (Applause.)

20 COUNCILWOMAN BLACKWELL: Thank you
21 very much. While Blaine Stoddart comes
22 forward, I will call the names of those who
23 were not here, as far as we know.

24 Project Home is here, and that is
25 it. Let me call names.

1 RES. 040345, 040618, 040619, 040501, 040525
2 Phil Lord has come. Okay.
3 While Blaine Stoddart, Project Home,
4 and Phil Lord. I will call the -- Terry
5 Mushovic, Neighborhood Garden's Association?
6 Okay. Let me see.
7 Mageedah Rasheed? Still not here.
8 Is Guillermo Salas from HACE here?
9 Manny Delgado, APM?
10 Phil Lord is here.
11 Galen Tyler, Kensington Welfare
12 Rights Union?
13 Robert Meek, Disabilities Law
14 Project.
15 That's everybody on the list. Is
16 there anybody else whose name we haven't
17 called who would like to testify? Okay.
18 That's it.
19 Welcome, Mr. Stoddart.
20 MR. BLAINE STODDART: Thank you. My
21 name is Blaine Stoddart. I represent the
22 Partnership CDC in West Philadelphia.
23 Council President Verna, to the
24 Honorable Jannie Blackwell, to the Council
25 people that are present here today, it is good

1 RES. 040345, 040618, 040619, 040501, 040525
2 to see you.

3 Every time I come here I have
4 prepared statements, but not today. I don't
5 read them anyway. I normally talk from my
6 heart.

7 The last time I was here,
8 Councilwoman, it was an NTI bill for \$25
9 million for demolition. And at that time --
10 and I am very happy the NTI people are here.
11 At that time I was somewhat critical of NTI.

12 I want to first talk about that a
13 little bit, the NTI bills and how that is
14 moving forward.

15 I really believe that the leadership
16 of NTI, they are good people. Herb Wetzel,
17 Kevin Hanna, Pat Smith, Debra McColloch, and
18 Scott Whiles, and all the other people who run
19 NTI are really good people.

20 Because in my private conversations
21 with them, I found out that they are really
22 good people. It is just, Councilwoman, that
23 the bureaucracy sometimes is a hindrance to
24 progress.

25 And, so, I am here to sort of push

1 RES. 040345, 040618, 040619, 040501, 040525
2 the bureaucracy so that we can get some things
3 done in West Philadelphia, but across the
4 city. Because many of the CDCs face the same
5 barriers that we face.

6 So hopefully that clarified, further
7 clarified, the statements I made the last
8 time.

9 To the President and to the Council
10 people, I am here to request that you fully
11 fund the Housing Trust Fund proposed by the
12 Philadelphia Association of CDCs, and fully
13 fund the \$20 million.

14 You say to me, Mr. Stoddart, why
15 should we fund this? Everybody comes in here
16 begging for money.

17 Well, I think the best reason that I
18 can give is because it is self-help.

19 The block grant, as you know,
20 continues to dwindle. And as the population
21 of the city continues to go down, our block
22 grant will continue to go down. And that's
23 the only pot of money that we have been using
24 to fund community and economic development and
25 affordable housing.

1 RES. 040345, 040618, 040619, 040501, 040525

2 So the trust fund actually creates a
3 permanent pool to actually supplement block
4 grant funds.

5 And, from my perspective, I don't
6 care how we get the money, whether it is from
7 sales tax, whether it is from gross receipts
8 tax, where it is from recording of deeds. I
9 don't care how we get the money.

10 But if we can create something that
11 helps someone, teaches someone how to fish,
12 instead of giving them the fish, it makes
13 sense.

14 So the trust fund, the trust fund is
15 actually teaching people how to fish because
16 it creates a permanent source of funding so
17 that more affordable housing can get built
18 around the City of Philadelphia, and it
19 addresses some very important ongoing needs in
20 the City of Philadelphia.

21 Administrative costs, this is my
22 third point. Administrative costs now take up
23 half the block grant, so there is less and
24 less money for actually housing development
25 and economic development in the neighborhoods.

1 RES. 040345, 040618, 040619, 040501, 040525

2 So, that's one more reason to fund, fully
3 fund, the trust fund.

4 Last, but not least. The economic
5 development budget as proposed a few years ago
6 by Councilman Goode proposed that we set aside
7 5 percent of block grants for economic
8 development and neighborhood retail
9 development.

10 I am urging City Council not to cut
11 below the 5 percent, but to actually increase
12 the dollars for community economic development
13 and neighborhood revitalization.

14 Councilwoman Blackwell, as you know,
15 on 60th Street, we are going to start
16 construction this summer on our first couple
17 of units on the 100 block of 60th Street
18 because nobody except you thought that we
19 could do something on 60th Street because the
20 area was so run-down.

21 And now because of your assistance
22 and the assistance of the Commerce Department,
23 through these dollars, through these operating
24 dollars, we are going to be able to take a
25 dilapidated area in the Third Councilmanic

1 RES. 040345, 040618, 040619, 040501, 040525
2 District and begin to do something, begin to
3 do some blight removal, and begin to do
4 something constructive with the blighted
5 commercial corridor.

6 So this proves that it can be done
7 and we can do something, even when people have
8 given up hope on the neighborhood commercial
9 corridors.

10 Last, but not least, in the
11 commercial corridors we have special service
12 districts. Some of them are voluntary, some
13 are not voluntary.

14 But we have special service
15 districts in the Mercy area, in West
16 Philadelphia. We have a West Philadelphia
17 Special Service District. We have a Frankford
18 Special Service District. We have a
19 Germantown Special Service District. And
20 there is a Mt. Airy Special Service District.

21 And the Commerce Department
22 historically has helped to fund these
23 commercial districts, and we are asking that
24 the funding be restored.

25 And, finally, I am going to give you

1 RES. 040345, 040618, 040619, 040501, 040525
2 one example of how government dollars can
3 leverage additional dollars.

4 In 1996 the Commerce Department gave
5 us a zero percent interest loan to create a
6 cleaning company in West Philadelphia, to man
7 special service districts, to create jobs, and
8 to take people off Welfare to Work.

9 The name of that company is Service
10 Works. And thanks, again, to Councilwoman
11 Blackwell and Councilman Goode, they gave us
12 \$28,000 to start this company.

13 Since then, the company Service
14 Works has paid, with this \$28,000 -- keep your
15 eye on that, now -- this company has paid over
16 \$700,000 in city taxes, Service Works.

17 \$700,000 in wage tax and other taxes
18 back to the City of Philadelphia based on a
19 \$28,000 investment, which was a job-creation
20 grant to help the partnership CDC create jobs
21 in West Philadelphia.

22 The company has 90 employees, and it
23 has paid back in city taxes over \$700,000.

24 So it goes back to teach us how to
25 fish, don't give us a fish, and that's what

1 RES. 040345, 040618, 040619, 040501, 040525
2 the trust fund is about.

3 Thank you very much.

4 COUNCILWOMAN BLACKWELL: Thank you
5 very much. Hold on a minute so the
6 stenographer can change.

7 (Short recess.)

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1 Bill 040594 - 6/1/04

2 COUNCILWOMAN BLACKWELL: Thank you
3 very much, Mr. Stoddard, for your remarks,
4 and all the work you've done in our City,
5 and especially in West Philadelphia, and
6 the work you continue to do.

7 We're grateful.

8 Phil Lord.

9 MR. LORD: Good afternoon, President
10 Verna, Councilwoman Blackwell. My name is
11 Phil Lord, and I'm Executive Director of
12 Tenant's Action Group known as TAG.

13 And we'd like to thank you for the
14 opportunity to testify on the Consolidated
15 Plan.

16 TAG is a 30-year old non-profit
17 organization that educates, organizes
18 tenants, to improve residential housing.

19 Along with its long history, TAG has
20 received funding from the City of
21 Philadelphia through OHCD, it's fair to say
22 that TAG would not exist today were it not
23 for OHCD.

24 Safe, decent, affordable and
25 accessible housing is not a product or a

1 Bill 040594 - 6/1/04

2 privilege, but a human right. And that's
3 TAG's position.

4 And we believe in that light that
5 certain things have to be done that are not
6 currently included in the Consolidated
7 Plan, nor are they clear from the Housing
8 Trust Fund as it exists right now.

9 However, we do support the Housing
10 Trust Fund legislation, provided certain
11 changes are made. As has been discussed
12 before, we think there has to be a \$20
13 million trust fund, not a small trust fund,
14 to make a significant impact on the City.

15 We also believe to make it a \$20
16 million trust fund, there has to be
17 transfer taxes included in that or at least
18 the increase in transfer taxes.

19 We realize that this is a sensitive
20 issue for the City, that money is short,
21 but we think housing is an important
22 priority that has to be recognized by the
23 City of Philadelphia in order to go
24 forward.

25 The design of the plan includes

1 Bill 040594 - 6/1/04

2 money for H.I.V. A.I.D.S., rental
3 assistance. We think that's very good.
4 It's using the H.O.M.E. funds for doing
5 that. It's a very important program. TAG
6 is involved in that program. That program
7 has saved a lot of lives. And we really
8 appreciate that.

9 Our fundamental problem with the
10 Consolidated Plan is that it continues a
11 trend towards home ownership, rather than
12 supporting tenants. And we believe that
13 needs to be shifted more the other way.

14 We pay a high price for this
15 neglect. We, from our viewpoint, increase
16 shelter costs, deteriorate the housing
17 stock, increase social problems, result
18 from not having more money and more
19 attention paid to the tenants in the City
20 of Philadelphia.

21 We talked about trying to get more
22 people in the City and trying to increase
23 the attractiveness of the City for
24 businesses.

25 We're convinced that in order to do

1 Bill 040594 - 6/1/04

2 that, the rental housing situation has to
3 be improved as well.

4 The Tax Reform Commission, which
5 was -- testified earlier, was mentioned
6 earlier, stated in their plan they have no
7 reference whatsoever to residential
8 tenants.

9 We don't believe you can plan for a
10 city without including residential tenants
11 as part of that plan.

12 We believe if you do include
13 tenants, you'll realize that things like
14 predatory lending affect tenants. The
15 amount of real estate taxes also affect
16 tenants.

17 Home ownership is not for everyone.
18 Low income people who get involved in home
19 ownership who don't have the resources to
20 deal with capital improvements very often
21 wind up a tremendous risk and could be on
22 the brink of foreclosure as a result.

23 Bright removal, which we believe is
24 crucial to the City, cannot happen simply
25 through L & I and through the City's

1 Bill 040594 - 6/1/04

2 activities alone.

3 It requires informed citizens able
4 to complain and get activity around code
5 enforcement requirements, in order to make
6 it work properly.

7 Tenants are the first to know
8 whether or not a building's being properly
9 maintained, and take action accordingly.

10 So tenants have to be informed about
11 their rights. The opportunities to
12 complain have to be encouraged and
13 responded to quickly.

14 There's a study by Fannie Mae
15 Foundation, Eviction's the Hidden Housing
16 Problem, written by Chester Hartman and
17 David Robinson.

18 And it cites several studies to show
19 that typically the poor, women and
20 minorities are the people who are being
21 evicted in the City of Philadelphia.

22 We think this supports displacement,
23 resulting in homelessness. We need to
24 support eviction prevention programs that
25 provide services to keep this from

1 Bill 040594 - 6/1/04

2 happening.

3 One of the most important programs
4 currently existing is the Homelessness
5 Prevention Program in the City of
6 Philadelphia.

7 That program is not adequately
8 funded. The trust fund would add more
9 funds to that program, but right now
10 there's no commitment to add a certain
11 amount of funds.

12 We're convinced that there has to be
13 a clear commitment to increase the amount
14 of funding for homelessness prevention.

15 That program provides back rent and
16 securities deposits for people who need to
17 move or need to deal with arrearages and
18 avoid eviction.

19 So that's our conclusion, that if
20 the trust fund is adequately funded, we
21 would definitely support it. We think it
22 has to be funded.

23 We think we need a dedicated stream
24 of funding, that the intermittent funding
25 that NTI provides is inadequate, and we

1 Bill 040594 - 6/1/04

2 have to go forward with a more complete and
3 comprehensive plan if you're going to have
4 a meaningful notion of a human right in the
5 City of Philadelphia.

6 Thank you.

7 (Applause.)

8 COUNCILWOMAN BLACKWELL: Thank you,
9 Mr. Lord.

10 It looks like you are our last. Is
11 there anyone else -- we're making an
12 announcement -- who would like to testify?

13 Okay. You will be the final person
14 for the day to testify. And then we will
15 have questions and answers from the
16 Administration and members of Council.

17 So, if any are not in the room who
18 would like to ask questions, the final
19 person testifying is about to speak now.

20 Thank you.

21 MS. MUSHOVICH: Thank you,
22 Councilwoman Blackwell, and other members
23 of Congress -- or Congress -- Council.

24 My name is Terry Mushovich, and I'm
25 the Executive Director of the Neighborhood

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2 Gardens Association.

3 And I just mainly wanted to come and
4 thank OHCD and City Council for the funds,
5 the block grant funds that have been going
6 to support City residents, greening of
7 former vacant lots and areas in their
8 neighborhoods.

9 Neighborhood Gardens actually holds
10 title to about 25 of these gardens, in
11 support of the efforts made by local people
12 to take former eyesores and make them into
13 really productive amenities to the
14 neighborhood, and to the housing that's in
15 the neighborhood or being built in the
16 neighborhood.

17 The block grant funds we receive go
18 toward physical improvements to the
19 gardens, by adding new fencing, sidewalks,
20 those kinds of things, water services.

21 And those are kinds of things that
22 cannot be often afforded by the low income
23 or moderate income gardeners.

24 And so, it's very nice to have the
25 block grant funds that are then matched

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2 with private dollars, to make those kinds
3 of large physical improvements to the
4 gardens.

5 And we're delighted also that the
6 City is so supportive of the greening
7 aspect of the NTI program, the City Green
8 Strategy or the Green City Strategy.

9 And thank you very much for the
10 opportunity to make some comments.

11 COUNCILWOMAN BLACKWELL: Thank you
12 very much. Thank you. Thank you all.

13 MS. KING: I'm here from Project
14 H.O.M.E.

15 COUNCILWOMAN BLACKWELL: Yes, ma'am.
16 I'm sorry.

17 MS. KING: My name is Hyacinth King,
18 and I'm a resident and board member of
19 Project H.O.M.E., a multi-service,
20 non-profit organization providing street
21 outreach supportive housing, comprehensive
22 services, and community and economic
23 development.

24 I come before you today concerning
25 the program services and budget outlined in

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2 the NTI program, Consolidated Plan,
3 proposed Housing Trust Fund legislation.

4 Our highest priority is that the
5 Philadelphia Affordable Housing Trust Fund
6 be created with ongoing dedicated local
7 resources significant enough to make a dent
8 in the problems of affordable housing and
9 homelessness.

10 We believe that homelessness can be
11 best addressed by providing affordable
12 housing opportunities.

13 There is a plan in place for a
14 shelter usage to be significantly reduced
15 by 2006, but it is simply not possible
16 unless affordable permanent housing becomes
17 more available.

18 We are grateful for the introduction
19 of Bill 040594, and can support it with
20 proposed amendments, as recommended by the
21 Philadelphia Association of CDCs.

22 There are also additional measures
23 that we believe that the City can take to
24 prevent homelessness and address it. And
25 we hope to have OHCD's support on these

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2 issues.

3 For instance, increased targeted
4 rental assistance can be more cost
5 effective than allowing households to
6 become shelter users.

7 We know that OESS's expenditures on
8 family shelter contracts exceeds \$10,000 a
9 year or over \$850 a month.

10 Increasing rental assistance may
11 allow some families to never experience
12 homelessness, and also reduce the strain on
13 OESS's budget.

14 We know that this year our outreach
15 hot line received an unprecedented number
16 of calls from people who were not homeless
17 but whose homes had no heat, placing them
18 in a gray area between house and homeless.

19 For these households and others like
20 them, we advocate for a data-driven system
21 that reflect families at risk of
22 homelessness.

23 Housing preservation activities are
24 funded at \$35.7 million, a 5.7 million
25 decrease.

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2 We are specifically asking Council
3 to restore funding for the second year of
4 the Targeted Basic Systems Repair Program.

5 While we acknowledge that there were
6 startup difficulties with the program, ten
7 CDCs are now engaged in targeted efforts to
8 assist homeowners with home repair, and
9 most issues have been resolved.

10 Unfortunately, \$2 million in funding
11 for the second year of the program has been
12 eliminated in the proposed NTI 2005 budget.

13 The City must follow through on its
14 commitment to neighborhoods to support the
15 program for two years.

16 I thank you for the opportunity to
17 testify today. I have also distributed
18 testimony prepared by Sister Mary Scullion
19 who was unable to come before Council in
20 person today because her testimony was
21 delivered by me.

22 COUNCILWOMAN BLACKWELL: Thank you.
23 Thank you very much.

24 (Applause.)

25 COUNCILWOMAN BLACKWELL: Thank you

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2 again for your patience, and we thank you
3 all for being here.

4 Now we'd like to ask the
5 Administration to come back. We want to
6 ask questions about the 21st Review Forum,
7 about NTI, CDBG and also the DCED grant.

8 I also have questions from
9 Councilwoman Blondell Reynolds Brown, who
10 will be back. And I will return her
11 questions.

12 Our first question really is about
13 the 21st Century Review Forum. In it there
14 were many questions about the whole NTI
15 concept about money allocation,
16 follow-through of commitments, about
17 accountability to drive NTI goals.

18 And our question is: What have we
19 done -- Given the negative statements made
20 in this report about NTI, what have we done
21 to improve on the ability to deal with
22 leadership accountability and cohesiveness
23 between City agencies and follow-through on
24 commitments that are questioned?

25 MS. SMITH: My name is Patricia

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2 Smith, Director of Neighborhood
3 Transformation.

4 Councilwoman Blackwell, as you may
5 well know, the specific recommendations of
6 all the Review Forum are under review by
7 the Mayor. And I understand that it's a
8 priority for him, as soon as the budget
9 process is wrapped up.

10 I just wanted to state a couple of
11 things, just to clarify, in terms of
12 leadership and roles within NTI which may
13 not have been as apparent.

14 For example, we really see four core
15 functions of the Neighborhood
16 Transformation Initiative. There's blight
17 removal activities.

18 And those core functions are
19 generally handled by what we traditionally
20 call the City's operating departments which
21 report up through the Managing Director's
22 Office.

23 And that includes everything from
24 the demolition activities to anti-graffitti
25 work, to other code enforcement and quality

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2 of life issues.

3 Then the other core function of NTI
4 relates to the community planning work.
5 And that's led by the City Planning
6 Commission. And that work is also part
7 of -- That agency is also part of the team.

8 The third core area is the housing
9 and community development work which is led
10 by Secretary Hanna, and he is responsible
11 for the day-to-day operations of the City's
12 housing and community development agencies,
13 such as the RDA, PHDC and OHCD.

14 I personally am a member of the
15 Mayor's staff. I... So I run point on
16 coordinating various activities across
17 government, dealing with policy issues,
18 budgetary issues and the like, and
19 troubleshooting problems.

20 As a group, the Administration comes
21 together once a month as part of what we
22 call the Community Development Cluster,
23 that represents all these different parts
24 of government that are playing an active
25 role in the implementation of NTI.

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2 Monthly reports are submitted and
3 reviewed by myself and the Chief of Staff.
4 That is sort of like the mechanism that's
5 in place that oversees the implementation
6 of NTI.

7 I don't know if Secretary Hanna has
8 anything to add.

9 COUNCILWOMAN BLACKWELL: Let me ask
10 a question. With regard to the Housing
11 Trust Fund and the funding goals, we've
12 talked about the \$1.5 million that would be
13 the core of this grant.

14 And we wanted to make sure that
15 there was an agreement, in terms of the 1.5
16 coming out of NTI, as opposed to in some of
17 the earlier... the preliminary plan being
18 questioned, that it would be a result of a
19 match. We want to make sure that the 1.5
20 is solid.

21 MR. HANNA: The logic behind that...
22 You're referring to the request that the
23 \$1.5 million invested by NTI be matched by
24 a like \$1.5 million from the private
25 sector.

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2 The thought behind that logic was
3 that it didn't make sense to the
4 Administration that public money be the
5 only money invested in Housing Trust Fund,
6 that the philanthropic community, private
7 companies who also receive huge benefits,
8 public benefits from tax breaks, et cetera,
9 ought to also contribute to the Housing
10 Trust Fund.

11 That's why that particular
12 stipulation was put in the original
13 legislation, as recommended by the
14 Administration. We didn't just want it to
15 be public money.

16 COUNCILWOMAN BLACKWELL: Well, then
17 are the private dollars then there?

18 MS. SMITH: It was one of the --
19 When we met a couple of times with the
20 housing advocates regarding the trust fund,
21 we talked about the Administration working
22 with the trust fund to, you know, fund
23 raise the \$1.5 million.

24 That money has not been raised yet,
25 but we view it as a challenge grant, to

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2 both the private sector, to join hand in
3 hand with the public sector in helping us
4 to capitalize the trust fund.

5 COUNCILWOMAN BLACKWELL: All day
6 we've heard people talk about the Housing
7 Trust Fund and the \$20 million.

8 I've been -- I'm concerned now about
9 the 12.5 that I assumed would be on board
10 even if -- I'm not sure where the rest of
11 my colleagues are concerning another tax
12 issue.

13 As you know, we've been having tax
14 issues. And we're at a standstill now, in
15 terms of the City overall budget, due to
16 the whole tax issue overall.

17 So, my question is, in view of this
18 \$1.5 million that we assume would start the
19 trust fund, because the rest of it leading
20 up to 12.5 would be as a result of an
21 increase in real estate or deed transfers.
22 We know that would provide over the year
23 more funds.

24 What do we start out with, if we
25 pass this bill tomorrow, in terms of this

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2 1.5? Can we assume that we will start out
3 with at least that, and at least have the
4 money for deed and... for deed and mortgage
5 or real estate increase fees added on, so
6 that we know if we pass legislation
7 tomorrow that we have no less than 12.5
8 starting with.

9 MR. HANNA: Let me make a couple
10 statements relative to the Housing Trust
11 Fund. And I regret --

12 COUNCILMAN COHEN: Point of order,
13 Madam Chairman.

14 COUNCILWOMAN BLACKWELL: Point of
15 order, Councilman Cohen.

16 COUNCILMAN COHEN: If you're asked
17 to speak, would you please speak directly
18 into the microphone and slow down a little
19 bit. It's much easier to follow what he's
20 saying.

21 MR. HANNA: Yes, sir.

22 I want to make a couple statements
23 relative to the Housing Trust Fund. And I
24 regret that I did not include certain
25 statements in my written and submitted

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2 testimony.

3 First of all, it is the Office of
4 Housing and the Mayor's Administration
5 absolutely, positively supports the
6 development or the creation and the ongoing
7 development of a Housing Trust Fund for the
8 City of Philadelphia.

9 I agree with the advocates, with the
10 CDCs. I think it's a travesty that there
11 is not existing already a Housing Trust
12 Fund in a City this size. Let me go on
13 record as saying that, number one.

14 Number two, we would...

15 (Applause and cheers.)

16 MR. HANNA: Thank you.

17 We as the Administration would love
18 to see a \$40 million Housing Trust Fund.

19 (Cheers and applause.)

20 VOICE IN THE AUDIENCE: Hallelujah.

21 MR. HANNA: We acknowledge the fact
22 that there is a lack of, a total lack of
23 affordable housing...

24 COUNCILWOMAN BLACKWELL: I wish we
25 could vote for that for you tomorrow.

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2 Okay?

3 (Laughter and applause.)

4 MR. HANNA: ...a terrible lack of
5 affordable housing in the City of
6 Philadelphia.

7 \$20 million won't cut it. I mean,
8 it will take a lot more than just that.

9 However, the economic reality of our
10 situation in the City of Philadelphia is
11 this: The General Fund is hemorrhaging.

12 You all have talked for the past
13 couple of weeks, maybe a month or so, about
14 how we're going to balance tax cuts with
15 changes in the provision of certain
16 services.

17 That being the case, the
18 Administration -- And we've had these
19 discussions with the advocates. The
20 Administration can not in good conscience,
21 given what's happening with the General
22 Fund at this time, support having the
23 transfer tax dedicated to the Housing Trust
24 Fund.

25 (Moans in the audience.)

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2 MR. HANNA: Relative to what we do
3 support, again, the one and a half million
4 dollars is a given.

5 It's mine and Pat's personal opinion
6 that that one and a half million dollars
7 ought to be matched with private dollars.

8 As far as the recording fee is
9 concerned, again, we are in lock-step
10 there. Once the legislation is passed in
11 Harrisburg we will, as strongly as you all,
12 advocate for that recording fee to be
13 dedicated specifically to -- the
14 incremental increase in the recording fee
15 to be dedicated to the Housing Trust Fund;
16 in fact, all increases in the recording fee
17 to go that way, to the extent that it does
18 not hamstring that particular department in
19 its ability to get stuff done. So, we have
20 no problem with the recording fee.

21 Now, there's some debate as to how
22 much those... I call them three taken
23 together: The NTI, the private match, and
24 the recording fee, how much those three
25 will generate.

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2 I've heard, as far as the recording
3 fee is concerned, that that could generate
4 from \$5 to \$7 million in new monies for
5 affordable housing.

6 If you take that and -- Call it 7.
7 Take that and add that to the 1.5 plus 1.5
8 or 3 million, then you're up to \$10
9 million.

10 What I would -- The point I would
11 like to get across to, again, the Council
12 and to the advocates is, again, we'd love
13 to see the Housing Trust Fund be at \$20
14 million.

15 It may not get to that point on day
16 one, in year one. Our hope is, our
17 expectation is, as we continue to talk and
18 discuss and look for new ways to fund it,
19 we'll eventually get to \$20 million and
20 beyond. It just may not happen in this
21 coming -- this upcoming fiscal year.

22 COUNCILWOMAN BLACKWELL: We were
23 just given today responses to the March
24 29th hearing; invaluable information.

25 And so, obviously, we haven't been

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2 able to review it. We wish you would not
3 do that, as much as we request it.

4 And I'm more patient than everybody.
5 This is my area of interest. But even I
6 have my limit.

7 How are residential development
8 projects listed impacted by Year 30
9 Consolidated Plan?

10 And the second part of that question
11 is, given the current backlog of projects
12 and the focus on the Year 30, why is
13 there -- why are we talking about so many
14 RFPs in Year 30 which is a different focus
15 than in previous years?

16 MR. HANNA: I'm sorry. Could you
17 repeat that second question?

18 COUNCILWOMAN BLACKWELL: We're
19 focusing a lot on RFPs in this new plan
20 under NTI between the Consolidated Plan and
21 the NTI agenda, NTI budget. We're focusing
22 on doing funding through new RFPs. Why are
23 we doing it more so than in previous years?

24 MR. HANNA: Want to address that?

25 MS. SMITH: The one RFP that we're

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2 suggesting is in connection with the
3 increase of \$5 million per year to support
4 acquisition.

5 We were recommending that that money
6 be allocated pursuant to an RFP process
7 where we also look at whether the
8 housing -- affordable rental housing or
9 home ownership projects also can receive
10 the funding commitment out of Community
11 Development Block Grants.

12 So we saw as an opportunity to link
13 both acquisition dollars and the allocation
14 of subsidy dollars to fully fund a project
15 up front, as opposed to in a sequential
16 type of a way.

17 COUNCILWOMAN BLACKWELL: Well, let
18 me say, since you mentioned new units, new
19 acquisition, that I have in my hand a copy
20 of the letter from the Chief of Staff
21 regarding \$15 million that was to be
22 available for land acquisition, and that we
23 were to hear during this application.

24 I will say as a matter of fact that
25 applying for \$5 million a year over the

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2 next three years, depending on the
3 Department of Community Economic Affairs,
4 DCED, grant from the state is not
5 acceptable.

6 I would -- You know, \$15 million. I
7 want to make sure, because I've seen it in
8 different ways between the NTI and CDBG
9 plan.

10 I want to make sure that the \$15
11 million for projects already in the
12 pipeline -- That was our discussion. That
13 was the Administration's commitment, that
14 we have \$15 million for acquisition for
15 emergencies or projects already in the
16 pipeline.

17 It wasn't for RFPs. It wasn't for
18 any other use than for projects already
19 hanging out there. That's why we had this
20 need, because we had a commitment, made
21 commitments in our communities.

22 And then we were told in the middle
23 of the road, no more money for acquisition.

24 Therefore, we wanted to at least
25 have the opportunity in some areas to

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2 finish up projects that were already in the
3 pipeline.

4 So I want to make clear that this
5 \$15 million is there. That was the
6 commitment. Here is my letter from Joyce
7 Wilkerson. I'm absolutely very, very
8 serious about this commitment.

9 MS. SMITH: As we discussed in that
10 letter, Councilwoman Blackwell, the
11 Administration agreed to investigate how we
12 would fund an additional \$15 million.

13 As we discussed in our various
14 meetings, one of the challenges of fully
15 funding that \$15 million solely out of bond
16 proceeds is the impact that that has on the
17 overall budget.

18 Acquisition dollars, we tend to use
19 taxable bonds or if we use tax exempt
20 bonds, it's a qualified redevelopment bond.

21 And the assumption is, if we were to
22 add even 5 more million of -- \$5 million in
23 projects that would qualify for QRVs, as
24 they're called, or taxable, it results in
25 us having to cut out about \$29 million --

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2 COUNCILWOMAN BLACKWELL: That's not
3 what you told me at the last hearing.

4 Let me make my position clear. As
5 Finance Chair, as Chair of the Housing
6 Neighborhood Development Homeless
7 Committee, I will not support a budget
8 where the Administration does not meet its
9 commitment. I've said that to you every
10 private meeting, and I say it to you
11 publicly.

12 You made a commitment. And in the
13 spirit of that commitment, I expect the \$15
14 million to be there.

15 I won't vote for this, and I won't
16 advocate that my colleagues do it. They
17 can do whatever they choose, obviously.
18 But I will not support a budget... I will
19 not support the application being approved
20 if you don't meet your commitment. I mean,
21 we have to draw the line someplace.

22 We have to assume that we act in
23 good faith here. We were promised a \$15
24 million acquisition for projects in the
25 pipeline. And I expect somewhere between

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2 today and tomorrow that that \$15 million
3 shows up. That's where I stand.

4 I'm sorry that we have to draw -- be
5 hard lined, but you've got to know that I'm
6 as sincere to the people who put me here as
7 you are to the Administration -- to the
8 Mayor who assigned you.

9 I've got a commitment. When I make
10 a commitment to people, I expect to keep my
11 word. And it can't be because you all
12 change your mind or redraw plans.

13 It's not acceptable. We have to
14 assume -- We have to be honest about this.
15 If you make a commitment, I expect you to
16 keep it.

17 My next question is, would you
18 submit to Council --

19 COUNCILMAN COHEN: Madam Chair.

20 COUNCILWOMAN BLACKWELL: Yes, sir, a
21 point of order.

22 COUNCILMAN COHEN: I just to make a
23 statement that I think Councilwoman
24 Blackwell speaks for all members of City
25 Council by the statement she just made.

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2 Thank you.

3 COUNCILWOMAN BLACKWELL: Thank you,
4 Councilman.

5 Would you submit to Council a copy
6 of the scope of work for the Preservation
7 Development Initiative, as referred to on
8 Page 9 of the third quarter report?

9 MS. SMITH: Yes.

10 The Preservation Development
11 Initiative is a project of the National
12 Trust for Housing Preservation.

13 It was... The City of Philadelphia
14 was invited to submit a proposal which
15 would use resources that the National Trust
16 make available for the preservation of
17 historic properties.

18 That proposal includes about \$50,000
19 in technical assistance funds which the
20 City has to match.

21 Secondly, it included that... So,
22 like, as a part of the National Trust
23 funds, access to things like revolving loan
24 funds that they sponsor for development of
25 historic properties, as well as, I believe,

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2 a tax credit -- syndication of tax credits
3 for historic properties.

4 Those are still developer driven, so
5 a developer would apply directly to the
6 Housing Trust Fund to access those sources.

7 The technical assistance component
8 of the resources that are being allocated
9 is the focus on how do we begin to look at
10 strategies for the preservation of
11 eminently dangerous buildings in areas
12 where -- that are high with historic
13 resources.

14 Under the City proposal, we
15 suggested focusing under, I think, three
16 areas. One area of the City would include
17 the Bellmont area; a second area, I
18 believe, was Brewerytown; and the third
19 area was Strawberry Mansion, as
20 neighborhoods where we can apply their
21 technical assistance resources.

22 COUNCILWOMAN BLACKWELL: All right.
23 We'd appreciate.

24 MS. SMITH: And we can provide a
25 copy of the actual proposal that we

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2 submitted.

3 COUNCILWOMAN BLACKWELL: Thank you.

4 It was stated several times in the
5 Consolidated Plan that the City is
6 anticipating funding from Department of
7 Community and Economic Development to set
8 off reductions in funding.

9 I want to ask you about the
10 Commonwealth's commitment. I was in a
11 meeting last week with the representatives
12 from the Governor's Office about our plan.

13 Those representatives said that they
14 were waiting for the Mayor to submit his
15 list of priorities.

16 I talked to the Mayor today and
17 asked him about this list of priorities so
18 that we may receive state funding.

19 And I said I was happy to ask it at
20 this hearing.

21 And he said fine.

22 And I do know that some of the
23 projects that the City has requested that
24 we're talking about are projects for
25 Cambridge, projects for Tasker, Mill Creek,

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2 the Croydon, and even \$810,000 site
3 improvement money around Mill Creek.

4 Those I know are issues that the
5 City was concerned about. And I know that
6 for the -- to be seriously considered, they
7 have to be in the top ten or from the -- on
8 the Governor's list.

9 So, I'm asking you what you know
10 about that. The Mayor has said to feel
11 free to raise that issue here.

12 MR. HANNA: Was your meeting with
13 Mr. Siegal?

14 COUNCILWOMAN BLACKWELL: He was one
15 of the people in that meeting, yes.

16 MS. MCCOLLOCH: Deborah McColloch.

17 The money of the project list that
18 you were talking about is capital money
19 from the state.

20 The money that's in our Consolidated
21 Plan is a different pot of money. Then the
22 list of projects that was asked to be
23 submitted goes to a different pot of money
24 than the budget that's in our Consolidated
25 Plan.

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2 COUNCILWOMAN BLACKWELL: Can you
3 respond to both?

4 MR. HANNA: I can respond to the
5 capital part. I can respond to the capital
6 piece, not to the piece that's in the plan.

7 Roughly three weeks ago Carl Green
8 and I met with Mr. Siegel in Carl's office
9 at the Housing Authority.

10 At that meeting we discussed with
11 Mr. Siegel, as a representative of the
12 Governor's Office, what the City's
13 priorities were in that.

14 They included the PHA projects that
15 you just reeled off, in addition to
16 projects like Cecil B. Moore, what's going
17 on in Brewerytown, several -- in Strawberry
18 Mansion, several mixed income developments
19 going on all over the City.

20 I was unaware or if it was mentioned
21 in the meeting, I didn't make mental note
22 of it, but I was unaware that the
23 Governor's Office was in fact waiting for
24 something in writing from this office or
25 the Mayor's Office, outlining what our

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2 priorities are.

3 I can assure you that once we leave
4 these meetings, we'll jump right on that.

5 COUNCILWOMAN BLACKWELL: Thank you.
6 Thank you very much.

7 I'll ask two more questions, and
8 then defer to my colleagues because I have
9 several.

10 On Page 12 of the Consolidated Plan,
11 the Administration anticipates a
12 development of 1100 rental units.

13 What are the actual numbers
14 completed for '03 and what are anticipated
15 for '04?

16 MS. MCCOLLOCH: We can provide the
17 actual numbers for you. I don't have them
18 with me at the hearing today, but we'll
19 provide the production numbers for you.

20 COUNCILWOMAN BLACKWELL: Thank you
21 very much.

22 I will now defer, unless my
23 colleagues are okay with me asking
24 questions.

25 Given the strong need for more

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2 affordable housing within the City of
3 Philadelphia, as is seen today, we want to
4 talk a little bit about the 20 percent set
5 asides for special needs housing.

6 Do we think giving so much talk
7 about poverty, about those with H.I.V. or
8 A.I.D.S., the mentally ill, the disabled,
9 homeless, that we should not perhaps raise
10 this level in special needs?

11 I remember many years ago when John
12 Kramer was here, when we started this, we
13 started the 20 percent set-asides.

14 But it looks like at this point,
15 given the great need in our City, that
16 maybe we need to consider raising that.
17 How feasible is that? And what would it
18 take to make that a reality?

19 Any of these questions, you can also
20 bring us a response tomorrow. We're happy
21 to do that.

22 Miss Minz.

23 MS. MINZ: Thank you.

24 Dana Minz, Director of Special Needs
25 Housing.

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2 The feasibility of increasing the
3 set aside from 20 to 25 percent would be a
4 policy decision by the City. And it
5 becomes a requirement for any development.

6 The feasibility is that we have
7 experienced difficulties in developers
8 identifying a particular special need
9 population.

10 So oftentimes we are negotiating
11 with them which population they will
12 utilize and set the units aside for.

13 But we certainly would have to
14 mandate it. It becomes a condition of
15 their contract with us. And they have to
16 submit the plan prior to going to
17 construction for our approval.

18 COUNCILWOMAN BLACKWELL: I
19 understand, because this is how it started
20 initially when we did special needs.

21 And so we say that to all those
22 housing advocates who are still in the
23 room, that the possibility is there.

24 And I've been in meetings where
25 there's been a question about who applies

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2 for some of this.

3 And so, we have to work to the CDCs
4 and other housing affordability and all
5 other housing groups, that we have to work
6 together because it's up to us if we want
7 to increase those numbers.

8 Thank you very much.

9 On Page 14 there is a very large
10 discrepancy between the emergency shelter
11 bed capacity and the proposed number of
12 both transitional and permanent housing.

13 What do we need to do to reduce
14 this? You know, this is my... This is the
15 area God gave me to work in, so I will
16 always work with the homeless population.

17 And albeit we do -- we do a lot in
18 this area, I was surprised to read that the
19 gap between the transitional, permanent
20 housing and emergency shelter beds is so
21 wide.

22 MS. MINZ: The number that's in the
23 plan this year, there's a footnote at the
24 bottom of the table that explains that that
25 number represents the number of shelter

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2 positions and slots that are available and
3 the anticipated use as a result of turnover
4 during the course of the fiscal year.

5 In the past we simply would identify
6 the shelter bed capacity. This year we're
7 identifying the capacity plus the
8 anticipated use because of turnover.

9 So as a result of that, there is a
10 much greater number and possibilities of
11 use than in the transitional slots because
12 we do not experience that same kind of
13 turnover and transitional housing as we do
14 in shelter.

15 COUNCILMAN COHEN: Point of order.

16 COUNCILWOMAN BLACKWELL: Councilman
17 Cohen.

18 COUNCILMAN COHEN: Could I get that?
19 I couldn't get that.

20 COUNCILWOMAN BLACKWELL: He said
21 repeat the answer, he said, please. Repeat
22 that.

23 MS. MINZ: The number that's
24 included in the Consolidated Plan for
25 shelter usage includes the number of

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2 shelter slots and the anticipated use as a
3 result of turnover during the year.

4 So you may have one or two or three
5 households using the same shelter bed
6 during the course of the fiscal year, which
7 is different from transitional housing,
8 where you may and oftentimes only have one
9 household utilizing that transitional
10 housing unit.

11 That's different from how we
12 reported the shelter bed usage in the past.
13 We would usually just state the shelter
14 capacity only, and didn't count the
15 duplicate number of usage during the course
16 of the year. So, we corrected for that
17 this year.

18 COUNCILMAN COHEN: How did that
19 impact on the question raised by the Chair?

20 MS. MINZ: The differential is that
21 in transitional housing you may have one
22 household that utilizes a transitional
23 housing slot for the entire fiscal year, so
24 you're only counting that unit once;
25 whereas, with shelter capacity, we have

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2 households that utilize the shelter slot
3 for four months, another family for maybe
4 three months, and another family for the
5 balance of the calendar year.

6 You can count that for three times.
7 So that makes up for the difference, and
8 why you would have a larger number in
9 shelter usage than you would have in
10 transitional usage.

11 COUNCILMAN COHEN: Couldn't the two
12 years be put together in the same language
13 so that we'd have a basis for comparison?

14 MS. MINZ: Possibly because this is
15 an annual plan for only the 12 months
16 fiscal year. We're attempting to provide
17 information just based on a 12-month period
18 of usage.

19 COUNCILWOMAN BLACKWELL: I think
20 what the Councilman is saying -- and maybe
21 you could write it and explain it in a
22 clearer manner, because looking at the
23 chart doesn't make clear that we're doing a
24 better job because we're doing more in
25 transitional housing than it would

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2 indicate.

3 It's not really clear. We don't
4 really understand the answer, is what he's
5 saying. I don't know what you mean either.

6 MS. MINZ: The tables that are in
7 the Consolidated Plan, HUD asked us to
8 identify the number of households that are
9 being assisted in a housing unit.

10 In shelter beds, you could have
11 multiple households using that shelter unit
12 during the fiscal year.

13 In transitional housing you
14 oftentimes only have one household being
15 housed in the transitional slot.

16 That's the distinction and the
17 clarity we're trying to make, reporting
18 households assisted, not just units
19 available.

20 COUNCILWOMAN BLACKWELL: So you're
21 saying emergency shelter are beds and
22 transitional housing could be one family in
23 a household.

24 MS. MINZ: Exactly, in an apartment
25 unit, in a row home; whereas, the shelter

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2 numbers are including shelters, multiple
3 shelter, shelter beds, slots, et cetera.

4 So there's a much larger number of
5 shelter beds. And when you have multiple
6 households that can utilize them over the
7 fiscal year, your numbers are going to be
8 much larger in that category than they
9 would be in transitional housing. Is that
10 helpful?

11 COUNCILWOMAN BLACKWELL: Yes, that's
12 better. We're talking about... Obviously,
13 Councilman, they...

14 COUNCILMAN COHEN: Well, it's better
15 but it doesn't answer your question.
16 What's the benefit?

17 MS. MCCOLLOCH: Part of the issue is
18 that we need to fill in the chart the way
19 HUD tells us to use the chart. But we can
20 add some additional text on page...
21 Whatever page... on Page 14 to explain it.

22 COUNCILWOMAN BLACKWELL: Let me ask
23 another. I know we're being an average of
24 2400 shelter beds a day.

25 Here we're saying for '04... If we

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2 do 2400 a day, here we're saying emergency
3 shelter beds for '04 were 12,969. That
4 doesn't do it, does it? Doesn't add up; am
5 I correct?

6 We have permanent housing -- For
7 '04, permanent housing, 225; transitional
8 housing, 300.

9 So, then transitional housing...
10 Then we assume there's a 75 family gap
11 between transitional and permanent, so they
12 should move into permanent, right?

13 And then emergency... I don't know.
14 Then emergency shelter beds, if we do 2400
15 a day, I don't know how -- I don't know how
16 the numbers really fit.

17 MS. MINZ: The number of shelter
18 slots is the number that we request the
19 capacity from OESS, the number of shelter
20 slots that they fund with City funds, and
21 also the number of shelter slots that are
22 available privately that are not funded
23 with the City, because the Consolidated
24 Plan and HUD is asking us to identify all
25 shelter capacity, whether City funded or

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2 privately funded.

3 So, the presumption is that a
4 homeless person or a family could occupy
5 that one shelter bed a number of times
6 during the course of the year.

7 That still counts as a household
8 being assisted during the course of that
9 fiscal year. So you could conceivably have
10 four to six families or four to six
11 individuals being assisted in that one
12 shelter bed over the course of the year.

13 COUNCILWOMAN BLACKWELL: All right.
14 Can we ask that when you do this, that it's
15 spelled out like that?

16 MS. MINZ: Sure; absolutely.

17 COUNCILWOMAN BLACKWELL: Because
18 there's no way we can figure any of that
19 out, based on this chart on Page 14:

20 There's been a lot of talk today and
21 we will have more tomorrow about minority
22 participation with the City's social
23 service and behavioral health contracts.

24 Does OHCD have minority
25 participation goals, and how are they

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2 reached, and who monitors them? How are we
3 dealing with OHCD and those contracts?

4 MR. HANNA: I don't know that we
5 have specific goals in behavioral health.
6 But as far as the contracts entered into by
7 OHCD, yes, we do have specific goals.

8 And as I recall -- Well, first of
9 all, those goals are monitored and
10 administered by Vincent Coles.

11 And as I recall... Again, this
12 doesn't go specifically to mental health
13 type services. But as I recall, I think
14 there's a minimum 17 percent minority
15 participation and several other goals
16 underneath that.

17 Those other specifics I can get to
18 you.

19 COUNCILWOMAN BLACKWELL: Okay. How
20 much of NTI's budget is allocated to
21 marketing, and how do we do that or who
22 does that?

23 MS. SMITH: For example, the
24 marketing of the anti-predatory loan
25 products, specifically that money has been

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2 coming from a consortium of banks that are
3 participating in the anti-predatory loan
4 program, working with selected housing
5 counseling agencies.

6 We also... Donated to us by PNC
7 Bank was marketing design services that
8 came up with the Great City Great Rate, but
9 that was donated design services.

10 And Clear Channel donated, I think,
11 billboard spaces for about 80 billboards
12 throughout the City, to advertise the
13 Philaloan three percent loan.

14 And I understand in fiscal year '05
15 a new marketing campaign or slogan has been
16 developed by PNC.

17 In addition, as a result of the NTI
18 partnership with Citizens Bank, Citizens
19 Bank helped design and will contribute
20 funds to market what we call the Don't
21 Borrow Trouble Hot Line. That is a mockup
22 of that ad.

23 And we hope this fall when we hit
24 home improvement season again, we'll be
25 unveiling that as part of a media campaign.

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2 Citizens is contributing approximately --
3 has committed to contribute approximately
4 30,000 per year for a five-year period,
5 specifically for buying ad space and the
6 like. And that's basically... I mean, the
7 marketing resources that we draw on.

8 OHCD historically has used things
9 like the City's water bill, mailings, as
10 well as other job -- not job fair...
11 housing fairs and the like to market
12 housing counseling services.

13 I don't know if you want to add
14 anything, Deborah.

15 One other thing --

16 COUNCILWOMAN BLACKWELL: With regard
17 to that, we want to make sure in all of
18 that that minority firms are involved.

19 MS. SMITH: Yes, we have.

20 COUNCILWOMAN BLACKWELL: Historic
21 preservation. There's historic property
22 repair program listed on Page 43.

23 I quote. It says, the City will
24 work with the Preservation Alliance on the
25 design and implementation of the program.

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2 Our question is, should not this
3 funding be administered by OHCD or PHDC, as
4 with all other housing repair programs,
5 with recommendations to the Historic
6 Commission or the Preservation Alliance?

7 MS. SMITH: The intent of that
8 language was just to make sure that we
9 worked out and worked with and consulted
10 with the preservation community on any
11 design of a new program.

12 It does not address actually who
13 would administer that program. We really
14 haven't gotten to that point. It could be
15 administered by the Historic Commission or
16 other -- OHCD, PHDC.

17 But the intent was to say that we
18 would work with the preservation community
19 around what a program may look like.

20 COUNCILWOMAN BLACKWELL: Certainly,
21 as you know, we have a task force dealing
22 with this whole issue. And certainly we
23 would like to be involved, and we're happy
24 to assist in this regard. We've had one
25 meeting, we will have one per month, and

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2 then come back to the Council in September
3 with recommendations about how to -- about
4 how we think we should proceed.

5 It's very interesting in the City
6 that we have a -- we have a preservation
7 program, but this preservation program is
8 separate from zoning.

9 And yet, you've got to go through --
10 And yet, the zoning refers you to them, and
11 they go to zoning. And we've got some ways
12 we do business that don't seem to all fit
13 together under one structure.

14 But we'll come back to you in
15 September, after we have our three separate
16 meetings with regard to those issues.

17 UNIDENTIFIED WOMAN: Councilwoman
18 Blackwell?

19 COUNCILWOMAN BLACKWELL: Yes.

20 UNIDENTIFIED WOMAN: May I
21 respectfully ask if you have any additional
22 questions for the Program Review Committee,
23 or other members of Council, or if we may
24 be excused?

25 COUNCILWOMAN BLACKWELL: With regard

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2 to the Program Review Committee, does
3 anyone else have any questions with regard
4 to Program Review Committee?

5 (No response.)

6 COUNCILWOMAN BLACKWELL: No. Thank
7 you.

8 Thank you very much. I'll ask one
9 more question, and then defer to
10 Councilwoman Tasco. I guess Mr. Hanna, I
11 should ask you.

12 Why are we giving one point or
13 allocating 1.5 million in HOPWA funds to
14 the Track Program, and not directly to
15 H.I.V./A.I.D.S. or H.I.V. or A.I.D.S.
16 service providers? How do we direct this
17 money?

18 So many of these organizations
19 provide a holistic menu of services on
20 shoestring budgets, yet they have the
21 expertise to deliver efficiently.

22 Can you explain how you see us
23 allocating those dollars?

24 MR. HANNA: I'll ask Mr. Wilds to
25 speak to that.

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2 COUNCILWOMAN BLACKWELL: Thank you.

3 MR. WILDS: Thank you. Hi,
4 Councilwoman.

5 COUNCILWOMAN BLACKWELL: Hi.

6 MR. WILDS: I am Scott Wilds.

7 Track has historically -- And as you
8 are aware, it's an offshoot of TAG. Track
9 has historically done the rental
10 assistance, the largest rental assistance
11 piece of arranging for housing vouchers for
12 folks who have A.I.D.S., to be able to live
13 in their own apartment.

14 This is the thing that is the single
15 thing that everyone wants, is their own
16 place to live. And Track, because it's
17 large, has developed this special
18 expertise. They have the staff.

19 And while we also support some
20 smaller groups, we thought it was the most
21 efficient way to get the most number of
22 vouchers out on the street.

23 We do hope that in the next year
24 we'll cut in half the waiting list that
25 exists right now. And Track is a large

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2 part of that.

3 COUNCILWOMAN BLACKWELL: Thank you.

4 Thank you, Mr. Wilds.

5 Councilwoman Tasco.

6 COUNCILWOMAN TASCO: Yes. Thank you
7 very much.

8 I just like for you to go back and
9 explain to me the acquisition process
10 because I missed the initial question, so I
11 didn't understand your answer. And I just
12 want to get...

13 COUNCILWOMAN BLACKWELL: Can't hear
14 you.

15 COUNCILWOMAN TASCO: I was just
16 trying to get a clarification on the
17 acquisition, additional acquisition dollars
18 that are...

19 COUNCILWOMAN BLACKWELL: Thank you.

20 COUNCILWOMAN TASCO: ...being
21 appropriated.

22 And the other thing is, will it be
23 done -- I know we had the meeting, but I
24 can't remember. With this -- You said the
25 money will be -- you will put out RFPs for

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2 the expenditure.

3 Just explain that whole thing to me
4 again, will you?

5 MS. SMITH: I'll be happy to.

6 We in the administration said we
7 would make it -- we would look at how we
8 can identify an additional \$15 million to
9 support acquisition.

10 Right now the NTI bond program
11 budget carries \$74 million to support
12 acquisition activities over five years.
13 That was actually a \$24 million increase
14 over the \$50 million that was initially
15 provided.

16 We... To make those additional
17 resources available, without adversely
18 affecting the whole bond program budget,
19 the administration is proposing that we
20 take this money that we get each year --
21 and this is the base level that we received
22 historically for decades.

23 I know there's been some discussion
24 about increased resources coming, but we're
25 not talking about that.

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2 We're talking about the base which
3 we've gotten historically of about \$5
4 billion [sic] a year. And we use those to
5 support acquisition going forward in '05,
6 '07, and in... I mean '05, '06 and '07.

7 COUNCILWOMAN TASC0: That's where
8 you proposed the \$16 million.

9 MS. SMITH: Yes, that's how we're
10 proposing to, you know, make up that \$15
11 million is through the DCED grant to the
12 City.

13 The reason why we're suggesting that
14 is that the type of bond financing that's
15 used for acquisition activity is a more
16 expensive type of debt.

17 And therefore, if we were to issue
18 additional taxable bonds, the impact could
19 be us having to find about \$20 million in
20 cuts in the five-year budget. So, we
21 didn't want to do that.

22 So this was a good faith effort of
23 our trying to meet the D [sic] for the
24 increasing demand for acquisition, as well
25 as, you know, maintaining the level of

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2 commitment and the new programs that we
3 wanted to fund out of the -- the bond
4 proceeds.

5 The other thing is, is that we
6 have -- I know there was some testimony at
7 the public portion regarding the recycling
8 agreement. We're pleased to announce that
9 we have finalized the recycling agreement.
10 It's executed.

11 That resources from the condemnation
12 of tax delinquent properties will result in
13 us being able to take those dollars, once
14 they come back to the City, and then
15 reprogram them for acquisition activities.

16 We're also, wherever feasible,
17 looking at the sale of property at fair
18 market value, so that money can come back
19 into the pot, because we realize that, you
20 know, we want to try to sustain, you know,
21 resources for acquisition activity because
22 that's sort of like the first piece of
23 money that -- that's sort of like the
24 pre-condition for development, of course,
25 is acquisition.

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2 COUNCILWOMAN BLACKWELL: Thank you
3 very much.

4 COUNCILWOMAN TASC0: Thank you very
5 much.

6 Could I ask a couple of other
7 questions, and then I'll be done, just
8 because I told Mr. Hanna I wanted him to
9 put this on the record, about Logan.

10 One, what's happening in Logan, for
11 the record, so that the constituents over
12 there will have a sense of what's going on;
13 and secondly, the -- hopefully
14 accommodations for Lack, the Logan
15 Assistance Corporation.

16 MR. HANNA: First of all, just to
17 give you an update on what's happening at
18 Logan, we have... we have engaged the
19 services of TRF, redevelopment fund, to
20 help us ascertain the best way to redevelop
21 that site.

22 TRF has issued a couple of RFPs, one
23 for market study, the other for
24 geo-technical studies; both, again, aimed
25 at trying to figure out what can be, from a

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2 geo-technical standpoint, built on the
3 site, and then what's the highest and best
4 use for the site, from a marketing
5 standpoint.

6 Those folks are actually out doing
7 their work literally as we speak. I would
8 expect that within the next -- probably
9 within the next 30 days they ought to have
10 a preliminary draft of their
11 recommendations. From that we'll just kind
12 of move forward.

13 My expectation is that once we get
14 that work back, we'll use that as a part of
15 an RFP that will go out for developers who
16 will, based upon those studies, come back
17 and tell us how best or how they would
18 propose to redevelop the cleared site.
19 That's one thing.

20 Relative specifically to Lack, the
21 Logan...

22 COUNCILWOMAN TASC0: Assistance.

23 MR. HANNA: ...Assistance
24 Corporation, we have committed to fund
25 Logan's operations for another year, to the

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2 tune of... What is it? \$150,000, with the
3 understanding that this will be the final
4 year of our funding their operations, at
5 least in this particular fashion.

6 There are still a number of folks
7 who need to be settled or whose relocation
8 need to be settled.

9 The Redevelopment Authority is
10 currently negotiating with the individual
11 who was at Lack who was responsible for
12 that, in an effort to try to bring her on
13 board.

14 The expectation is, therefore, that
15 the RDA will complete the settlements with
16 those folks who need to be settled with.

17 As has been discussed here and
18 elsewhere, RDA needs another relocation
19 specialist, simply because the sheer volume
20 of work that's coming down the pike.

21 And so, once that person finishes
22 with her Logan responsibilities, then
23 she'll be asked to complete work City wide.

24 Our hope is that next year Lack will
25 apply for either or both, either a housing

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2 assistance corporation or a neighborhood
3 assistance corporation, and that through
4 those two means might be able to sustain
5 itself as a liaison between the
6 administration and the community, as an
7 entity that actually provides information,
8 much needed information, to the Logan
9 community.

10 COUNCILWOMAN BLACKWELL: Before that
11 question, if I might, Councilwoman Tasco,
12 we have asked about global remediation,
13 doing a study with borings in five areas.

14 One is Councilwoman Tasco's area;
15 one is mine; one in Darrell's; one in Rick
16 Mariano's; and one in another area: For
17 \$300,000 to do a pilot study.

18 Now you're saying you're putting out
19 an RFP for global technical information.
20 What about this issue that we've been
21 asking about since last spring?

22 MR. HANNA: The specific program
23 that I'm talking about at Logan is actually
24 being funded by TRF. TRF was brought in --
25 It's on their own dime. TRF has

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2 volunteered to pull together this stuff and
3 to actually fund --

4 COUNCILWOMAN BLACKWELL: Well, the
5 Councilwoman told me she's had funding
6 waiting a long time that the City didn't
7 take advantage of.

8 COUNCILWOMAN TASC0: One of the
9 proposals that have come to us is this
10 method by consolidating the land, you know,
11 because we have this subsidence program in
12 the areas of the Council Districts that
13 have been sited.

14 And this one... We have been --
15 brought this proposal to do borings and do
16 some --

17 MR. HANNA: Is this with Reverend
18 Shine's group?

19 COUNCILWOMAN TASC0: Reverend
20 Shine's group, to do a pilot effort, which
21 could be helpful in addressing the
22 subsidence issue in the City of
23 Philadelphia.

24 MR. HANNA: Couple things. First of
25 all, I'll speak. And I'll ask Mr. Wetzel

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2 to speak.

3 Reverend Shine approached the City
4 to provide this particular service. The
5 original proposal we determined to be way
6 too expensive.

7 In fact, it was something like to
8 the tune of \$110,000 per housing site or
9 per parcel, to get a particular site ready
10 for redevelopment.

11 I understand from Councilwoman
12 Blackwell that they've since revised that
13 proposal, after we told them that it was
14 too expensive.

15 And towards that end, Mr. Wetzel
16 informs me that we haven't seen the revised
17 proposal. So if we could get a copy of
18 that proposal, we'd be more than happy to
19 take a look at it.

20 COUNCILWOMAN BLACKWELL: That's
21 fine. We assume -- We brought it up for
22 the last several meetings, but we'll make
23 sure that you have a detailed proposal, if
24 you don't have it.

25 We're happy to do that because

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2 they're talking only \$300,000 for five
3 sites.

4 MR. HANNA: Yeah. And just for
5 clarification purposes, the program we're
6 talking about in Logan is completely
7 different from what we're talking about
8 here because in Logan we're not talking
9 about going in and doing borings and
10 otherwise stabilizing what is now unstable
11 land.

12 What we're talking about in Logan is
13 trying to determine the best way to develop
14 what's there.

15 COUNCILWOMAN BLACKWELL: Okay. If
16 the Councilwoman is satisfied with that,
17 then I'm satisfied.

18 COUNCILWOMAN TASCO: Well, you know,
19 I think that not just for Logan, I mean,
20 because there's surrounding areas; but, you
21 know, to look at the prospect of a new way
22 of stabilizing land is something that we
23 ought to look at.

24 In Washington, when they built the
25 Reagan Building, they had to... I don't

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2 know anything about this, so I just
3 happened to see this building across the
4 street.

5 And I was told, oh, yeah. Let me
6 tell you how they built this because it
7 was -- Washington is on water, and how they
8 had to go in and use this process to
9 solidify the land under it and draw the
10 water out. I don't know what. It sounds
11 something like these guys wanted to do.

12 So, for me, if they could do that
13 and put a big stone building like this on
14 that land, and we have houses sinking in
15 Councilwoman Miller's District just across
16 the boulevard, we have houses in Councilman
17 Nutter's District sinking, it may be a way
18 for to us identify a process to stabilize
19 the land. That's what I...

20 MR. HANNA: Sure.

21 COUNCILWOMAN TASC0: Whether we use
22 it in Logan or not, Logan is a perfect
23 place to test it because you don't have to
24 move anybody out, and you can take a spot
25 and do it, you know, not the whole process,

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2 not the whole land. But I'm just thinking
3 in terms of looking at a new way of doing
4 business.

5 MR. HANNA: No. And we would
6 certainly agree; you're right. There are
7 those types of sites sinking all over the
8 City.

9 And to the extent that we can
10 discover or someone has discovered a new
11 and innovative way to otherwise subsidize
12 or restabilize those areas, I mean, we'll
13 be more than all for it.

14 And so, Councilwoman, if you would
15 get us a copy or have them get us a copy,
16 we'll certainly take a look at it.

17 COUNCILWOMAN TASCO: Thank you.

18 MR. HANNA: Thank you.

19 COUNCILWOMAN BLACKWELL: Thank you.

20 COUNCILWOMAN TASCO: I'm finished.

21 Thank you. I have one last question, but I
22 would defer to Councilman Cohen.

23 COUNCILMAN COHEN: Thank you, Madam
24 Chair.

25 First I want to commend the Chair

1 Bill 040594 - 6/1/04
2 for what I think has been one of the finest
3 sessions I've ever attended in City
4 Council, in which the legislative body
5 seeks information and seeks to hold to
6 account the administration with respect to
7 its promises and with respect to its
8 activities.

9 COUNCILWOMAN BLACKWELL: Thank you.

10 COUNCILMAN COHEN: So I just wanted
11 to state that. I've been very impressed,
12 sitting here almost as an outsider over the
13 last few hours.

14 COUNCILWOMAN BLACKWELL: Thank you.

15 COUNCILMAN COHEN: And I think
16 hearings like this do the City a great deal
17 of credit.

18 I wanted to express one opinion,
19 more than a question, on the needs of the
20 Affordable Housing Trust Fund.

21 Seems to me if there's any way of
22 taking some money from NTI and going
23 through whatever legal field is necessary
24 to deal with the problems of affordable
25 housing.

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2 When I came in, I made some kind of
3 pointed remark that where the developers
4 that we're talking about, the room would be
5 crowded with Council members, with interest
6 being shown in every phase, things would be
7 described as time sensitive.

8 But whenever it deals with human
9 rights, suddenly there's all the time in
10 the world, and any money contribution is
11 carefully strained and reduced.

12 It seems to me there could be
13 nothing more urgent than the need of
14 affordable housing for those of our
15 citizens that are most vulnerable, those
16 that are handicapped in some way, those
17 special people that the Lord apparently
18 anointed to do a great deal of extra
19 suffering.

20 And it seems to me that when we
21 borrow \$300 million for NTI and talk about
22 transforming neighborhoods, one important
23 neighborhood to transfer above all else
24 would be a neighborhood composed of special
25 people that need to have special needs; and

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2 instead of doling out carefully a dollar
3 here and a dollar there, we would go out of
4 our way to make life more useful and more
5 fruitful for the people that are so
6 vulnerable.

7 Incidentally, vulnerable people have
8 achieved great things in the United States.
9 They've made great contributions. They've
10 put others to shame often.

11 But I'm talking not of the skills
12 and the abilities which everybody admits --
13 everybody who knows of them admits -- but
14 of the humanitarian thing. It seems to me
15 government has a real responsibility of
16 dealing with those that are most
17 vulnerable.

18 And here we spend so much time
19 talking about economic development and
20 saying how urgent it is to concentrate on
21 that, and we forget there are citizens here
22 who need assistance of government. If they
23 don't get it from government, they're going
24 to get it from nobody.

25 And I would like to see, and I

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2 pledge to support the efforts of the
3 coalition to get their \$20 million clean
4 and free, instead of getting a million and
5 a half.

6 (Applause and cheers.)

7 COUNCILMAN COHEN: I just don't
8 understand why we have to debate it and
9 say, well, you know, we can't afford that
10 money now. We have a fiscal problem.

11 We always have fiscal problems when
12 it comes to the needs of poor people or
13 working people or handicapped people, or
14 minorities or women. There you've got to
15 worry about every single penny, to make
16 sure you don't spend too much.

17 But when it comes to developers, the
18 approach seems to be, don't you need more
19 money? We'll be glad to give it to you.

20 So I'm hoping that the example that
21 the Chair has set today in showing the
22 Council's concern about the welfare of the
23 people who need help the most is continued
24 in the Council.

25 And I pledge my extreme support.

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2 And I look forward to the day... You know,
3 I'm at an age when I can't look forward to
4 too many years.

5 But I would like, before I pass on
6 from this earth, to have a feeling that
7 this government has done everything it
8 could to take care of those that need help.

9 And that's what government is for.
10 And I pledge to work in that direction
11 unceasingly until we attain it.

12 Thank you very much.

13 (Applause and cheers.)

14 COUNCILWOMAN BLACKWELL: Thank you,
15 Councilman. Thank you very much.

16 We have questions from Councilman
17 Nutter and Councilwoman Brown.

18 COUNCILMAN NUTTER: Thank you.
19 Thank you, Madam Chair.

20 Miss Smith, just a couple hundred --
21 I mean, a couple questions.

22 (Laughter.)

23 COUNCILMAN NUTTER: It's late in the
24 day.

25 Page 29, just kind of to start.

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2 MR. HANNA: I'm sorry, Councilman.

3 Of which?

4 MS. SMITH: 29.

5 COUNCILMAN NUTTER: 29 of the...

6 MS. SMITH: I'm sorry.

7 COUNCILMAN NUTTER: I'm sorry.

8 Program statement and budget, FY '05 for

9 NTI.

10 Can you tell me -- I have to admit
11 to you I didn't realize. We have five
12 different side yard programs?

13 MS. SMITH: Yes. There are
14 different side yard programs that run.

15 And actually, I think Herb Wetzel
16 might be able to go into more detail.
17 There's programs that -- PHDC has a side
18 yard program for a property that it has in
19 its real estate.

20 The Redevelopment Authority has a
21 side yard program for property that was in
22 its ownership. In addition, there's what's
23 known as the City's Surplus, VPRC
24 properties.

25 Under Ordinance Number 1202-a,

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2 properties can be disposed of as part of
3 what's known as the small vacant lot
4 abatement program. And there maybe one
5 other that I'm missing right now.

6 COUNCILMAN NUTTER: Is that the
7 small vacant lot abatement?

8 MS. SMITH: That's the one that was
9 authorized by 1202-a.

10 COUNCILMAN NUTTER: Okay. So, I
11 have four so far.

12 MS. SMITH: Yeah. I may be missing
13 one or maybe --

14 COUNCILMAN NUTTER: Okay.

15 MS. SMITH: I'm sorry.

16 COUNCILMAN NUTTER: So... Okay. So
17 it's at least four or possibly five.

18 MS. SMITH: Mm-hmm.

19 COUNCILMAN NUTTER: Is that where we
20 are?

21 MS. SMITH: Yes.

22 COUNCILMAN NUTTER: Okay. Now, I
23 know it was raised earlier, but I at least
24 want to put on the record this issue with
25 regard to the \$15 million in additional

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2 acquisition funding.

3 Is it my understanding that this \$15
4 million is to come from an annual grant
5 fund from the state which is a \$5 million
6 per year grant?

7 MS. SMITH: Yes. The City has
8 historically received about \$5 million in
9 the Department of Community Education -- In
10 DCED per year. Historically we use that
11 for Basic System Repair Program.

12 And we're proposing that we take
13 that \$5 million allocation that we've
14 gotten and put that to fund additional
15 acquisitions.

16 COUNCILMAN NUTTER: Okay. What I
17 did not understand about that is, since
18 you're looking at FY '05, '06 and '07, how
19 would you propose to use two years of
20 future funding to support an acquisition
21 program in FY '05?

22 MS. SMITH: No. We're saying each
23 year, that what our proposal is is that
24 we're -- aren't able to fund the whole \$15
25 million FY '05, but that we would pledge

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2 and dedicate and fund the \$5 million as it
3 comes each year from the state for
4 acquisition.

5 So there will be another \$5 million
6 in '06 and \$5 million in '07. And that's
7 how we reflected it in the budget when we
8 talked about it.

9 COUNCILMAN NUTTER: Okay. I guess
10 maybe what may have confused me about this
11 is, I thought earlier this year there was a
12 discussion about an additional \$15 million
13 being made available.

14 This issue came up, I thought,
15 during the course of the amendment to the
16 FY '04 current year NTI program and budget.

17 And I thought, I guess, when I heard
18 about this \$15 million, that it was the
19 same as the earlier discussion about \$15
20 million. So I assumed that it was \$15
21 million hard cash for FY '05.

22 MS. SMITH: When -- When... In that
23 letter that Councilwoman Blackwell referred
24 to from Miss Wilkerson, we said the
25 administration was willing to investigate

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2 how we can identify additional \$15 million
3 to support for acquisition.

4 When we ran the numbers and saw the
5 impact, that if we were to try to fund it
6 all out of bond proceeds, we'd also began
7 to explore with the state the idea of us
8 applying for and receiving their dollars to
9 support acquisition going forward, to
10 support -- to honor that commitment.
11 That's how we're proposing to honor it.

12 COUNCILMAN NUTTER: Okay. With
13 regard to demolition, based on the schedule
14 that you're showing on Page 9 in the same
15 book, it appears that we will have spent
16 through FY '05 \$125 million in demolition.

17 MS. SMITH: Yes.

18 COUNCILMAN NUTTER: On demolition,
19 rather.

20 MS. SMITH: Yes. That's what --
21 Based on the current budget, we are looking
22 to -- re-budgeting about \$46 million for
23 residential in FY '05. That -- And that
24 would bring us to a total of \$125 million
25 out of bond proceeds.

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2 COUNCILMAN NUTTER: And that will
3 represent how many actual properties?

4 MS. SMITH: Our estimate is about
5 1600 under the targeted program, and then
6 about another... budgeting for about
7 another 200 as part of the City-Wide
8 emergency curb-side work. So we're looking
9 at 1800 is the estimated number for FY '05.

10 COUNCILMAN NUTTER: I was talking
11 about for the whole program. The \$125
12 million total will represent how many
13 properties?

14 MS. SMITH: Oh, that would
15 represent, based on the current average in
16 costs that we've incurred to date, that
17 would represent about... Just a second.

18 That represents... Not including
19 emergency curb side, that will represent
20 about 3500, and is part of the targeted
21 program. And then, I would say another
22 close to 1200 as part of the emergency curb
23 side for FY '03 to '04 and projected for
24 '05.

25 COUNCILMAN NUTTER: So 4700?

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2 MS. SMITH: Yeah, 1200 and... Yes.

3 COUNCILMAN NUTTER: All right.

4 Well, when I did the math just on the 125,
5 and your current estimate is \$22,000 per
6 property, I mean that came out to 5681.
7 But you're telling me that it's 4700.

8 MS. SMITH: Right. But we also
9 included in the budget number are the costs
10 for what we call the OCIP program, the
11 costs for things like the asbestos
12 monitoring, for the targeted program.

13 COUNCILMAN NUTTER: I thought that
14 was within the \$22,000.

15 MS. SMITH: No, no, no, no, no. The
16 22 represents the actual cost of the
17 actual... We actually put that sheet in
18 the program thing.

19 The 2200 [sic] represents the actual
20 demolition costs and post treatments. And
21 then over and above that are things like
22 the asbestos monitoring, stuccoing for the
23 last three years or two years plus next
24 year, program management OCIP. And that
25 brings you to a total of 125.

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2 COUNCILMAN NUTTER: Well, it's
3 testing my memory a little bit, but I seem
4 to recall back in either '01, '02 when we
5 started with the NTI program, wasn't the
6 original goal, in terms of demolition,
7 about 14,000 properties?

8 MS. SMITH: That was our projected
9 goal. And it was... Yeah, at the time we
10 unveiled it, the program in 2001.

11 What we're looking at are the, you
12 know, based on the current costs for the
13 last couple of years, we're looking at a
14 lower number.

15 COUNCILMAN NUTTER: Looking at a
16 what?

17 MS. SMITH: A lower number than what
18 our projected goal.

19 I mean, we did state a goal. And
20 that goal was, you know, derived at what we
21 thought we could accomplish over a
22 five-year period with the resources.

23 We also had higher resources
24 budgeted for demolition. Initially I think
25 it was closer to \$140 million. But as we

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2 increased acquisition and also used some
3 monies last year for other activities it,
4 in fact, dropped to \$117 million, and we're
5 up to 125 now.

6 COUNCILMAN NUTTER: All right. So
7 this represents about a third or so of the
8 original goal.

9 MS. SMITH: Yes.

10 COUNCILMAN NUTTER: Okay.

11 It was either last year or the year
12 before -- It was probably the year before;
13 and we've talked about this -- Council set
14 aside a million dollars for use in a pilot
15 program for retaining walls, and a study to
16 deal with alleys, driveways, curbs and
17 sidewalks.

18 At an earlier hearing during
19 operating budget testimony, I think with
20 the Streets Department, we asked -- a
21 number of us, myself, and Councilwoman
22 Tasco and others... Obviously, the
23 Retaining Wall Pilot Program has started,
24 and we're now in at least a Phase II of
25 that, for which we're appreciative.

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2 There was never, though, a report
3 issued, with regard to the other issues.
4 And the commitment, at least at the time,
5 and the way even the amendment to the...
6 It was either -- I guess it was the FY '03
7 budget done in FY '02.

8 The way it was written clearly
9 indicated that there would be a pilot
10 program and some use of dollars for that,
11 and then a report.

12 MS. SMITH: Mm-hmm.

13 COUNCILMAN NUTTER: The way it was
14 explained to us about a month or so ago was
15 that the pilot program started, costs
16 escalated, they used all the money or
17 virtually all the money for the retaining
18 wall program, and did not do the study.

19 The problem with that, of course is,
20 Council puts forward money with certain
21 expectations. You can't just not do one of
22 the things.

23 MS. SMITH: Well, what we did
24 instead of paying for a study, is that
25 based on work with the Streets Department,

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2 and information that we were able to gather
3 through a series of telephone conversations
4 on best practices and other research we
5 did, we did more of an in-house type of a
6 study.

7 And what we've done is, we've put
8 that together. It's not final. But a
9 draft of that study is that review of
10 resources and strategies is -- I included
11 in the gray folder.

12 We thought it was a priority to make
13 sure that we fully fund, you know, the
14 costs of the retaining walls, since those
15 were in eminently dangerous conditions, and
16 began to look at, you know, internally
17 using our own staff capacity about possible
18 approaches to the issue of curbs and
19 sidewalks.

20 Again, we're still confronted with
21 the cost issue.

22 Other jurisdictions tend to -- if
23 they do have resources, they tend to use
24 dedicated resources like motor vehicle or
25 fuel taxes or special assessments to fund

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2 that type of activity.

3 One of the things that we would like
4 to work with Council on is how we might be
5 able to use existing resources, through a
6 variety of, you know, like grant and loan
7 programs, working with homeowners, to
8 organize a way to, if they make the
9 repairs, that they can tap some existing
10 resources. I mean, those are the kind of
11 ideas and suggestions that we've come up
12 with.

13 COUNCILMAN NUTTER: All right. And
14 you're saying now that you're trying to
15 respond to this particular provision with a
16 document, repairing private infrastructure,
17 options for maintaining curbs, sidewalks
18 and driveways. Is that...

19 MS. SMITH: Yes, because we went
20 ahead and just dedicated the dollars to the
21 retaining wall repair.

22 COUNCILMAN NUTTER: All right.
23 Well, I'd like to have an opportunity to go
24 through that. And I won't --

25 MS. SMITH: It is a draft document,

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2 and we would appreciate --

3 COUNCILMAN NUTTER: Okay.

4 MS. SMITH: -- comments and thoughts
5 back.

6 COUNCILMAN NUTTER: Yeah. Probably
7 figured I was going to do that anyway,
8 right.

9 MS. SMITH: Yes.

10 COUNCILMAN NUTTER: Okay.

11 I guess one of my last questions
12 with regard to the NTI budget is, it
13 appears... Well, that's actually not the
14 last question; but, you know, I do that
15 from time to time.

16 It appears that FY '05 seems to mark
17 a turning point in the program. Through FY
18 '05 you will have approximately 12 and a
19 half million dollars left of the \$275
20 million which was... from the original
21 budgets was 295, and then down to 275
22 spread out over five years.

23 At year three of the program you
24 will have at least either spent or
25 allocated all but \$12 million.

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2 What happens in years four and five
3 of the five-year program? And aren't you
4 actually starting -- Aren't you running out
5 of bond money? Don't you have to do
6 another offering?

7 MS. SMITH: I'll take the second
8 part first. Yes, I believe our total
9 expenditures and under... is reaching -- I
10 think we're about a hundred million
11 dollars, approximately, that we have drawn
12 down from the trustee, and for various
13 commitments to date.

14 It is the administration's hope and
15 intention that we'll issue the second and
16 final traunch [sic] which will represent
17 about \$133 million, depending on market
18 conditions, by the end of this calendar
19 year, to really begin working on that over
20 the summer and in the early fall.

21 With respect to other resources,
22 again, what we've done is that we're at a
23 point with the acquisition pipeline, that
24 we did want to commit additional dollars to
25 affordable rental development and some

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2 other key programs out of the bond
3 proceeds, including: Capitalizing the
4 trust fund; sustaining, you know, a
5 commitment to retaining walls, and the
6 like.

7 With respect to the demolition
8 dollars because those are the dollars that
9 help pay the debt service on this
10 initiative, we would be looking to go back
11 to the... allocating funds out of the
12 General Fund to support demolition
13 activities in FY '06 and '07.

14 And the Budget Director under one of
15 the budgets that I guess Council has before
16 it in part of the five-year plan is
17 including about \$8 million in '06 and '07.

18 COUNCILMAN NUTTER: So we're going
19 to fund... I mean, in essence are you
20 saying that we're going back to the way we
21 used to fund demolition prior to NTI, which
22 is putting the money --

23 MS. SMITH: In terms of the source
24 of --

25 COUNCILMAN NUTTER: -- back in the L

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2 & I's budget?

3 MS. SMITH: Well, all this money --
4 all the demolition money flows through the
5 L & I budget. This will be \$8 million in
6 General Fund, as opposed to bond proceeds.

7 COUNCILMAN NUTTER: Well, that's
8 what I mean.

9 MS. SMITH: Yeah. Mm-hmm.

10 COUNCILMAN NUTTER: Okay.

11 And with regard to the demolition, I
12 know Page 22 has all the percentages. Can
13 you direct me to a page that shows, by
14 Councilmanic District, how the \$46 million
15 gets divided up?

16 MS. SMITH: On page -- The next
17 page, the following page, 23, that's where
18 we put ranges, based on the projected
19 number of demolitions by Council District,
20 based on vacancy.

21 And reason why we put ranges, this
22 is, again, a budget number. You know,
23 things can --

24 COUNCILMAN NUTTER: Right.

25 MS. SMITH: -- go up and down, but

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2 that's where we break that out.

3 COUNCILMAN NUTTER: Right.

4 Well, let me make sure I'm
5 understanding that statement. When you say
6 things go up and down, I mean, you've got
7 \$46 million on this page, you've got ten
8 Districts, and the respective dollar
9 amounts per District.

10 MS. SMITH: Mm-hmm.

11 COUNCILMAN NUTTER: What do you mean
12 when you say the numbers can go up and
13 down?

14 MS. SMITH: Well, again, what we put
15 in the budget, we said the approximate
16 number of demolitions that we would hope to
17 accomplish with, let's say, \$6.2 million.
18 So we put the range of 260 to 280.

19 COUNCILMAN NUTTER: Okay.

20 MS. SMITH: And that number can
21 vary, depending on the number of party wall
22 treatments, things of that nature.

23 COUNCILMAN NUTTER: I understand.
24 But the goal of that -- you're taking the
25 first one -- if you only end up doing, you

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2 know, 261 and there's money left over,
3 would you say it's out of the \$6.2, does it
4 stay in that District?

5 MS. SMITH: Yes.

6 COUNCILMAN NUTTER: Okay. And if
7 for some reason you only end up doing 250
8 because costs go up, if they were to
9 continue to go up, and you blow through
10 6.2, basically that's end of the line.

11 MS. SMITH: Yeah. It's a ceiling.
12 We're trying --

13 COUNCILMAN NUTTER: Right. All
14 right.

15 MS. SMITH: Yes.

16 COUNCILMAN NUTTER: So, you at
17 least -- I mean, so, just so we're clear
18 because, you know, we had a little glitch
19 in the system last year, whatever the
20 figures are here, that's what they are.

21 MS. SMITH: Yes. That's the
22 ceiling.

23 COUNCILMAN NUTTER: And you move
24 through the dollars however you move
25 through them, and the market forces are

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2 whatever the cost is. You knock down as
3 many as you can knock down, as have been
4 identified.

5 MS. SMITH: Mm-hmm.

6 COUNCILMAN NUTTER: But you at least
7 keep what you have.

8 MS. SMITH: Yes.

9 COUNCILMAN NUTTER: Okay. All
10 right.

11 Let's talk about the \$15 million.
12 And I know that there's all kinds of
13 conversations going on with regard to the
14 source, and all that.

15 But let's for the moment suspend
16 reality and say that we actually resolved
17 that issue. How will you allocate the \$15
18 million for acquisition?

19 MS. SMITH: Okay. I don't know if
20 Mr. Hanna wants to talk about the RFP
21 processes that we've contemplated to use to
22 allocate the 15 million.

23 MR. HANNA: Only to say that what is
24 contemplated is an RFP process. That would
25 go part and parcel with a couple of other

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2 RFPs that we typically issue in a given
3 fiscal year.

4 COUNCILMAN NUTTER: So it's all
5 going to be by RFP?

6 MR. HANNA: That was our proposal.
7 Councilwoman Blackwell has expressed --

8 COUNCILMAN NUTTER: That was a
9 little earlier in the day.

10 MR. HANNA: Councilwoman Blackwell
11 was expressing dissatisfaction with that
12 proposed process.

13 COUNCILMAN NUTTER: Right.

14 MR. HANNA: So we may need to go
15 back and revise that.

16 COUNCILMAN NUTTER: So you might be
17 re-thinking that. I think that might be a
18 good idea.

19 Let's talk about how you're going to
20 deal with kind of the Page 33 issue.

21 MS. SMITH: I'm sorry. Page 33?

22 COUNCILMAN NUTTER: Yeah, Page 33.
23 You have... This is for these acquisition
24 zones and large scale development.

25 First, you have a budget of \$37

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2 million. You have... If I'm reading this
3 right, you've approved activities for
4 acquisitions for \$39 million. So you start
5 with a deficit out of the box.

6 Second, there are a couple of
7 these -- or I guess technically that would
8 be a few of these that have nothing.

9 So I guess there's two questions,
10 one, how you're going to deal with the \$2
11 million deficit; and second, what happens
12 if in one of those Districts where you have
13 the little dash something comes up and
14 there's a need for funding?

15 MR. HANNA: Let me explain the --
16 the -- the... You really need to take the
17 last two boxes or rectangles together.
18 That middle rectangle speaks to the
19 allocation of acquisition dollars per
20 District.

21 COUNCILMAN NUTTER: Right.

22 MR. HANNA: And those acquisition
23 dollars, delegated by District, was based
24 upon the level of blight in the individual
25 District. That's why District One, for

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2 instance, got more money than did District
3 Ten. There is -- There's -- There were
4 more --

5 COUNCILMAN NUTTER: Right. Well,
6 this is the... I mean, this was the
7 baseline --

8 MR. HANNA: Right.

9 COUNCILMAN NUTTER: -- funding
10 concept.

11 MR. HANNA: But I'm getting -- I'm
12 getting --

13 COUNCILMAN NUTTER: Some people got
14 a million and a half; some people got two
15 and a half; and then the larger ones got...
16 Right. And I'm fine with that.

17 MR. HANNA: But I'm getting to the
18 bottom -- the bottom -- the bottom box.
19 The bottom box is what we call
20 acquisitions.

21 In other words, these were
22 large-scale development projects over which
23 the individual Council people had very
24 little, if any... I shouldn't say say.

25 But these were, for instance, in

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2 District Five, there were a number of
3 projects that provided for grants from HUD,
4 for instance, the home ownership zone for
5 Cecil B. Moore.

6 We made -- The administration made
7 the decision that a given District's
8 individual allotment should not be affected
9 by these otherwise large-scale
10 developments. And so, we kind of dropped
11 them below the line, and basically called
12 them the Mayor's large acquisition zones.

13 COUNCILMAN NUTTER: Mm-hmm.

14 MR. HANNA: To get to the question
15 as to whether -- why there is a \$2 million
16 or how we'll deal with the \$2 million
17 shortfall there, recall, as Pat said a
18 little bit earlier, the recycling agreement
19 has now been signed, sealed and delivered.

20 The recycling agreement provides
21 that as we sell property for fair market
22 value, those monies would be recycled and
23 be made available for further acquisitions.

24 Those monies would go into this pot,
25 and that's how we're hoping to -- that's

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2 how we expect to overcome the now \$2
3 million shortfall.

4 That, in addition to the fact that
5 the --

6 COUNCILMAN NUTTER: Well, how much
7 do you anticipate coming back in the next
8 year or how much has come back?

9 MR. HANNA: In the next year? I can
10 think of at least one specific deal, that
11 in Brewerytown, that would yield somewhere
12 around \$750,000.

13 But we don't have to worry about it
14 necessarily next year because typically
15 these acquisitions take a number of
16 years -- may take a number of years to
17 accomplish.

18 COUNCILMAN NUTTER: Let me
19 understand that this. For the seven
20 Districts that are listed here, and the
21 respective dollar amounts, are you saying
22 that there are identified projects that
23 funding has already been allocated to --

24 MR. HANNA: Which box --

25 COUNCILMAN NUTTER: -- for all

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2 these?

3 MR. HANNA: Which box are we talking
4 about?

5 COUNCILMAN NUTTER: Bottom box.

6 These are all live projects --

7 MR. HANNA: Yes.

8 COUNCILMAN NUTTER: -- in this box?

9 MR. HANNA: Yes. Yes.

10 COUNCILMAN NUTTER: Okay. Can you
11 send me a list?

12 MR. HANNA: Yeah; we'll be happy to.

13 COUNCILMAN NUTTER: Through the
14 Chair, a list, by District, and line up the
15 dollar amounts that lay out how that box
16 was put together?

17 And I guess I'm wondering, was there
18 some time or a conversation -- I mean,
19 maybe this is -- this was -- I don't
20 know -- probably start showing up as a part
21 of the e-mail traffic back and forth.

22 I mean, did we miss an opportunity
23 to have a discussion about any large-scale
24 projects in either the Fourth, the Sixth or
25 the Tenth? I'm just trying to understand

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2 what the dashes are. So, why don't -- why
3 don't -- why don't -- I mean...

4 MS. SMITH: Most of the large-scale
5 projects were actually things in the
6 pipeline, things like the Mill Creek Hope
7 Six application, Cecil B. Moore Home
8 Ownership, and acquisition zones in support
9 of those that were approved by the Council.

10 COUNCILMAN NUTTER: So if there was
11 a project that was moving along and had a
12 funding gap, you're saying that dollars
13 were drawn from this particular area to
14 fill in the gap?

15 MS. SMITH: I mean, again, as you
16 know, these development projects take some
17 time to cue up. And there were a series
18 of -- So, for example, the award of the
19 Mill Creek Hope Six or the Cecil B. -- the
20 completion of Cecil B. Moore Home Ownership
21 or other larger development projects that
22 we knew would yield about 50 units or more.

23 COUNCILMAN NUTTER: So you're saying
24 in that situation we use the NTI dollars
25 for acquisition purposes for a public

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2 housing development?

3 MS. SMITH: In support of the...

4 Yes. That was the City's contribution.

5 Because often, under a number of housing

6 programs, there usually are contributions

7 by the City as well as the Public Housing

8 Authority, sort of like matching funds, and

9 leveraging. The more leverage you have,

10 the -- you know, the more competitive you

11 are in the national environment, when

12 you're competing.

13 COUNCILMAN NUTTER: You're going to

14 give me a list of --

15 MR. HANNA: Yes.

16 COUNCILMAN NUTTER: -- by District,

17 by project, what the dollar amount was,

18 what the leverage factor was or what the

19 larger -- what the full cost of the project

20 was?

21 MR. HANNA: Yes.

22 COUNCILMAN NUTTER: Let's talk

23 about, lastly, this budget has --

24 anticipates \$1.5 million -- I guess this is

25 on Page 9, again, for the Housing Trust

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2 Fund?

3 MS. SMITH: Yes.

4 COUNCILMAN NUTTER: Okay. Now, what
5 are the terms and conditions? Have you
6 talked about this already? Have I missed a
7 lot of this conversation?

8 MS. SMITH: Mr. Hanna did.

9 MR. HANNA: Yes. We did, in fact.
10 But to get to your question, the term
11 condition is that this be a matching grant,
12 that the... In discussions with the
13 housing -- affordable housing advocates,
14 our expectation is that we will help them
15 come up with the one and a half million
16 dollar matching requirement that comes part
17 and parcel with this one and a half million
18 dollar investment by the City.

19 Again, the logic behind that was
20 that the Housing Trust Fund in our view --
21 the Housing Trust Fund should not be made
22 up just of public dollars; that
23 corporations, foundations, other folks who
24 benefit from the City, either directly or
25 indirectly, ought to contribute to the

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2 Housing Trust Fund, not totally or
3 completely or to the extent that the City
4 does.

5 But this one and a half million is
6 hopefully going to be a relatively small
7 part of what will hopefully become a much
8 larger Housing Trust Fund.

9 COUNCILMAN NUTTER: Well, tell me
10 how that works, in the context of a bill
11 that would create the Housing Trust Fund
12 and has as a provision that one of the
13 sources of funding is, in fact, a million
14 and a half dollars of NTI funds.

15 That would sound like it's automatic
16 or guaranteed. You've, by your testimony
17 at least, placed a condition on it.

18 The bill in front of us says that
19 there's a million and a half dollars of NTI
20 funding to support the Housing Trust Fund.

21 What I hear you say is, we'll give
22 you a million -- up to a million and a half
23 but matching dollar for dollar. There's, I
24 think, at least a technical conflict
25 between those two concepts.

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2 MS. SMITH: I do believe people were
3 advocating that this -- this money not be
4 conditioned first on raising the additional
5 dollars. That's probably why the
6 legislation is... is stated that way.

7 COUNCILMAN NUTTER: Okay.

8 MR. HANNA: My expectation is if it
9 is, in fact, the will of the Council that
10 there not be --

11 COUNCILMAN NUTTER: Sorry?

12 MR. HANNA: If it is the expectation
13 or the will of the Council that there not
14 be that expectation or that prerequisite,
15 then certainly the administration will be
16 willing to entertain that.

17 COUNCILMAN NUTTER: Administration
18 be willing to?

19 MR. HANNA: To entertain that.

20 COUNCILMAN NUTTER: Okay. Well, I
21 mean, I'm not... That's, I mean,
22 technically tomorrow. But I know there's
23 been a lot of discussion today with regard
24 to the Housing Trust Fund, and certainly
25 the million and a half dollars.

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2 But I think it should be clear as we
3 go through this process, I mean, it either
4 is or it is not.

5 MS. SMITH: Well, in the program
6 statement --

7 COUNCILMAN NUTTER: It's either a
8 guaranteed source of funding or it's a
9 proposed source of funding which is
10 different and conditional.

11 But if you read the legislation, I
12 think -- The way I'm reading it, at least,
13 is -- it is a source of funding. It is a
14 million and a half dollars, and makes no
15 reference to conditional.

16 So, I mean, I just want to make sure
17 that as we move through this, everybody is
18 clear about, you know, how this is all...

19 MS. SMITH: Okay.

20 COUNCILMAN NUTTER: Okay?

21 Are you in any... I guess I could
22 save this for... Madam Chair?

23 COUNCILWOMAN BLACKWELL: Yes.

24 COUNCILMAN NUTTER: Will there be...
25 At some point will there be other

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2 administration witnesses with regard to the
3 Housing Trust Fund?

4 Or would it be this same group
5 that's with us, having the pleasure of
6 spending time with us today?

7 COUNCILWOMAN BLACKWELL: It would be
8 the same group that we have the pleasure of
9 spending time with today.

10 COUNCILMAN NUTTER: Okay. So, would
11 a Housing Trust Fund question be in order?

12 COUNCILWOMAN BLACKWELL: Yes, it
13 would.

14 COUNCILMAN NUTTER: Okay.
15 What is your expectation, I guess,
16 with regard to -- Strike that.

17 The other sources of funding or
18 another major source of funding is the...
19 as I understand it, is the real estate
20 transfer tax.

21 MR. HANNA: That's --

22 MS. SMITH: That's proposed, yes.

23 COUNCILMAN NUTTER: Proposed. What
24 is the administration's position on that
25 particular issue?

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2 MS. SMITH: Again, I haven't seen
3 the exact language. And I know in the
4 course of the public testimony there has
5 been discussions of how that could be done
6 which doesn't have an adverse impact on the
7 budget.

8 But without my ability to, you know,
9 see that language, confer with our Finance
10 Director and Budget Director, it's hard to
11 give a position.

12 I mean, the major concern of the
13 administration is, you know, the fiscal
14 crisis and how that gets funded,
15 particularly in light of everything else
16 that we're struggling with these days.

17 Again, we're -- You know, we are
18 supportive of increasing the mortgage
19 recordation fee, once the state authorizes
20 that, and dedicate that to the Housing
21 Trust Fund.

22 And we believe that will generate
23 somewhere between \$5 to \$7 million, so, you
24 know -- Because that's a new resource of
25 funds, specifically for that. But in terms

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2 of diverting monies from the General Fund,
3 that's problematic.

4 COUNCILMAN NUTTER: Are you aware --
5 during the course of our budget hearings
6 this year, which I guess technically are
7 not over, are you aware of any discussion
8 that has taken place, either with Finance
9 or the Budget Office, about use of real
10 estate transfer tax proceeds, any
11 particular percentage, and whether that's
12 been calculated into either the FY '05
13 budget or the FY '05 to FY '09 five-year
14 plan?

15 MS. SMITH: No, it has not been
16 calculated. That's the problem. The
17 existing budget did not include that.

18 And in earlier meetings with the
19 Coalition for Affordable Housing and the
20 PACDC, the budget -- representatives from
21 the Budget Office was there to again
22 express the concern of the administration,
23 that we simply not have the resources to
24 fund that.

25 So that's... And it's not included

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2 in the five-year plan, to my knowledge, or
3 the existing budget.

4 COUNCILMAN NUTTER: Two last
5 questions. Has OHCD begun developing
6 regulations in accordance with the
7 proposed -- with -- in accordance with Bill
8 040594?

9 MR. HANNA: No.

10 COUNCILMAN NUTTER: To run the
11 program?

12 MR. HANNA: No, we have not.

13 COUNCILMAN NUTTER: And lastly, and
14 this may be a part of the regulation
15 process. Who will actually decide --

16 MR. HANNA: I'm sorry?

17 COUNCILMAN NUTTER: Who will
18 actually decide within this program who
19 gets money?

20 MR. HANNA: The legislation has a
21 recommended board structure. We've had
22 discussions with, again, the advocates.

23 And it is our stance that the
24 majority -- We certainly would welcome
25 members of the board from the advocacy and

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2 CDC communities.

3 But our stance is, given that most
4 of these funds are public funds, then the
5 majority of the board members ought to be
6 folks from the public side of the table.

7 COUNCILMAN NUTTER: All right.

8 Well, I understand that. But when I read
9 through it, it is also clear that the board
10 will not have the duty of reviewing or
11 scoring individual proposals for funding.
12 So, that's why I'm asking the question.
13 Who will actually decide what projects get
14 funded? If you look at Section 6, Number
15 2....

16 MR. HANNA: What page are you on,
17 Councilman?

18 COUNCILMAN NUTTER: Page 6 of the
19 bill.

20 MS. MCCOLLOCH: Are you looking at
21 it as introduced or as a proposed
22 amendment? Just so we're looking at the
23 same document.

24 COUNCILMAN NUTTER: I'm looking at
25 the pink. That's all I have.

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2 MS. MCCOLLOCH: The pink is as
3 introduced?

4 COUNCILMAN NUTTER: As it was
5 introduced. I don't have any amendments.

6 It says, the oversight board will
7 not have the duty of reviewing and scoring
8 individual proposals for funding. So my
9 question is, who's going to decide?

10 MR. HANNA: Councilman, it was my
11 expectation that the members -- that the
12 oversight board would be the
13 decision-making board.

14 COUNCILMAN NUTTER: Okay.

15 MR. HANNA: That the day-to-day
16 would be transpired through the staff of
17 OHCD e

18 COUNCILMAN NUTTER: Okay.

19 Then based on that answer, let me
20 understand this: The budget will be
21 whatever the budget is going to be,
22 depending on what the funding sources are.

23 What is the role of City Council in
24 determining, one, what any fiscal year
25 budget would be, as well as what, if any,

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2 role would we have in helping to ensure
3 that the dollars are at least spread
4 around, in a way that seeks to address the
5 variety of issues throughout the City?

6 I'm not in any way, shape or form
7 talking about just, you know, taking a
8 budget and dividing it by ten. That is
9 not... That would not be the case, and
10 probably would not make a tremendous amount
11 of sense.

12 But if the board is not making those
13 decisions, and the staff is assisting, then
14 I really do need to understand who is
15 deciding, and how will they decide, and
16 upon what basis do they decide.

17 And I mean, whether it's \$20 million
18 or \$11 million or whatever the millions of
19 dollars are, I mean, what is our role, as
20 members of this body, and how do we
21 participate in this?

22 MR. HANNA: Again, looking at the
23 proposed legislation, I actually probably
24 have a version that has -- that amends the
25 one that you have.

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2 MS. MCCOLLOCH: I just want to make
3 sure we're looking at the same document.
4 Is the first sentence the section five? It
5 says hereby establishing an oversight
6 board --

7 COUNCILMAN NUTTER: Yes.

8 MS. MCCOLLOCH: -- which will be
9 established per regulation promulgated by
10 the Office of Housing and Community
11 Development?

12 COUNCILMAN NUTTER: Yes.

13 MS. MCCOLLOCH: Okay. I just want
14 to make sure we're looking at the same one.

15 COUNCILMAN NUTTER: Right. I only
16 have --

17 MS. MCCOLLOCH: That's okay.

18 COUNCILMAN NUTTER: To my knowledge,
19 that's the only document.

20 MS. MCCOLLOCH: This is what was
21 introduced. And what was introduced says,
22 we're going to create an oversight board
23 together after this -- once this
24 legislation is created.

25 I think our expectation -- And this

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2 is not necessarily what others would -- Our
3 expectation is that we would create an
4 oversight board with representatives of
5 Council, with community advocates, with
6 people from the Office of Housing and
7 Neighborhood Preservation --

8 COUNCILMAN NUTTER: Well.

9 MS. McCOLLOCH: -- but the oversight
10 board has as -- has -- does not have as its
11 responsibility the decision making.

12 The over sight board is reviewing
13 the parameters, reviewing the set of
14 activities to be included, and then the
15 actual decisions about which developments
16 receive funding, and so forth.

17 COUNCILMAN NUTTER: Well, I guess
18 two things. One, how many members are on
19 the board?

20 MS. SMITH: I don't think the
21 legislation specifies. Does it say?

22 MR. HANNA: I think it's a proposal
23 for nine oversight board members.

24 COUNCILMAN NUTTER: Where --
25 Where --

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2 MS. SMITH: Doesn't say that.

3 MS. McCOLLOCH: Doesn't say that. I
4 know that's a different one.

5 COUNCILMAN NUTTER: Where would I
6 find that.

7 MS. McCOLLOCH: All of those details
8 of how the oversight board would be
9 established are not addressed in the
10 legislation that is before you. It says
11 that we'll figure that out. It says that
12 an oversight --

13 COUNCILMAN NUTTER: Figure it out?

14 MS. McCOLLOCH: -- oversight board
15 will be established.

16 COUNCILMAN NUTTER: Who's going to
17 figure it out?

18 MS. SMITH: This is not our
19 legislation.

20 MS. McCOLLOCH: This is not our
21 legislation, no. I'm just responding to
22 what --

23 MS. SMITH: I think one of the
24 things we're slightly at a disadvantage,
25 because this legislation is not -- was, you

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2 know, not solely developed by the
3 administration.

4 We've been having conversations
5 where lots of ideas have been talked about,
6 and things of that nature. So, I guess
7 it's quiet on a number of those issues.

8 COUNCILMAN NUTTER: I understand
9 that. But I mean, let's be clear here.

10 Two members have introduced a piece
11 of legislation. We scheduled it for a
12 public hearing. You're here now in a
13 public hearing.

14 OHCD, at least, is being charged
15 with developing regulations. They have a
16 board that will have certain powers and
17 duties.

18 We do not know how many board
19 members. There are no specific spots for
20 anybody. It says they'll be appointed by
21 the Mayor.

22 So, when you're talking about public
23 members, and... I mean, City employees,
24 and community people, and private sector
25 people, and... I mean, there are no

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2 provisions for any of that.

3 And so, I understand it may not be
4 an administration bill. But I think that,
5 under the circumstances, if we're in a
6 public hearing and we're about... I mean,
7 if there's possibility of taking action
8 tomorrow, when the bill was advertised for,
9 it would seem to me that we would want to
10 have these answers; and we would certainly,
11 if you're going to be involved in this at
12 the level you're proposed to be involved in
13 it, that you would have answers to these
14 kinds of questions.

15 I mean, I'm taking this seriously,
16 and I think other people are taking it
17 seriously. But I mean, I can't get a
18 handle on how it operationally functions if
19 you're not able to give us some of those
20 answers.

21 I mean, you're expected to develop
22 regulations. It's just like... I mean,
23 that's an official process. I mean, you
24 have to send a document down to the Records
25 Department. It is open for public review.

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2 If someone asks a question about it
3 or demands a hearing, you have to have a
4 public hearing on regulations.

5 So, I mean, I'm just trying to
6 understand where we are.

7 MR. HANNA: It sounds --

8 COUNCILMAN NUTTER: The goals and
9 the issues are all the appropriate goals
10 and issues. I mean, I don't have any issue
11 with that.

12 But in order to better understand it
13 and be, you know, supportive, I mean, I
14 think it is incumbent upon the
15 administration, if you're going to
16 participate in this, that, I mean, certain
17 baseline questions have to be answered.

18 MR. HANNA: The draft that you have
19 actually differs from the one that I'm
20 looking at. Some amendments were drafted.
21 And in fact, this is a black-line -- a
22 red-line version which addresses some of
23 the issues that you're talking about.

24 Having said that --

25 COUNCILMAN NUTTER: Well, I

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2 understand that, but I don't have it.

3 MR. HANNA: I know. Well, having
4 said that, what you've basically charged us
5 with is the responsibility between now and
6 sometime tomorrow, before tomorrow's
7 hearing, to come up with something more
8 firm than what we have in front of us...
9 what you have front of you.

10 COUNCILMAN NUTTER: Well, those are
11 some of my thoughts.

12 I mean, I would strongly encourage
13 you to have conversations with the
14 sponsors, and be in a better position to
15 deal with these kinds of -- I mean, that's
16 just -- I mean, I got to go pick up my
17 daughter. I mean, we could be here for,
18 like, a couple hours. So, I mean, once
19 again, she has saved you guys, but... And
20 you missed the meeting last Thursday which
21 you're not off the hook for yet, but...

22 MR. HANNA: I'm sorry, sir. I was
23 in a PHA board meeting and couldn't be torn
24 away.

25 COUNCILMAN NUTTER: Hey, you know,

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2 any excuse will do.

3 So, this is a big issue. We
4 received a lot of correspondence. There
5 are a lot of people very serious about it.
6 But I mean, if we're going to do this, I
7 mean, we have to have our act together.

8 MR. HANNA: Sure. We need to do it
9 right.

10 COUNCILMAN NUTTER: And I think, as
11 urgent as the issue is, it is more
12 important to do it right and have a comfort
13 level than to just do it quickly because we
14 think we need to do something.

15 So, I mean, you've got -- I mean,
16 you've got tons of time between now and the
17 morning to work on it.

18 I'll be calling all of you later on
19 this evening. I have a few more questions.

20 MR. HANNA: Sooner we can finish the
21 hearing, the quicker we can go ahead.

22 (Laughter.)

23 COUNCILMAN NUTTER: You know, I've
24 used that one a couple of times: As soon
25 as you let me go, I'll be glad to work on

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2 your problem.

3 Okay. Thank you. Thank you, Madam
4 Chair.

5 COUNCILWOMAN BLACKWELL: Councilman,
6 I wanted to say to my colleague, as also a
7 member on the PHA board, that PHA pays for
8 so much of its own. PHA doesn't really get
9 a lot of money.

10 They fight about social services.
11 There was one point where they were putting
12 in water pipes, and wanted the City to hold
13 them harmless.

14 So there are all kinds of issues as
15 to PHA and lack of City funding therein.
16 They're a part of NTI, and they're happy to
17 be a part of it, as we all are.

18 But nobody need think that the
19 City's funding PHA. I wish we were funding
20 them to some degree.

21 Thank you.

22 Councilwoman Blondell Reynolds Brown
23 is next on board, and we'll call on her
24 now. Councilwoman.

25 COUNCILWOMAN BROWN: Thank you,

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2 Madam Chair.

3 First, let me thank my colleague,
4 Councilman Nutter, who had to leave out for
5 his interests, first of all, with regards
6 to the Housing Trust Fund.

7 And let me thank the administration
8 for the work we've done so far around this
9 issue, knowing that we still have some work
10 to do; that it is what I call a work in
11 progress.

12 And Councilwoman Jannie and I
13 clearly realize that the narrative and the
14 language and the substance of the bill as
15 presented still requires some work.

16 So, let me assure you that we are
17 prepared to do it the right way one time
18 around, instead of rushing us through, to
19 discover that we have loopholes, and not
20 all of our i's dotted and all of our t's
21 crossed. So I need to put that on the
22 record.

23 Let me move now to the couple of
24 questions I had regarding the work that you
25 do. First of all, last year City Council

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2 made a decision to place \$5 million in the
3 CDBG funds for the Child Care Health and
4 Safety Fund, you'll recall?

5 MS. MCCOLLOCH: Yes.

6 COUNCILWOMAN BROWN: Could you just
7 give me an update at this juncture? That
8 was a piece of work we worked on for many,
9 many months, and was successful with City
10 Council getting that through.

11 So, could you give us an update,
12 because those dollars, the Child Care
13 Health and Safety Fund, was put into the
14 CDBG pocket.

15 MS. MCCOLLOCH: Yes. The first
16 \$850,000 of that fund is... The funds have
17 been put under contract to the
18 Redevelopment Authority, and the
19 Redevelopment Authority in turn is
20 executing a contract with the Nonprofit
21 Finance Fund.

22 COUNCILWOMAN BROWN: Okay. That's
23 what it's called now?

24 MS. MCCOLLOCH: And that is the
25 entity that will actually hold the money

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2 and disburse the grants.

3 In will be grants offered of up to
4 \$50,000 to child care providers to make
5 improvements to their properties, to either
6 secure or maintain state licensing.

7 So the sorts of repairs that could
8 be made include roof repairs, accessibility
9 modifications, new bathrooms, additions to
10 the building, playground equipment, that
11 sort of thing.

12 And so, that -- the first, if you
13 will, sort of pot of money is available and
14 is going to be ready for people to start
15 spending it.

16 COUNCILWOMAN BROWN: When?

17 MS. MCCOLLOCH: I don't know if the
18 contract's been executed yet with the RDA,
19 but the RDA has prepared a contract, and
20 it's being -- the final negotiations are
21 being done now.

22 COUNCILWOMAN BROWN: And do you have
23 in place a plan on how you will get the
24 word out that this is now ready, open to
25 receive a request for those proposals?

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2 MS. MCCOLLOCH: I haven't worked
3 that through with the folks of the
4 Nonprofit Finance Fund, but we can
5 certainly...

6 COUNCILWOMAN BROWN: Okay. I would
7 ask that you do that, because a number of
8 child care providers will be looking for
9 child care health and safety fund language
10 or title.

11 And now to know that it's being
12 moved to the Nonprofit Finance Fund,
13 they'll never make the connect.

14 MS. MCCOLLOCH: Right.

15 COUNCILWOMAN BROWN: They'll never
16 be able to connect the dots.

17 MS. MCCOLLOCH: Right.

18 COUNCILWOMAN BROWN: So the way you
19 announce that and the way you market it to
20 the child care providers who really need
21 and are awaiting this anxiously would be
22 important.

23 MS. MCCOLLOCH: Okay.

24 COUNCILWOMAN BROWN: Okay?
25 Secondly, I sent a letter to Mr. Hess in

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2 January, indicating that... Well, the
3 facts are that -- The question is around
4 homeless prevention services.

5 And the facts are that we spend
6 about \$750 per household to avert
7 homelessness, yet a six-month stay in an
8 emergency shelter for a family can run
9 upwards of \$21,000 plus.

10 So, where are we with regards to
11 homelessness prevention dollars? At what
12 level will that be funded this year? And
13 is that... First, let me ask you to answer
14 the question.

15 MS. MINZ: Dana Minz, Director of
16 Special Needs Housing, OHCD.

17 COUNCILWOMAN BROWN: Your full name
18 again?

19 MS. MINZ: Dana Minz.

20 The Housing Homelessness Prevention
21 Funding that OHCD administered several
22 years ago was transferred to the Office of
23 Emergency Shelter and Services in fiscal
24 year '02. So OHCD no longer administers
25 that funding or have any oversight in it.

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2 COUNCILWOMAN BROWN: I see. Okay.

3 Thank you.

4 MS. MINZ: You're welcome.

5 COUNCILWOMAN BROWN: Takes care of
6 that.

7 Some time ago I shared with members
8 of the administration our interest in
9 infusing the arts into NTI. Could you give
10 us an update or share with us any level of
11 success you may have had with regards to
12 the recommendations in that white paper and
13 how we as a City can remember arts and
14 culture with regards to lots, et cetera.

15 MS. SMITH: I can start with some of
16 the work that's -- that's taking place.
17 This is Pat Smith -- that's taking place,
18 in using the arts as part of the vacant
19 land management initiative.

20 I think one of the examples that's
21 coming forth is what we've call Girard
22 Crossing, where the Mural Arts Program is
23 collaborating with the Horticultural
24 Society and the developer in Brewerytown on
25 a gateway treatment to that area, and a new

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2 development, drawing on a variety of
3 different sources.

4 And I think that's a wonderful
5 example of collaboration between different
6 parts of government, and the arts playing a
7 leading role.

8 COUNCILWOMAN BROWN: What was that
9 location again?

10 MS. SMITH: It's called Girard
11 Crossing which would be approximately
12 around, I guess, 32nd, 33rd and Girard
13 Avenue.

14 COUNCILWOMAN BROWN: Okay.

15 MS. SMITH: So it's sort of like the
16 gateway into North Philadelphia, into
17 Strawberry Mansion, into West Philadelphia,
18 that whole area.

19 In addition, the Mural Arts Program
20 does work with the... in collaboration,
21 using some of its resources to treat and do
22 innovative treatments to vacant land, and
23 on some of the lots where they're doing
24 murals.

25 So they've sort of, like, expanded

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2 some of their programs, to include, you
3 know, the arts as part of the land
4 treatment.

5 And in... I think another important
6 piece is sort of like the work that the
7 Village of the Arts and Humanity does in
8 its work around vacant land treatment.

9 And some of the ideas that they've
10 come up with has been pretty -- I think
11 people have applauded as innovations. So
12 that's an area of blight removal.

13 In housing development activities, I
14 do believe there are some initiatives
15 resolving artists' housing.

16 MS. MCCOLLOCH: Just to follow up on
17 what Pat said about the Mural Arts program,
18 for the '05 contract for the vacant land
19 management, we've committed \$50,000
20 specifically for Mural Arts to have murals
21 painted in connection with the greening
22 activities being carried out by
23 Pennsylvania Horticultural Society. So we
24 specifically said we want to support the
25 Mural Arts Program with that in that

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2 capacity.

3 And then we're also supporting some
4 artists' housing right now through the
5 Coral Street Arts House.

6 COUNCILWOMAN BROWN: Where's that?

7 MS. MCCOLLOCH: Which is in New
8 Kensington.

9 COUNCILWOMAN BROWN: Oh, okay.

10 MS. MCCOLLOCH: Coral Street,
11 appropriately enough, which is a tax
12 rental -- affordable rental development
13 using tax -- low income housing tax
14 credits.

15 COUNCILWOMAN BROWN: Madam Chair,
16 were you aware that \$50,000 was slotted or
17 allocated for mural arts?

18 COUNCILWOMAN BLACKWELL:
19 Councilwoman, we had a discussion about
20 trying to give NTI -- We had a discussion
21 with everyone at the table about having a
22 program that naturally allowed for fencing,
23 greening and a mural, especially at
24 corners, because it happens all the time
25 and it makes all the difference.

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2 And so, we asked that \$50,000 be
3 taken from NTI, to make them part of the
4 agenda --

5 COUNCILWOMAN BROWN: Okay.

6 COUNCILWOMAN BLACKWELL: -- because
7 in fact it is, but... And that we make it
8 a formal program instead of always doing
9 it, especially on corner lots. You green
10 it, you fence it, and you do the mural.

11 And so... And so it was suggested
12 that Miss McColloch said that they could --
13 and Kevin Hanna said that they thought it
14 would be more feasible to take the funding
15 from CDBG than from NTI to put it in said
16 program.

17 COUNCILWOMAN BROWN: Okay, then. I
18 appreciate that.

19 COUNCILWOMAN BLACKWELL: Thank you.

20 COUNCILWOMAN BROWN: That's a segue
21 to Philadelphia Green. Can you give me a
22 progress report on the partnership with
23 Philadelphia Green? Because my homework
24 tells me that there's a proposed reduction
25 in the contract from \$4 million to \$2.

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2 And I'd be curious to know what
3 ideas or discussions you've had, with
4 regards to maintaining the lots long-term,
5 two, five and ten years from now.

6 MS. SMITH: Essentially, we are
7 budgeting \$2 million in the FY '05 budget
8 out of General Funds to just continue the
9 Greening Stabilization and Community Based
10 Land Maintenance Program.

11 In addition, we expect in FY '05 to
12 receive in hand two HUD grants that we
13 applied for in, I guess, '02 and '03 --
14 there's a little lag time -- to help
15 augment some of those resources for
16 greening activities.

17 I think long term, again, would
18 be -- and part of the work of PHS is
19 working and involving community in, you
20 know, the treatment of the vacant land and
21 the maintenance of it.

22 Their experience is showing that has
23 the same impact, in terms of individuals
24 being more caring of that land.

25 It's the same effect that one often

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2 sees, I think, with the fact that murals
3 don't get graffitied; that when you do
4 certain types of treatments, it -- it --
5 it -- it -- it creates a sense of hope in
6 the community, communities take more
7 ownership; and if you have land that has
8 grass on it instead of rubble, it's easier
9 to maintain, you know, and community groups
10 and block associations can help us share
11 the responsibility.

12 Long term, clearly it has to be a
13 shared responsibility. But the Mayor made
14 it clear that it was not reasonable to
15 expect on a volunteer basis for individual
16 homeowners and block captains to take, you
17 know, refrigerators and tires and other
18 debris that, you know, would litter these
19 lots.

20 So it was getting us back to a
21 manageable level, and where resources
22 permit, improving the lot so it's easier to
23 take care of, and also engaging communities
24 in ongoing responsibility.

25 COUNCILWOMAN BROWN: So have you

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2 actually started that process?

3 MS. SMITH: Yes. A lot of the work
4 they do is around educate -- what we call
5 the volunteer education and engaging
6 communities in that work.

7 COUNCILWOMAN BROWN: So do you
8 believe at some point it will be systemic?
9 I mean, it's one thing to do it in an ad
10 hoc kind of fashion. But if we want to see
11 long-term impact, it requires systemic
12 change.

13 MS. SMITH: Yes, it does, without a
14 question.

15 And we believe that we're off to a
16 fairly good start with significant up front
17 resources that were committed, just to get
18 things to a manageable level.

19 I mean, things have been so out of
20 control, it's costing us a lot of resources
21 just to get it to a manageable level.

22 And then again, there's a number of
23 volunteer organizations in neighborhoods
24 that are stepping up to the plate. It's
25 kind of like seeing us take the first step,

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2 seeing us, the government, or the public
3 sector take the first step makes it easier
4 for people to say, I, too, can be involved,
5 want to be involved, and so forth.

6 MS. MCCOLLOCH: And we're currently
7 using CDBG funds. We're funding a study of
8 vacant land management, precisely to try to
9 address those sorts of issues: How do you
10 maintain it over the long-term, what's the
11 sustainability of it.

12 And we're working with PHS now to
13 work through some of those models, how can
14 we do this on the long term. And so we're
15 using some current year CDBG funds to
16 support that.

17 COUNCILWOMAN BROWN: Well, one
18 thing's for certain, two for sure: We know
19 that Philadelphia Green has done a stellar
20 job in that type of initiative, and they
21 become really the model for the City to
22 look to because they've had some great
23 level of success.

24 One last question. One last
25 question. 619 Elm Street Program is a

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2 state grant. Give me the update on that,
3 if you would.

4 MS. MCCOLLOCH: The Elm Street
5 Program. We just submitted the application
6 for Elm Street. There are planning grants,
7 operational grants, and what they'll call
8 neighborhood reinvestment grants of
9 differing amounts, depending on what you're
10 asking for.

11 The list of areas for which we
12 applied was submitted with my testimony
13 this morning. Did you get a copy of that?

14 COUNCILWOMAN BROWN: Yes.

15 MS. MCCOLLOCH: Okay. So, the list
16 of all the -- all the -- all the areas that
17 we've applied for are attached to that
18 testimony.

19 And that's an application that we've
20 submitted to the state. We are allowed to
21 apply for up to a million dollars. We've
22 applied for \$935,000. So, we're just
23 waiting now to hear back from the state.

24 COUNCILWOMAN BROWN: Can you tell us
25 how the lucky -- the neighborhoods that

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2 were lucky enough to get selected, how did
3 you arrive at those neighborhoods being the
4 lucky ones?

5 MS. McCOLLOCH: There was
6 conversation with each Council
7 representative.

8 COUNCILWOMAN BROWN: Oh, okay.

9 MS. McCOLLOCH: And essentially
10 almost, with one exception, everything that
11 was requested was submitted.

12 COUNCILWOMAN BROWN: Okay. Thank
13 you very much.

14 That concludes my questioning, Madam
15 Chair.

16 COUNCILWOMAN BLACKWELL: Thank you
17 very much.

18 And Councilwoman, I apologize for
19 not dealing with you on that issue,
20 especially because it deals with arts and
21 culture.

22 COUNCILWOMAN BROWN: Not a problem.

23 COUNCILWOMAN BLACKWELL: It was very
24 recent. It was --

25 COUNCILWOMAN BROWN: It's not a

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2 problem at all. I just wanted to make sure
3 you were aware of it, because we've been
4 having conversations about mural arts in
5 other discussion circles.

6 COUNCILWOMAN BLACKWELL: Thank you.

7 COUNCILWOMAN BROWN: Thank you.

8 COUNCILWOMAN BLACKWELL: Let me ask
9 one final question, if I might. This will
10 be my last question for the day.

11 And that is, we've been talking
12 about streamlining NTI and our acquisition
13 and disposition process.

14 And we've also been talking about
15 condemnation. And I know I've asked these
16 many questions many times from everybody in
17 the state collectively and almost
18 individually, about what we can do to
19 shorten the time line.

20 In terms of appraisals, can't we do
21 one instead of two? I know I was told an
22 answer. I just don't remember the answer.
23 Can't we do one or only do two in certain
24 circumstances and try to cut down that or
25 end... In addition to that, does anybody

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2 else have any other suggestions about what
3 we can do to lower this condemnation time?

4 As I've said before, we have private
5 developers who will put money into the pot,
6 into an escrow account or anywhere you
7 want, but they need the ability to get
8 properties deeded to them in a shorter
9 amount of time.

10 MR. WETZEL: My name is Herbert
11 Wetzel. I'm Executive Director of the
12 Redevelopment Authority.

13 With regards to the appraisal
14 process, we are required to obtain a
15 certified appraisal on the property that
16 will be part of the condemnation process.

17 We are also required to notice the
18 owner that we're going to get an appraisal,
19 and the owner has a right to be there when
20 the appraiser's there, to walk through the
21 property, et cetera.

22 Lots of times the owner is not
23 there, and especially, obviously, with
24 vacant structures and vacant lots.

25 We again send out another notice,

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2 and there are times where we're called
3 back. They basically have said, you know,
4 the appraiser didn't contact me.

5 We'll say, we have a letter from the
6 appraiser to you.

7 And they'll say, well, they didn't
8 get in touch with me.

9 They have an absolute right to be
10 there, have the appraiser walk through the
11 property with them. That generally causes
12 the second one.

13 Now, because of the volume of
14 work -- when the Redevelopment Authority
15 was doing 300 properties a year, the staff
16 appraiser could go out and do budgetary
17 appraisals.

18 We're now looking... We're just
19 about ready to order 400 more budgetary
20 appraisals for acquisitions.

21 The problem that we've run into,
22 Councilwoman, is the number of available
23 appraisers that do quality work. And we
24 have about 15 appraisers that we're relying
25 on right now. We have thousands of

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2 appraisals to do.

3 The real capacity right now with the
4 appraisal community is about 2,000 parcels
5 a year. Obviously, we did 5,300 in one
6 year, in anticipation of being able to
7 knock them out in the next year. But the
8 fact is the real true capacity is about
9 2,000 a year.

10 As we use these appraisers, we're
11 now using them for an initial budgetary
12 appraisal. In other words, our in-house
13 appraiser, when we were doing 300 a year,
14 could go out and do budget estimates for
15 us.

16 The fact is that our staff appraiser
17 is focused on having to review the
18 appraisals that come in for the purposes of
19 condemnation, and certifying that those
20 appraisals are accurate and are done
21 appropriately.

22 So, the real -- the real congestion
23 that we have right now is the capacity of
24 the appraisal community in this City to
25 produce the number of appraisals.

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2 COUNCILWOMAN BLACKWELL: So it's not
3 having to do two. It's that you need two.

4 MR. WETZEL: We have to do two now,
5 simply because we always did an initial
6 budgetary appraisal. That's not notifying
7 the owner. That's going out and saying,
8 it's approximately worth this much, with
9 the full knowledge that we would have to go
10 back and do a regular appraisal, notifying
11 the owner, letting the owner walk through.

12 So, what with we used to do for
13 budgetary appraisals was use the in-house
14 appraiser. That's no longer feasible to do
15 that.

16 COUNCILWOMAN BLACKWELL: I don't
17 know. One of these days every... You
18 know, if we keep focusing on it, it's got
19 to get better, this time line.

20 And finally, before we adjourn, just
21 one reminder to Mr. Hanna, that he's
22 working on, you know, this lien sale: If I
23 had to vote for whether or not we did a
24 lien sale again, I'd vote against it or
25 exempt my District.

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2 On the other side, of course, it's
3 easy on the other side, isn't it?

4 Councilwoman Brown?

5 COUNCILWOMAN BROWN: Yes, Madam
6 Chair.

7 I feel compelled to go on the record
8 once again. I can speak for me
9 confidently, and I think on this issue I
10 can speak for you around the Housing Trust
11 Fund. We've received a four-pager from the
12 City Solicitor which clearly suggests to
13 me --

14 COUNCILWOMAN BLACKWELL: Ten minutes
15 ago.

16 COUNCILWOMAN BROWN: Right. We
17 should mention that. Ten minutes ago.

18 Which clearly suggests to me that
19 we're prepared to go down this road, but we
20 have to go down this road in a way that's
21 legal and correct.

22 And so, I want to put on the record
23 that we're committed to working with the
24 housing advocates...

25 (Applause.)

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2 COUNCILWOMAN BROWN: ...and the
3 administration, to get this done in a way
4 that is correct.

5 So we have work to do. It has
6 nothing to do with the administration and
7 everything to do with Councilwoman
8 Blackwell and Councilwoman Blondell
9 Reynolds Brown.

10 MR. HANNA: Shall we then wait for
11 an updated draft from your elective
12 offices? How do you want to proceed?

13 COUNCILWOMAN BLACKWELL: We'll say
14 that we'll verify that tomorrow. We'll
15 talk with some members of that community
16 tonight to see how they want to proceed,
17 given recent facts that give some facts and
18 raise some questions. So we'll have to
19 confer with them.

20 MS. SMITH: Haven't seen the...

21 COUNCILWOMAN BLACKWELL: Yes. I'll
22 make it available. We just got it. And
23 we'll make this available.

24 MS. SMITH: We were here.

25 COUNCILWOMAN BLACKWELL: That's

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2 right; you were here. So at any rate...

3 COUNCILWOMAN BROWN: Thank you,
4 Madam Chair.

5 COUNCILWOMAN BLACKWELL: ...thank
6 you for putting that on the record.

7 And with no further questions, we
8 will recess this hearing until 10:00 -- Is
9 it 10:00? 9:00 a.m.? I would like it to
10 be 9:00. Let me could double check.

11 That means there must be another
12 hearing. Recess until nine 9:30 tomorrow
13 morning. There will be another hearing on
14 Councilman Goode's bill, but I thought we
15 were convening earlier than that.

16 However, if it was advertised for
17 9:30, 9:30 it must be. We'll see you then
18 and thank you all.

19 (Applause.)

20 (Hearing concluded at 5:00 p.m.)

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Debra D. Whitehead

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DAVID A. DEIK, RPR and
Commissioner of Deeds

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