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COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON FINANCE

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- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Monday, June 4, 2007, 1:00 p.m.
- - -

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Bills 060108, 109 - (Biosolids bills) Recessed
to 6/7/07.

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Bills 070125, 151, 170, 260, 262, 388, 393,
401, 402 - RCAP Bills

10

Bill 070368 - Re PGW Capital Budget

11

Bill 070230 - City depository bill

12

Bill 070049 - Re claim checks, parking stickers

13

Bill 070387, Res. 070405 - Re CDBG and NTI

14

15

(Full text of all legislation attached hereto.)

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COUNCILMEMBERS PRESENT:

19

Jannie Blackwell, Chair

Blondell Reynolds-Brown William K. Greenlee

20

Carol Ann Campbell Brian J. O'Neill

Frank DiCicco Juan Ramos

21

W. Wilson Goode, Jr. Marian B. Tasco

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- - -
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1 Monday, 6/4/07 - COUNCIL COMMITTEE ON FINANCE

2 WITNESS PAGE

3 RCAP Bills

4 Paul Deegan, PIDC, PAID..... 11

5 Janet Parrish, Executive Director..... 20

6 Philadelphia Gas Commission

7 Bill 070230

8 John Nacchio, City Treasurer..... 25

9

10 Bill No. 070049

11 Nancy Kammerdeiner, Dept. of Revenue.... 30

12 Bill 070387, Res. 070405

13 Veronica Pankey, President, Local 1971 34

14 Rick Sauer, Executive Director..... 49

15 Philadelphia Association of CDCs

16 Bernard Hawkins, Executive Director..... 57

17 Philadelphia Neighborhood Housing Services

18 John Rowe, Executive Director..... 70

19 Utility Emergencies Services Fund

20 John Gallery, Preservation Alliance..... 90

21 Mike Groman, Philadelphia Green..... 94

22 Will Gonzales, CEIBA Executive Director 111

23 Liz Robinson, ECA..... 124

24 Judith Robinson, Realtor..... 138

25

1 Monday, 6/4/07 - COUNCIL COMMITTEE ON FINANCE

2

WITNESS

PAGE

3

4 S. Wall, People's Energy Center CDC..... 159

5 Kevin Hanna, Housing Secretary..... 162

6 Eva Gladstein, NTI Director..... 170

7 Debra McCullough, First Deputy..... 196
Housing and Community Development

8

9 Anthony MacIntosh, PHDC..... 222
Executive Vice President

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1 Monday, 6/4/07 - COUNCIL COMMITTEE ON FINANCE

2 COUNCILWOMAN BLACKWELL: Good
3 afternoon. Thank you for your
4 patience.

5 We are now calling into
6 session our Finance Committee slated
7 for today. We note that the Biosolid
8 bills for all who are present -- that
9 is, Bill No.s 060108 and 060109 -- will
10 not be heard today. Those bills will
11 be considered on Thursday, June 7th, at
12 9:30 a.m.

13 Again, anybody who's here on
14 the Biosolids bills, Bill No.'s 060108
15 and 109, please note that they are not
16 being considered today. They are
17 rescheduled to Thursday, June 7th at,
18 9:30 a.m.

19 Thank you very much.

20 We note -- the Chair notes
21 that we have a quorum. Present are --
22 is Councilman W. Wilson Goode,
23 Councilman William Greenlee; and to my
24 right, Councilman DiCicco and
25 Councilwoman Blondell Reynolds-Brown.

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 The Chair like-wise notes that
3 Councilwoman Carol Campbell is
4 like-wise here, and we are happy to
5 have all of our colleagues in
6 attendance.

7 The first bills that will be
8 heard will be read by our clerk. They
9 are called the "RCAP bills," and Paul
10 Deegan is here, who will testify, and
11 the clerk will please read the titles
12 of those bills.

13 THE CLERK: Okay, this may
14 take about five minutes.

15 (Laughter.)

16 THE CLERK: Bill No. 070260,
17 an ordinance authorizing the
18 Philadelphia Authority for Industrial
19 Development ("PAID") to file an
20 application with the Office of the
21 Budget, Commonwealth of Pennsylvania,
22 under the Redevelopment Assistance
23 Capital Program, in an aggregate amount
24 not to exceed \$1,400,000 to assist in
25 the redevelopment of the Roosevelt

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS
2 Boulevard and Bustleton Avenue area and
3 authorizing the City to enter into an
4 agreement with PAID in furtherance of
5 grant requirements, all under certain
6 terms and conditions.

7 And Bill No. 070151, an
8 ordinance authorizing the Philadelphia
9 Authority for Industrial Development
10 ("PAID") to file an application with
11 the Office of the Budget Commonwealth
12 of Pennsylvania, under the
13 Redevelopment Assistance Capital
14 Program, in an aggregate amount not to
15 exceed \$3 million to assist in the
16 development of the Lutheran Theological
17 Seminary Learning Center, the Allen's
18 Lane Art Center, and the Chestnut Hill
19 College Student and Community Center;
20 and authorizing the City to enter into
21 an agreement with PAID in furtherance
22 of grant requirements, all under
23 certain terms and conditions.

24 And Bill No. 070125, an
25 ordinance authorizing the Philadelphia

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS
2 Authority for Industrial Development
3 ("PAID") to file an application with
4 the Office of the Budget, Commonwealth
5 of Pennsylvania, under the
6 Redevelopment Assistance Capital
7 Program, in an aggregate amount not to
8 exceed \$7,500,000 to assist in the
9 development of the Free Library of
10 Philadelphia; and authorizing the City
11 to enter into an agreement with PAID in
12 furtherance of grant requirements, all
13 under certain terms and conditions.

14 And Bill No. 070170, an
15 ordinance authorizing the Philadelphia
16 Authority for Industrial Development
17 ("PAID") to file an application with
18 the Office of the Budget, Commonwealth
19 of Pennsylvania, under the
20 Redevelopment Assistance Capital
21 Program in an aggregate amount not to
22 exceed \$500,000 to assist in the
23 development of the Lutheran Settlement
24 House; and authorizing the City to
25 enter into an agreement with PAID in

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS
2 furtherance of grant requirements, all
3 under certain terms and conditions.

4 And Bill No. 070262, an
5 ordinance authorizing the Philadelphia
6 Authority for Industrial Development
7 ("PAID") to file an application with
8 the Office of the Budget, Commonwealth
9 of Pennsylvania, under the
10 Redevelopment Assistance Capital
11 Program, in an aggregate amount not to
12 exceed \$2,900,000 to assist in the
13 development of Nueva Esperanza II; and
14 authorizing the City to enter into an
15 agreement with the PAID in furtherance
16 of grants requirements, all under
17 certain terms and conditions.

18 Bill No. 070388, an ordinance
19 authorizing the Philadelphia Authority
20 for Industrial Development ("PAID") to
21 file an application with the Office of
22 the Budget, Commonwealth of
23 Pennsylvania, under the Redevelopment
24 Assistance Capital Program, in an
25 aggregate amount not to exceed

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS
2 \$400,000, to assist in the development
3 of the Diversified Community Services
4 Project; and authorizing the City to
5 enter into an agreement with PAID in
6 furtherance of grant requirements; all
7 under certain terms and conditions.

8 And Bill No. 070393, an
9 ordinance authorizing the Philadelphia
10 Authority for Industrial Development
11 ("PAID") to file an application with
12 the Office of the Budget, Commonwealth
13 of Pennsylvania, under the
14 Redevelopment Assistance Capital
15 Program, in an aggregate amount not to
16 exceed \$500,000, to assist in the
17 conversion of the former Wills Eye
18 Hospital in Philadelphia to the
19 Jefferson Hospital for Neuroscience;
20 and authorizing the City to enter into
21 an agreement with PAID in furtherance
22 of grant requirements, all under
23 certain terms and conditions.

24 And Bill No. 070401, an
25 ordinance authorizing the Philadelphia

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 Authority for Industrial Development
3 ("PAID") to file an application with
4 the Office of the Budget, Commonwealth
5 of Pennsylvania, under the
6 Redevelopment Assistance Capital
7 Program, in an aggregate amount not to
8 exceed \$500,000, to assist in the
9 development of the North Philadelphia
10 Health System; and authorizing the City
11 to enter into an agreement with PAID in
12 furtherance of grant requirements, all
13 under certain terms and conditions.

14 And, finally, Bill No. 070402,
15 an ordinance authorizing the
16 Philadelphia Authority for Industrial
17 Development ("PAID") to file an
18 application with the Office of the
19 Budget, Commonwealth of Pennsylvania,
20 under the Redevelopment Assistance
21 Capital Program in, an aggregate amount
22 not to exceed \$500,000, to assist in
23 the development of Old Metropolitan
24 Opera House; and authorizing the City
25 to enter into an agreement with PAID in

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 furtherance of grant requirements, all
3 under certain terms and conditions.

4 COUNCILWOMAN BLACKWELL: Thank
5 you very much.

6 The Chair notes that
7 Councilman O'Neill is here; he's also a
8 member of this committee, and thank him
9 for his attendance. Councilwoman
10 Marian Tasco is here, and so all of our
11 members are present.

12 The Chair now recognizes
13 Mr. Paul Deegan.

14 MR. DEEGAN: My name is Paul
15 Deegan, D-E-E-G-A-N, and I represent
16 PIDC and PAID.

17 I think I'm going to be
18 shorter in reading the titles, but I
19 have submitted testimony that
20 summarizes the projects. These
21 projects are funded through the State
22 Capital Budget. Typically, the
23 projects are sponsored by the local
24 legislator, and the money flows through
25 PAID to the recipients.

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 Briefly, the Free Library of
3 Pennsylvania for \$7.5 million is a
4 project that I think you've seen
5 before. It's the Central Library
6 branch expansion; they're adding
7 180,000 square feet. The total
8 projects costs is \$175 million, and the
9 RCAP grant is \$7.5 million.

10 Bill No. 070170 is for the
11 Lutheran Supplement House. We're
12 applying for a grant of \$500,000. They
13 will be renovating two buildings in the
14 Fishtown area of the City to provide
15 social services, which will include an
16 education center, a domestic violence
17 counseling center, and senior citizen
18 housing.

19 Bill No. 070260 is for the
20 Bustleton Avenue and Roosevelt Avenue
21 commercial area, and that's going to
22 renovate three vacant commercial
23 buildings into a new-car dealership to
24 be called "Frederick's on the
25 Boulevard." It's going to be owned by

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 COPF, Incorporated. And the
3 redevelopment of the property, we're
4 estimating, will bring 75 to 100 new
5 jobs to the City, and the total project
6 cost is \$3.4 million.

7 Bill 070262 is for a grant for
8 a RCAP grant for the Nueva Esperanza
9 project. This is 2.9 million. Nueva
10 Esperanza is a social-service provider
11 to the Hispanic within the area bounded
12 by Olney Avenue, Girard Avenue, Front
13 Street, and Ninth Street.

14 They intend to renovate two
15 existing buildings to provide new
16 commercial space and off-street parking
17 for their administrative services and
18 commercial space, which they'll rent
19 out to provide income for their
20 programs. And the total project costs
21 is \$5 million.

22 Bill No. 070388 is for a grant
23 for Diversified Community Services.
24 We're applying for a grant of \$400,000.
25 The project will provide new

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS
2 administrative headquarters and a
3 community services center at 22nd and
4 Tasker streets and, this will allow
5 Diversified to expand program and
6 services to include day care,
7 after-school programs, and adult
8 education. The total project cost is
9 \$2.9 million.

10 Bill No. 070393 is for a
11 \$500,000 grant for Jefferson Hospital
12 for Neuroscience. Jefferson is
13 converting the former Wills Eye
14 Hospital to a dedicated hospital for
15 neurological research and disease
16 management. And the total project
17 costs is \$11.2 million.

18 I think we just approved the
19 grant for this project back in
20 February, as a matter of fact, but the
21 Governor decided they needed some more
22 money.

23 Bill No. 070401 is for a grant
24 for North Philadelphia Health System,
25 \$500,000. They're renovating their

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 existing hospital at 16th and Girard,
3 which I think is one of the few
4 hospitals that are serving the
5 inner-city area in North Philadelphia.
6 And they're also adding a new emergency
7 room. The total project cost is
8 \$4.5 million.

9 And, finally, Bill No. 070402
10 is for a \$500,000 grant for the old
11 Metropolitan Opera House; the old Met
12 is at Broad and Poplar Streets. It's a
13 historically certified building and
14 it's going to be become the
15 headquarters for the Holy Ghost
16 Headquarters Church, the North
17 Philadelphia Community Development
18 Corporation, and commercial retail
19 space. The total project cost is
20 \$10 million.

21 Bill No. 070151 authorizes us
22 to apply for three grants totaling
23 \$3 million for Lutheran Theological
24 Seminary, Allen's Lane Art Center, and
25 Chestnut Hill College.

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 Lutheran Theological Seminary,
3 at 7301 Germantown Avenue, is building
4 a new facility to house the seminary's
5 public archive collection. The total
6 project cost is approximately
7 \$19 million, and the redevelopment
8 grant is \$500,000.

9 Allen's Lane Art Center is
10 going to renovate its current building,
11 which it leases on a seven-acre portion
12 of Fairmount Park Allen's Lane in East
13 Mt. Airy. The project includes new
14 mechanical systems, new rest rooms,
15 upgrades to all of the program spaces,
16 new windows, and minor exterior
17 cosmetic upgrades.

18 The total project cost is
19 approximately \$2,250,000, and the RCAP
20 grant is \$1 million.

21 And Chestnut Hill College is
22 renovating the existing Greenfield
23 mansion facility at 9220-9250
24 Germantown Avenue. I think they
25 purchased this from Temple

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 University -- I think they purchased
3 the building from Temple University.
4 And it's going to become a going to
5 provide new classroom space for
6 Chestnut Hill College and event space
7 for both the students and the
8 surrounding community. The total
9 project cost is approximately
10 \$12 million, and the RCAP grant is
11 \$1.5 million.

12 I think I've lost track. Did
13 I miss any? I think I've gotten them
14 all.

15 This concludes my testimony,
16 and I request the Finance Committee's
17 favorable consideration of these bills
18 and ask that the rules of Council be
19 suspended to permit first reading at
20 the next regularly scheduled session of
21 City Council.

22 And I thank you for the
23 opportunity to testify and for
24 listening to all of these bills on one
25 hearing schedule. I appreciate it very

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 much. And I'd be happy to answer any
3 questions you may have about any of the
4 projects.

5 COUNCILWOMAN BLACKWELL: Thank
6 you very much.

7 Are there any questions for
8 Mr. Deegan on any of these bills?

9 Councilwoman Tasco?

10 COUNCILWOMAN TASCO: Did I
11 hear you say that -- I missed -- I
12 think it was 070170. Did I hear you
13 talk about a car dealership on Broad
14 Street?

15 MR. DEEGAN: That's going to
16 be at the Roosevelt Boulevard and
17 Bustleton Avenue intersection in
18 Northeast Philadelphia.

19 COUNCILWOMAN TASCO: Okay,
20 thank you.

21 MR. DEEGAN: I believe it's in
22 the 6th Council District, and it was
23 something sponsored by -- I believe,
24 State Senator Tartaglione's office
25 sponsored it in the State budget.

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 And they are three vacant
3 buildings, and I think they're having a
4 deteriorating influence on the
5 commercial section in the lower
6 northeast, and this will renovate those
7 buildings and provide -- you know, a
8 new company will move in and provide
9 jobs in the area.

10 COUNCILWOMAN TASC0: Thank you
11 very much.

12 MR. DEEGAN: You're welcome.

13 COUNCILWOMAN BLACKWELL: Are
14 there any further questions on any of
15 the RCAP bills for Mr. Deegan?

16 (No further questions.)

17 COUNCILWOMAN BLACKWELL: Thank
18 you.

19 MR. DEEGAN: Thank you, Madam
20 Chairwoman and members of the
21 committee.

22 COUNCILWOMAN BLACKWELL:
23 Certainly.

24 We will now consider the PGW
25 Capital Budget bill, Bill No. 070368.

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 We invite those willing to testify:

3 Janet Parrish, Executive Director of

4 the Commission; and Craig White, the

5 Executive Vice President of

6 Philadelphia Gas Works.

7 Thank you very much.

8 (Witnesses come forward.)

9 MS. PARRISH: Thank you.

10 MR. WHITE: Thank you.

11 MS. PARRISH: Good afternoon,

12 Chairwoman Blackwell and members of the

13 committee. I'm Janet Parrish, the

14 Executive Director of the Philadelphia

15 Gas Commission.

16 COUNCILWOMAN BLACKWELL: Thank

17 you very much. I neglected to read the

18 title of the bills excuse me.

19 Will the clerk please read the

20 title of the bill.

21 THE CLERK: Yes. Bill No.

22 070368, an ordinance approving the

23 Fiscal Year 2008 Capital Budget

24 provided for expenditures for the

25 capital purposes of the Philadelphia

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS
2 Gas Works, including the supplying of
3 funds in connection therewith, subject
4 to certain constraints and conditions;
5 and acknowledging receipt of the
6 forecast of capital budgets for Fiscal
7 Years 2009 through 2013.

8 COUNCILWOMAN BLACKWELL: Thank
9 you very much.

10 Please continue, Ms. Parrish.

11 MS. PARRISH: Thank you, thank
12 you.

13 And I appreciate the
14 opportunity to be here today to present
15 this testimony on behalf of the
16 Philadelphia Gas Commission. We have,
17 as usual, submitted our written
18 testimony, and attached to that
19 testimony is a copy of the Commission's
20 resolution in order adopted at its
21 April 25th meeting, which sets forth
22 all of the Commission's recommendations
23 with respect to PGW's capital budget
24 for Fiscal Year 2008.

25 The ordinance, or the proposed

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS
2 bill before you, is a reflection of the
3 Commission's recommendations in this
4 matter. So, of course, we are here
5 today to urge your support and approval
6 of that bill and also are requesting a
7 suspension of the rules so that first
8 reading can occur at the next regularly
9 scheduled session of Council.

10 As you note, Mr. White, PGW's
11 Acting Chief Operating Officer, seated
12 to my left, has also submitted written
13 testimony, which provides further
14 detail on the capital budget itself.

15 And I'd simply like to note
16 that, as we indicate in both of our
17 testimonies, the Commission this year
18 has recommended a continuation and also
19 an expansion of the framework that
20 Council has approved for the past five
21 fiscal years, according to which
22 line-item transfers within the capital
23 budget may take place, some at PGW's
24 discretion intradepartmentally and
25 others with the Commission's approval

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 interdepartmentally.

3 And we are recommending some
4 expansion of PGW's discretion in this
5 regard on a trial basis for this fiscal
6 year's budget, which will have the
7 result of giving PGW increased
8 responsibility for managing within each
9 individual department.

10 The Commission, of course,
11 would continue to maintain oversight
12 and would report to Council at the
13 conclusion of the year as to our
14 further recommendations.

15 I would be happy to go into
16 any further detail you might wish to
17 her or answer any questions that you
18 may have today.

19 But with that, Mr. White also
20 is available should you have questions
21 of him.

22 Thank you.

23 COUNCILWOMAN BLACKWELL: Thank
24 you very much.

25 Are there questions from

1 6/4/07 FINANCE COMMITTEE - RCAP BILLS

2 members of the committee?

3 (No questions.)

4 COUNCILWOMAN BLACKWELL: Thank
5 you very much.

6 We will know, as is on your
7 schedule, again, that the Biosolids
8 bills, No. 060108 and 109, are recessed
9 until Thursday, June 7th, at 9:30 a.m.

10 Thank you.

11 MS. PARRISH: Thank you.

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1 6/4/07 FINANCE - BILL 070230

2 COUNCILWOMAN BLACKWELL: We
3 will now here the City depository bill,
4 Bill No. 070230, and we ask the clerk
5 to read the title of the bill.

6 THE CLERK: Bill No. 070230,
7 an ordinance amending Chapter 19-200 of
8 the Philadelphia Code, entitled "City
9 Funds - Depositories, Investments,
10 Disbursements," by amending Section
11 19-201, entitled "City Depositories,"
12 by authorizing the City Treasurer to
13 deposit funds in CitiBank, under
14 certain terms and circumstances.

15 COUNCILWOMAN BLACKWELL: Thank
16 you very much.

17 We welcome our City Treasurer
18 and ask him to identify himself for the
19 record and begin your testimony.

20 MR. NACCHIO: Good afternoon
21 I'm John Nacchio, Treasurer of the City
22 of Philadelphia.

23 COUNCILWOMAN BLACKWELL: Thank
24 you.

25 MR. NACCHIO: Just part of my

1 6/4/07 FINANCE - BILL 070230

2 written testimony.

3 Good day, Madam Chairwoman and
4 members of the Committee Finance. I am
5 John Nacchio, the City Treasurer for
6 Philadelphia. I appreciate this
7 opportunity to testify before you on
8 matters related to City depositories,
9 financial institutions authorized to
10 accept City deposits.

11 In this proposed legislation,
12 CitiBank is being added to the existing
13 list of ten authorized depositories.
14 This proposed depository meets the four
15 basic financial criteria required by
16 the Philadelphia Code, which requires
17 depositories to have at least
18 \$100 million in assets, been in
19 business for the last five years, been
20 profitable for the last two years, and
21 are federally insured.

22 This criteria assessment is
23 conditional in that CitiBank would need
24 to meet all of the criteria
25 requirements to maintain annually its

1 6/4/07 FINANCE - BILL 070230
2 depository status as set forth in
3 Chapter 19-200 and 17-104 of the
4 Philadelphia Code.

5 There is no objection in the
6 provision of the Philadelphia Code to
7 add CitiBank as an authorized City
8 depository.

9 That concludes my written
10 testimony.

11 COUNCILWOMAN BLACKWELL:
12 thank you.

13 Are there any questions for
14 Mr. Nacchio?

15 COUNCILMAN GOODE: Madam
16 Chairwoman?

17 COUNCILWOMAN BLACKWELL: Yes,
18 Councilman Goode?

19 COUNCILMAN GOODE: Thank you,
20 Madam Chair.

21 Good afternoon Mr. Nacchio.

22 MR. NACCHIO: Good afternoon.

23 COUNCILMAN GOODE: In addition
24 to the basic requirements that need to
25 be met for City depositories, in

1 6/4/07 FINANCE - BILL 070230

2 addition, has City bank responded to
3 the requested information to give those
4 depositories?

5 MR. NACCHIO: Yes. I've
6 created an annual request for
7 information from all City depositories,
8 and they've completed that kind of
9 application format for me and submitted
10 information about their bank and
11 financial institutions with their
12 statements.

13 COUNCILMAN GOODE: And does
14 that information include anti-predatory
15 lending information and community
16 reinvestments goals?

17 MR. NACCHIO: There's a
18 statement on both of those, yes.

19 COUNCILMAN GOODE: Thank you.

20 COUNCILWOMAN BLACKWELL: Are
21 there any further questions for
22 Mr. Nacchio?

23 (No further questions.)

24 COUNCILWOMAN BLACKWELL: Are
25 you requesting a suspension of the

1 6/4/07 FINANCE - BILL 070230

2 rules, sir?

3 MR. NACCHIO: Yes, yes, I am.

4 COUNCILWOMAN BLACKWELL: Thank
5 you very much.

6 MR. NACCHIO: Okay. Thank
7 you.

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1 6/4/07 FINANCE - BILL 0700049

2 COUNCILWOMAN BLACKWELL: The
3 next bill is the claim checks and
4 parking sticker bill, Bill No. 070049,
5 and we will ask the clerk to read the
6 title of the bill.

7 THE CLERK: Bill No. 070049,
8 an ordinance amending Section 19-1204
9 of the Philadelphia Code, entitled
10 "Books and Records," and Section
11 19-1205 of the Philadelphia Code,
12 entitled "Claim Checks and Parking
13 Stickers," by no longer requiring the
14 retention of claim check stubs, all
15 under certain terms and conditions.

16 COUNCILWOMAN BLACKWELL: Would
17 Miss Nancy Kammerdeiner of the
18 Department please come forward.

19 (Witness comes forward.)

20 COUNCILWOMAN BLACKWELL: Thank
21 you very much. Good afternoon,
22 Commissioner. Welcome, and please
23 identify yourself and begin your
24 testimony.

25 COMMISSIONER KAMMERDIENER:

1 6/4/07 FINANCE - BILL 0700049

2 Good afternoon, Councilwoman Blackwell
3 and members of the Committee on
4 Finance. My name is Nancy
5 Kammerdeiner, Revenue Commissioner, and
6 I'm pleased to be with you to testify
7 in favor of Bill No. 070049.

8 As the title indicates, this
9 bill would amend two sections of the
10 code and would eliminate the need for
11 parking tax operators to maintain
12 claim-check stubs for six years
13 subsequent to the year of the
14 transaction.

15 At one time, these claim-check
16 stubs were used by the Department of
17 Revenue in the audit of parking lot
18 operators. With changes and technology
19 and improvements in the books and
20 records maintained by these businesses,
21 the actual stubs are no longer an
22 integral part of the audit process.

23 The continued storage of these
24 claim-check stubs places an unnecessary
25 burden on the parking lot operators.

1 6/4/07 FINANCE - BILL 0700049

2 However, without these amendments to
3 the code, the Department of Revenue
4 could not waive the need for their
5 retention as a part of the record.

6 This concludes my testimony,
7 and I'd be happy to answer any
8 questions that you might have.

9 COUNCILWOMAN BLACKWELL: Thank
10 you, Commissioner.

11 Are there any questions for
12 Commissioner Kammerdeiner?

13 (No questions.)

14 COUNCILWOMAN BLACKWELL: Are
15 you requesting a suspension of the
16 rules, Commissioner?

17 COMMISSIONER KAMMERDIENER:
18 That would be helpful so that this
19 could be in place the next time our
20 auditors go out to parking lot
21 operators and we don't look for this.

22 COUNCILWOMAN BLACKWELL: Thank
23 you very much.

24 COMMISSIONER KAMMERDIENER:
25 Okay, thank you.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 COUNCILWOMAN BLACKWELL:

3 Certainly.

4 The next bills are Bill No.'s
5 070387, the Community Development Block
6 Grant; and NTI, the Neighborhood
7 Transformation Initiative bills. So
8 it's Bill No. 070387 and Resolution No.
9 070405.

10 We will ask the clerk to
11 please read the titles of the bills,
12 and while he's coming forward, we're
13 going to have testimony by those
14 present and then answer questions, if
15 that is okay with the members of the
16 committee. And so I suppose what we'll
17 do, then, is skip Mr. Hanna and
18 Miss Eva Gladstein, have all of the
19 other testimony come in, and then you
20 can respond to all of the testimony you
21 hear in addition to any questions
22 members of this committee and members
23 of Council may have.

24 Is that satisfactory to
25 everyone? Great.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Then the first person here,
3 after the clerk reads the title of the
4 bills, is Veronica Pankey, if she's
5 here.

6 MS. PANKEY: Yes.

7 COUNCILWOMAN BLACKWELL: Thank
8 you. Please come forward.

9 And, Clerk, please read the
10 title of the bill and the resolution.

11 THE CLERK: Bill No. 070387,
12 an ordinance authorizing the Secretary
13 of Housing or his designee (Secretary
14 of Housing) on behalf of the City, to
15 file applications with the United
16 States Department of Housing and Urban
17 Development (HUD) for a Community
18 Development Block Grant CDBG (CDBG), to
19 participate in the HOME Investment
20 Partnership Program and the Emergency
21 Shelter Grant (ESG) Program; and for a
22 Housing Opportunity for Persons With
23 AIDS HOPWA grant; and with the
24 Commonwealth to obtain grants under the
25 act of April 12, 1956, P.L. 1449,

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 Section 4, as amended, to prevent and
3 eliminate blight, authorizing the
4 Director of Commerce to use the Section
5 108 loan Guarantee program; and
6 authorizing the Secretary of Housing
7 and the Director of Commerce to enter
8 into all understandings and assurances
9 contained in such applications and take
10 all necessary actions to accept the
11 grants, all under certain terms and
12 conditions.

13 And Resolution No. 070405, a
14 resolution approving the Annual Program
15 Statement and Budget for the
16 expenditure of the Neighborhood
17 Transformation Initiative (NTI) bond
18 proceeds for Fiscal Year 2008.

19 (Witnesses come forward.)

20 COUNCILWOMAN BLACKWELL: Thank
21 you very much.

22 The Chair notes that we have
23 many people, those as well as members
24 of the union, many employees present
25 and past who are here. We thank you

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 all for coming.

3 We know we've had a long haul,
4 and we regret those who have -- I'm
5 sure Miss Pankey will deal with the
6 issue -- those who are unemployed I see
7 Mr. Wills sitting in front of us, and
8 we thank you all for your continued
9 interest and sacrifice over hard times
10 and long days to this whole issue of
11 housing reorganization.

12 Good afternoon, Miss Pankey,
13 President, Local 1971. Thank you for
14 being here, and we're glad to see that
15 you're well. Haven't seen you in a
16 while.

17 MS. PANKEY: Thank you. Good
18 afternoon, Councilwoman Blackwell,
19 members of the Finance Committee, and
20 attendees.

21 COUNCILWOMAN BLACKWELL: Good
22 afternoon.

23 MS. PANKEY: And my name is
24 Veronica M. Pankey, President of AFSCME
25 Local 1971, District Council 33,

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 AFL-CIO. And this is our Vice

3 President, Matthew J. Foster.

4 We are here today speaking
5 with regard to the Year 33 proposed
6 consolidated plan and appealing to this
7 committee and members of City Council
8 to not support said plan as presented
9 by the Office of Housing and Community
10 Development, known as OHCD.

11 Permit me to introduce to the
12 members of this committee the work
13 performed by AFSCME Local 1971 left
14 union members and the agencies for
15 which we work: The Redevelopment
16 Authority of the City of Philadelphia,
17 known as RDA; the Philadelphia Housing
18 Development Corporation, known as PHDC;
19 and the Office of Housing and Community
20 Development, known as OHCD.

21 The Redevelopment Authority
22 coordinates real-estate activity, and
23 it acquires and disposes of properties
24 for development purposes. It finances
25 and oversees the development of housing

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 and rental projects undertaken by
3 nonprofit and for-profit developers.

4 It also issues debts to
5 finance-specific projects and for
6 programmatic purposes such as
7 low-interest home-improvement loans.

8 The Redevelopment Authority
9 is, by State law, the only body in
10 Philadelphia that can issue housing
11 bonds and acquire land through eminent
12 domain for the public good.

13 PHDC administers the
14 weatherization and basic system repair
15 programs and oversees the
16 rehabilitation services performed by
17 contractors to income-eligible
18 occupants.

19 PHDC acts as developer for
20 project, as directed by OHCD, and is
21 responsible for the Home Ownership
22 Rehabilitation, known as HRP, and is
23 the Home Start Program, which involves
24 the rehabilitation of homes for sale to
25 income-eligible first-time home buyers.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 It administers the adaptive
3 modification program to eligible
4 disabled citizens to afford them safe
5 mobility throughout their home.

6 It also manages and maintains
7 a few low- to moderate-income scattered
8 sites rental properties.

9 OHCD is responsible for
10 establishing housing and developing
11 community development policy for the
12 entire city housing agencies, setting
13 priorities and coordinating planning
14 efforts.

15 It administers the housing
16 budget and contracts with the
17 Redevelopment Authority, PHDC, the
18 Philadelphia Housing Authority, as well
19 as subrecipient nonprofit organizations
20 to conduct planning activities and
21 perform service and support of the
22 overall housing plan.

23 As a result of the housing
24 organization of 2006 in which 69 of our
25 members were laid off, OHCD is

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 allegedly planning to broaden their
3 responsibilities by conducting
4 real-estate transactions currently
5 performed by the Redevelopment
6 Authority under the Philadelphia Code
7 Chapter 16-400, known as "vacant and
8 surplus properties."

9 Currently, a Vacant Property
10 Review Committee advises the Commission
11 of public property on the acceptance
12 and disposition of City-owned
13 properties. Currently, in accordance
14 with Section 16-406 of the Philadelphia
15 Code, the Redevelopment Authority
16 disposes of properties. OHCD's ability
17 to acquire this authority remains to be
18 seen.

19 On May 14, 2007, AFSCME Local
20 1971 received from OHCD the Year 33
21 Proposed Consolidated Plan. The
22 budget, as presented, clearly depicted
23 not only a decrease in allocation of
24 CDBG and other funding resources, but
25 also an unrealistic projection of

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 program income to be raised during the
3 operating year July 1, 2007 through
4 June 30, 2008.

5 It is proposed that note only
6 is PHDC's entitlement of \$143,000 less
7 from overall funding sources, but they
8 are expected to generate an additional
9 \$1.2 million in program income over
10 Year 32; RDA, \$676,000 less and produce
11 an additional \$2.8 million in program
12 income over Year 32; and OHCD,
13 \$1.35 million less from their overall
14 funding sources.

15 What is unrealistic regarding
16 programming income is, PHDC's primary
17 source of generating such income is
18 through the sale of its real estate
19 inventory. Given its real estate
20 department was dissolved with the 2006
21 layoffs and 30 of our union members and
22 the implementation of a bogus housing
23 reorganization, the only employed
24 qualified staff are no longer available
25 to market PHCD's inventory.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Additionally, as it currently
3 stands, those structures, which will be
4 classified as prime, are being given to
5 CDCs and other nonprofit entities for
6 nominal consideration at the directive
7 of this administration, as such leaving
8 PHDC with little to nothing to sell at
9 market rate, impeding its ability to
10 generate the substantial monies for
11 program income.

12 The Redevelopment Authority
13 primarily generates its program income
14 through the sales of its assets. This
15 has occurred over the past five years
16 to assist in sustaining not only
17 themselves but also shortfalls of PHDC
18 and OHCD, as was the case in 2003 to
19 avoid layoffs.

20 Should such requirements or
21 directives continue to be mandated, it
22 is clear that in the not-so-distant
23 future, there will be major financial
24 woes for the Redevelopment Authority.

25 OHCD has nothing, owns

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 nothing; therefore, does not have the
3 ability to earn program income, waits
4 in the winds, raking in the efforts of
5 PHDC and RDA. And as a thanks, we get
6 laid off, reorganized, no respect, no
7 recognition, no labor agreement, and no
8 cost-of-living increase.

9 (Applause.)

10 MS. PANKEY: It is time for
11 this administration to be held
12 accountable for the decisions they make
13 and the projections they forecast.
14 Over the past five years, substantial
15 budget deficits have been dealt to the
16 housing industry, and these agencies
17 have been direct targets; in
18 particular, labor has been the
19 outsourse of resolving these deficits.
20 Time and again, layoffs and staff
21 reduction results in decreased
22 productivity.

23 However, this administration's
24 annual completion projection for each
25 program was increased over the previous

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 years with less staff to perform. In
3 2004, we were issued 28 layoffs; in
4 2006, 70 layoffs, 16 early retirements,
5 and a bogus housing reorganization.

6 The desire of this
7 administration to achieve a savings for
8 which we have not been made aware of
9 the amount and to become more effective
10 and efficient, which, at this time, is
11 worse, has left these agencies in
12 shambles. There has been at least
13 seven housing reorganizations in the
14 past 32 years, and never has any been
15 as unorganized, disruptive,
16 non-productive, and unnecessary as
17 this.

18 (Applause.)

19 MS. PANKEY: The deficits the
20 housing industry continues to face
21 should not be resolved on the backs of
22 labor. It is the responsibility of
23 this administration to find and supply
24 a realistic source to the budgetary
25 woes of PHDC, OHCD, and the

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Redevelopment Authority. The
3 administration has the resources
4 available, and that is the General
5 Fund.

6 At July 1, 2006, AFSCME Local
7 1971 watched the surplus of the General
8 Fund grow, and not one penny was
9 allocated to meet the shortfall of the
10 \$7.3 million deficit. This
11 administration, rather, laid off 70
12 employees.

13 A view across the nation shows
14 that other large municipalities facing
15 the very same deficits obtain
16 assistance from their general fund. It
17 is the position of Local 1971 that if
18 such action is not permissible by City
19 Charter, that the necessary steps be
20 taken in order that monies be committed
21 to the annual CDBG budget beginning
22 with operating year July 1, 2007.

23 While this administration to
24 date has not given a definitive answer
25 as to whether they are proposing

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 reductions in the current staffing
3 level at the three housing agencies, it
4 is the opinion and position of AFSCME
5 Local 1971 that not one body can be
6 afford to be lost specifically at PHDC
7 and the Redevelopment Authority, and we
8 look forward to the additional 11 new
9 hires committed as a result of the
10 transfer ordinance.

11 People are needed to make the
12 housing and blight elimination programs
13 function. The current housing agencies
14 have been understaffed for years, and
15 despite what some efficient experts
16 with no housing experience may think,
17 we cannot get more work in this field
18 out of fewer workers; there is a point
19 of diminishing returns.

20 AFSCME Local 1971 is extremely
21 concerned about the employees we
22 represent. We are exceedingly
23 apprehensive about the future
24 employment and working conditions of
25 our union members.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 We come before this committee,
3 requesting assistance, and obtaining a
4 commitment of fair treatment of
5 employees by the City administration
6 not only to finding other resources to
7 offset the budget deficits but
8 obtaining a fair contract.

9 Their claim that it wants to
10 work cooperatively with Local 1971 and
11 to assure fair treatment of employees
12 does not clearly demonstrate said
13 desire. The evasive response to
14 layoffs for Fiscal Year '08 and the
15 numerous concessions regarding our
16 contracts remain on the table, and no
17 cost-of-living increase is being
18 offered after three years of production
19 rendered.

20 Local 1971 reiterates our
21 desire to meet with the City
22 administration to assume negotiation
23 sessions and obtain a fair contract.

24 Madam Chairwoman and members
25 of the committee, on behalf of the

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 membership of Local 1971, I
3 respectfully ask City Council not to
4 approve this Year 33 proposed
5 consolidated plan as presented; but
6 rather, charge this administration to
7 take the necessary steps to committing
8 General Fund dollars to meet all, if
9 not some portion, of this all and CDBG
10 budgets presented for approval.

11 We of Local 1971 District
12 Council 33 thank you, Madam Chairwoman
13 and the committees in City Council for
14 your support.

15 (Applause.)

16 COUNCILWOMAN BLACKWELL: Thank
17 you, Miss Pankey and Mr. Foster.

18 Let me say that we will ask
19 Mr. Hanna to be prepared when he comes
20 forward to respond to some of the
21 issues mentioned and to let the
22 committee know, given this housing
23 reorg and all of the battles and the
24 myriad hearings we've had in the past,
25 how we are made better, how the

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 departments are working now, given the
3 employment levels, and how housing
4 production is now faring with -- given
5 the housing reorganization.

6 So we'll let you prepare to
7 respond to those questions.

8 If it is okay with the
9 committee, unless there are some
10 questions for Miss Pankey and
11 Mr. Foster, thank you very much.

12 MS. PANKEY: Thank you.

13 COUNCILWOMAN BLACKWELL: We're
14 going to ask Rick Sauer, Executive
15 Director of Philadelphia Association of
16 CDCs to come forward.

17 (Witness comes forward.)

18 COUNCILWOMAN BLACKWELL: Thank
19 you very much. Thank you all for your
20 patience.

21 Good afternoon.

22 MR. SAUER: Good afternoon,
23 Chairwoman Blackwell and members of
24 Council.

25 COUNCILWOMAN BLACKWELL:

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Excuse me one moment. I neglected to
3 mention the presence of Juan Ramos, so
4 all who are on the committee are
5 present.

6 Thank you.

7 MR. SAUER: Thanks. As I
8 mentioned, my name is Rick Sauer, and
9 I'm the Executive Director of the
10 Philadelphia Association of Community
11 Development Corporations. And as I
12 think you all know, we're a citywide of
13 CDCs and other housing and economic
14 development work throughout the City.

15 I'm going to keep my comments
16 brief today, and there's three points
17 in particular that I wanted to focus
18 on.

19 The first is around affordable
20 housing; in particular, the need to if
21 identify increased dedicated funding
22 for the Philadelphia Housing Trust
23 Fund. The trust fund's been
24 operational now for about a
25 year-and-a-half.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 We've had a good track record
3 of getting some funds out in the
4 streets, but what we're seeing, which I
5 think we already knew, is that the
6 demand for those resources are way
7 beyond what is available. As the price
8 of buying a home in Philadelphia has
9 gone up, as the cost of renting an
10 apartment has gone up, there are more
11 and more folks in need of adequate
12 affordable housing.

13 And this last request for
14 proposals that the City issued to build
15 new homes, they got in about three
16 times as many requests for funds as
17 what they actually had budgeted to make
18 available through that RFP --
19 19 million for about 16.7 million
20 available. And while they did
21 forward-commit some additional funds,
22 that's not going to be a solution in
23 the longer term.

24 So there's a number of
25 possible dedicated funding sources that

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 are out there that could be tapped
3 into. The Housing Trust Fund Oversight
4 Board is actually starting to give
5 thought to this issue as well, and we
6 would look to work with City Council to
7 identify appropriate sources that can
8 expand funding for the trust fund and
9 enable the City to better address its
10 affordable housing needs.

11 Second is around neighbor
12 economic development. We're certainly
13 supportive of the effort to pass the
14 bond funds to implement the Restore
15 Philadelphia Commercial Corridor
16 Initiative. Commercial corridors
17 provide a critical role in our
18 neighborhoods, not only to provide
19 local access to goods and services and
20 jobs, but they're the focal point; you
21 know, sorts of the heart of many
22 neighborhoods. And, unfortunately,
23 through the last couple decades, we've
24 seen a lot of these corridors decline
25 dramatically.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 So the infusion of the funds
3 that City Council has approved will
4 provide a big boost. Most of those
5 dollars are sort of capital-oriented,
6 doing streetscape improvements, things
7 like that, which is very important.

8 At the same time, we also know
9 that it's important to have an entity
10 on the ground that can sort of manage
11 the process of improving commercial
12 corridors, so it would be the
13 facilitator or the coordinator of that
14 effort.

15 Many CDCs play that role as
16 well as other organizations, and it's
17 critical that there's also adequate
18 operating support to carry out those
19 myriad of activities that they're
20 involved in if those revitalization
21 efforts are going to be successful.

22 So we certainly support the
23 implementation of the bond ordinance,
24 but we need to identify and ensure
25 there's adequate operating support for

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 those groups as well, whether it's
3 through the CDC tax credit program that
4 Councilman Goode has been the
5 leadership on before or whether it's
6 more CDBG funds or whatever the source,
7 we know that's important.

8 Also, another critical issue
9 around commercial corridor
10 revitalization -- and it ties into the
11 larger issue of safety and crime
12 prevention in these neighborhoods -- is
13 the whole issue of pedestrian-friendly
14 lighting. There has not been strong
15 support from the Streets Department in
16 the past to put in more -- instead of
17 the high street lights, the more
18 pedestrian-oriented light to make our
19 sidewalks and streets safer and more
20 secure.

21 Many groups are now tapping
22 into funds elsewhere, whether from the
23 State or from other sources that
24 require a local match, and more groups
25 are looking to implement the strategy

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 on a targeted commercial corridor
3 basis.

4 So we need the support from
5 City Council to work with the
6 administration to get a good strategy
7 in place to make sure that we can
8 address this issue more effectively.

9 And the final issue that I
10 wanted to focus on is around property
11 acquisition and disposition.

12 We know, with NTI, there was a
13 fairly substantial push to acquire
14 properties, vacant properties,
15 throughout the City. I think the City
16 committed to acquiring over 6,000 such
17 parcels, a number of those parcels have
18 been acquired for projects that are
19 already going forward. A number of
20 other properties that have been
21 committed to are still sort of stuck in
22 the pipeline, and there are numerous
23 reasons for that, we all know.

24 But if we're going to be
25 successful in actually redeveloping

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 these vacant properties and moving some
3 projects forward, we need to expedite
4 that process a little bit quicker.

5 So we know that this has been
6 an ongoing issue. Again, we're looking
7 to work with City Council to figure out
8 ways that we can better address this --
9 both the process issue but also the
10 funding issue, because while each
11 Council District had their own
12 allocation of funds for acquisition and
13 the City had another pool of funds
14 available on a citywide basis to
15 acquire property, as we all know, I
16 think those funds are pretty much
17 committed and expended.

18 And while there's a slight bit
19 more NTI money, I think, for
20 acquisition in Logan Triangle for the
21 upcoming year, pretty much all of the
22 acquisition funds are tapped out, so
23 the real question becomes: How do we
24 support that critical activity as we
25 move forward? 'Cause, as we know, if

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 we don't have land, if we don't have
3 property, you can't build on it, and
4 that's a key to the success of turning
5 many of these neighborhoods around.

6 So I want to thank City
7 Council for their past support of
8 housing and economic-development
9 efforts, and we look forward to working
10 with you in the future to address these
11 key issues.

12 COUNCILWOMAN BLACKWELL: Thank
13 you very much.

14 Any questions for Mr. Sauer?
15 (No questions.)

16 COUNCILWOMAN BLACKWELL: Thank
17 you.

18 Bernard Hawkins, Executive
19 Director of PNHS, Philadelphia
20 Neighborhood Housing Services.

21 (Witness comes forward.)

22 COUNCILWOMAN BLACKWELL: Good
23 afternoon. Thank you.

24 MR. HAWKINS: Good afternoon.
25 Philadelphia Neighborhood

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Housing Services, PNHS, is one of the
3 leading providers of services to
4 low-income homeowners in the City of
5 Philadelphia. Annually, through our
6 contract with OHCD, PNHS provides
7 low-income homeowners in our targeted
8 neighborhoods and on targeted blocks
9 with financial services and resources
10 needed to maintain and improve their
11 homes.

12 PNHS's menu of service
13 includes exterior facade treatment
14 programs, in which qualified homeowners
15 can receive subsidies for sidewalk and
16 step replacement work; porch repairs;
17 window and door replacement; roof
18 repair; and new heating systems.

19 These services improve the
20 appearance of the community and the
21 residents' quality of life.

22 PHNS leverages public funds
23 with homeowner reinvestment. With our
24 programs and services, homeowners are
25 required to pay a minimum of 20 percent

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 of the cost of their improvements. In
3 addition, PNHS provides loans for home
4 improvements through our Revolving Loan
5 Fund and also through referrals to
6 reputable conventional lending
7 institutions.

8 PNHS maintains partnerships
9 with several banks in the City: PNC
10 Bank, Commerce, Citizens, Beneficial,
11 Wachovia, Nova, Sovereign, TD Bank
12 North, and M&T Bank.

13 These private institutions
14 support PNHS's preservation and
15 revitalization in west and southwest
16 Philadelphia, providing programming
17 support and access to capital.

18 Another PHNS partner is State
19 Farm Insurance Company, which supports
20 PHNS activities by providing funding
21 for our major systems repair program.
22 Providing subsidies to low-income
23 homeowners for plumbing, heating
24 electrical, and roofing repairs.

25 This private support allows

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 PHNS to deliver our services at a
3 minimum cost to the homeowners while
4 leveraging significant private
5 investment.

6 Over the past three years,
7 federal budget cuts and other factors
8 have resulted in funding cuts to PHNS
9 which have dramatically our ability to
10 continue to provide valuable and needed
11 services to low-income homeowners, who
12 would likely defer maintenance on these
13 repairs, become victims of predatory
14 lenders and contractors, or just
15 continue to live in substandard
16 conditions that could potentially
17 present a risk to their health and
18 safety while also becoming a blight on
19 the neighborhood.

20 The City of Philadelphia has
21 made great strides in recent years,
22 developing in new programs and
23 financial resources to help those in
24 need. We commend the City for these
25 efforts. We, however, implore you not

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 to forsake a program that has
3 consistently been working for well over
4 30 years.

5 The current Year 33 plan calls
6 for PHNS to receive 150,000 in the
7 convenient improvements and model block
8 program delivery funds. This number
9 represents a reduction of
10 (indiscernible) be reconsidered and
11 that 50,000 of the reduced funds be
12 restored.

13 In Fiscal Year 2008,
14 Philadelphia Neighborhood Housing
15 Services will deliver community
16 improvements and model block program
17 services in the Cobbs Creek, Morris
18 Park, and East Parkside neighborhoods
19 of West Philadelphia.

20 PHNS has demonstrated the
21 capacity to deliver these services.
22 Under our current contract, PHNS has
23 committed all but \$3700 of the 215,000
24 that was made available to us. Over
25 \$126,000 in improvements have already

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 been completed. Another 149 in
3 improvements are under contract. This
4 work has leveraged \$75,000 in homeowner
5 reinvestment.

6 This program is working now
7 and will continue to work for years as
8 long as their funding is continued.

9 I want to thank you for your
10 time and attention, and I'll answer any
11 questions.

12 COUNCILWOMAN BLACKWELL: Thank
13 you very much. A very important
14 program.

15 Councilwoman Reynolds-Brown.

16 COUNCILWOMAN REYNOLDS-BROWN:
17 Thank you.

18 Good afternoon.

19 MR. HAWKINS: Good afternoon.

20 COUNCILWOMAN REYNOLDS-BROWN:
21 Where's Morris Park?

22 MR. HAWKINS: It's in the area
23 from Market Street north to about
24 Landsdowne Avenue and above 63rd.

25 COUNCILWOMAN REYNOLDS-BROWN:

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Over the past 30 years, have the
3 boundaries changed at all?

4 MR. HAWKINS: Excuse me?

5 COUNCILWOMAN REYNOLDS-BROWN:

6 Have the boundaries of your program
7 changed at all?

8 MR. HAWKINS: Yes. Our
9 program originally started in the
10 Frankford neighborhood. We've also
11 operated in Fern Rock Ogontz Bellfield,
12 Allegheny West, and other
13 neighborhoods, Carol Park and Overbrook
14 in West Philadelphia.

15 Our model block program has
16 serviced other neighborhoods. It
17 originally was funded by the William
18 Penn Foundation. There we worked with
19 other community groups such as
20 (indiscernible), WCRP, Francisville
21 CDC, Allegheny West, and several other
22 organizations, Fern Rock Ogontz
23 Bellfield Community Development
24 Corporation, PEC.

25 So we've worked with a number

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 of other organizations in delivering
3 our programs and services to the
4 specific targeted blocks.

5 COUNCILWOMAN REYNOLDS-BROWN:
6 And so how do these organizations that
7 you just mentioned ultimately end up in
8 the mix of beneficiaries of your
9 program?

10 MR. HAWKINS: They target
11 blocks for the program services, they
12 facilitate our relationships with the
13 residents in the community, and our
14 program, we deliver the actual services
15 to the representatives there.

16 COUNCILWOMAN REYNOLDS-BROWN:
17 And approximately how many would you
18 say families are served or blocks are
19 served? What's the records of
20 performance over the last couple of
21 years?

22 MR. HAWKINS: In the last few
23 years, we probably have varied
24 somewhere in the neighborhood of about
25 75 to 100 families being served each

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 year.

3 In terms of blocks, you might
4 be looking at about a dozen blocks.
5 Although we don't restrict some of our
6 services to specific blocks, we will
7 service people who have needs for roof
8 repair and heating systems anywhere in
9 the targeted area.

10 COUNCILWOMAN REYNOLDS-BROWN:
11 And so with this proposed reduction,
12 what would be the impact?

13 MR. HAWKINS: The impact for
14 us would that be many of the people
15 who've already applied for services
16 under our program will not be served;
17 we won't have enough resources to serve
18 them.

19 COUNCILWOMAN REYNOLDS-BROWN:
20 Which is, in many ways, typical that
21 the need is always greater and stronger
22 than the available resources.

23 MR. HAWKINS: That's true.

24 COUNCILWOMAN REYNOLDS-BROWN:
25 So are these new families, or is it a

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 practice to have repeat service to
3 families?

4 MR. HAWKINS: We generally try
5 to move on. We encourage families that
6 participate in our program to take full
7 advantage of all of the services that
8 are needed that are available to them
9 in a one-shot deal. Frequently,
10 because of their contribution
11 requirements, they're not able to do
12 that.

13 So people will, you know, have
14 some work done one year and then
15 attempt to come back in another year to
16 have other work done. We discourage
17 it. We encourage them to take out a
18 loan if they need to to leverage all of
19 the investment that's, you know,
20 available to them at one shot. It
21 doesn't always happen.

22 Some of them are repeaters.
23 Many of them are new home openers.
24 We'll just be targeting the East
25 Parkside area. That will be the first

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 year for the residents of three blocks
3 in East Parkside.

4 COUNCILWOMAN REYNOLDS-BROWN:
5 Any partnering with -- I believe it's
6 East Parkside CDC?

7 MR. HAWKINS: East Parkside
8 Community Revitalization Corporation?

9 COUNCILWOMAN REYNOLDS-BROWN:
10 Yes.

11 MR. HAWKINS: Yes. We'll be
12 working on three blocks in their
13 area -- the 4200 block of Stiles, the
14 4200 block of Viola, and the 3800 block
15 of popular.

16 COUNCILWOMAN REYNOLDS-BROWN:
17 Thank you for your testimony.

18 MR. HAWKINS: Thank you.

19 COUNCILWOMAN REYNOLDS-BROWN:
20 Thank you, Madam Chair.

21 COUNCILWOMAN BLACKWELL:
22 You're welcome.

23 Councilman Greenlee?

24 COUNCILMAN GREENLEE: Thank
25 you, Madam Chair.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 As a follow-up to Councilwoman
3 Reynolds-Brown's question, with this
4 proposed \$65,000 cut, have you
5 determined, if that indeed happens, how
6 you're going to decide which -- how you
7 deal with that less money? In other
8 words, what criteria you're going to
9 use? Are you just going to cut down on
10 the number? is the criteria going to be
11 different? That kind of thing.

12 MR. HAWKINS: What we do, we
13 have targeted blocks that we've made
14 commitments to and also targeted
15 neighborhoods. We serve people on a
16 first-come-first-served basis.

17 So these people who come in
18 with their share of the project costs
19 that are ready to execute their
20 contracts, they're the ones who get
21 served most immediately.

22 On occasions where people have
23 made service requests that we have not
24 been able to address in the current
25 contract year, we will extend our

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 services to that block for an
3 additional year or more.

4 COUNCILMAN GREENLEE: So the
5 ones you've already had contact some
6 with, you'll try to deal with first.

7 MR. HAWKINS: Yes.

8 COUNCILMAN GREENLEE: Okay.
9 Thank you.

10 Thank you, Madam Chair.

11 COUNCILWOMAN BLACKWELL: Thank
12 you very much.

13 Are there any further
14 questions?

15 (No further questions.)

16 COUNCILWOMAN BLACKWELL: Thank
17 you, Mr. Hawkins. Good program. We
18 just need more of you.

19 MR. HAWKINS: Thank you.

20 COUNCILWOMAN BLACKWELL:
21 Mr. John Rowe, Executive Director
22 Utility Emergencies Services Fund.

23 (Witness comes forward.)

24 COUNCILWOMAN BLACKWELL: Good
25 afternoon.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 MR. ROWE: Good afternoon,
3 Madam Chairwoman. Thank you for the
4 opportunity to speak today.

5 COUNCILWOMAN BLACKWELL:
6 Certainly.

7 MR. ROWE: On behalf of our
8 board, our staff, and the families that
9 we serve and myself, I extend our
10 appreciation to the Philadelphia City
11 Council and the Office of Housing and
12 Community Development for the support
13 provided to UESF.

14 Year 33 will be the 25th year
15 that City Council and OHCD have
16 continued to recognize the direct link
17 between the energy and housing needs of
18 low-income families. The support
19 provided to you UESF through the
20 Community Development Block Grant has
21 played a major role in our ability to
22 take a preventive approach to the
23 problems of housing abandonment and
24 homeless necessary.

25 UESF has had an outstanding

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 record of service to the Philadelphia
3 community. We leverage every dollar
4 received from contributions with a
5 dollar-for-dollar match from our three
6 participating utility companies. In
7 addition, PECO Energy, PGW, and the
8 Philadelphia Water Department pay
9 UESF's administrative costs.

10 Since 1983, UESF has assisted
11 almost 130,000 families not only to
12 settle their utility bills but to
13 achieve a new start. Last year, we
14 assisted almost 4,000 families with
15 over \$1.7 million of grants and utility
16 credits.

17 UESF is a year-round program.
18 We are the last resort for many during
19 the non-heating months of the year.

20 UESF provides financial
21 assistance to families to pay utility
22 bills, but UESF is not merely an income
23 supplement program; our goal is
24 self-sufficiency and independence. We
25 are about solving the problem, not just

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 managing the problem.

3 UESF assists only those who
4 are shut off or who are in imminent
5 danger of being shutoff. Participation
6 in the program requires that families
7 completely settle utility bills,
8 resulting in a zero balance.

9 Our maximum grant is \$500,
10 which is made up of \$250 in
11 contributions and \$250 in
12 utility-matched bill credits. If the
13 bill is higher, to make up the
14 difference, participants must seek help
15 from other programs and pay the
16 remaining balance themselves. Last
17 year, the almost 4,000 families paid
18 remaining balances, totaling over
19 \$123,000.

20 UESF works to strengthen the
21 process by which families gain access
22 to energy and energy-related
23 self-sufficiency services. Our
24 strategy is to leverage the many
25 services already available at the

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 community-based level.

3 Our intake sites are a part of
4 the larger nonprofit community
5 organizations that provide various
6 energy services such as LIHEAP, Crisis,
7 Intake for Weatherization, Water
8 Conservation, Energy Counseling,
9 Weatherization Workshops, and referrals
10 to utility universal-service programs.

11 In addition to energy
12 services, our intake sites provide many
13 other needed stabilization services
14 such as: Tenant counseling; default
15 delinquency counseling; homeowner
16 emergency mortgage assistance programs;
17 anti-predatory lending; food, clothing
18 and furniture assistance; individual
19 development accounts; and workforce
20 development.

21 Families do not come back year
22 after year; they must wait two years to
23 receive our services again. Over the
24 last five years, 73 percent of the
25 families we served have not returned

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 for additional assistance.

3 If we factor out those who are
4 not permitted to return yet for the
5 past two years, over 10,000 families
6 remain independent and self-sufficient
7 from UESF services at least for five
8 years.

9 Every year since 1938, we have
10 chosen to be audited by top-tier
11 accounting firms. The audits have all
12 been excellent, with no findings of
13 material noncompliance, and we have
14 never had any of our costs questioned.
15 There has never been a negative finding
16 in our 24-year history.

17 We have all seen that the cost
18 of utility service can go up
19 drastically, almost without warning.
20 We have all experienced firsthand the
21 rising cost of utility service. We all
22 know firsthand how difficult it can be
23 to pay our own utility bills.

24 According to a study performed
25 by the Energy Coordinating Agency, from

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 1999 to 2006, the average low-income
3 family's utility costs in Philadelphia
4 rose by 71 percent -- from \$2300 a year
5 to over \$4100 a year.

6 The average family that we
7 serve is made up of one female adult
8 with between one and two children.
9 Thirty percent of the families we serve
10 derive income from employment. The
11 average annual income of these families
12 is \$10,900.

13 Families are struggling to
14 exist financially and struggling to
15 reach some level of self-sufficiency.
16 Seven years ago, a low-income family
17 paid 28 percent of its income for
18 utilities; today, that same family pays
19 38 percent of its income.

20 By way of a brief example: If
21 a family is paying \$340 a month for
22 gas, oil, water, electric, \$450 a month
23 for rent or mortgage, what is left for
24 everything else -- for clothing,
25 transportation, food, telephone, child

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 care, taxes, Nyquil for a sick child --
3 is \$27 per week for the family. That's
4 about a dollar and a half per day for
5 each family member.

6 If utility and housing costs
7 go up by 25 percent, the arithmetic
8 would say that there would be nothing
9 left for anything else. Natural gas
10 prices have quadrupled, oil prices have
11 doubled, we are at war in the
12 oil-producing region of the Middle
13 East, electricity rates are directly
14 affected by the natural gas and oil
15 used to generate electricity.

16 Sub prime lending practices by
17 mortgage institutions have caused
18 housing payments to skyrocket and a
19 record number of foreclosures.

20 The problem is large. We see
21 no outlook for price relief.
22 Low-income families, moderate-income
23 families, middle-income families are
24 awe experiencing greater difficulty in
25 meeting utility and housing costs.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 People suffer physically from the loss
3 of utility service. More seniors die
4 from the summer from the effects of
5 heat and during the cold winter months.
6 The very young and the very old are
7 greatly affected by low temperatures.

8 The Medical Legal Partnership
9 for Children recently released its
10 child health impact assessment,
11 studying the longer-term effects of
12 unmanageable utility costs.

13 Number one. Since utility
14 costs represent such a high percentage
15 of a low-income family budget, families
16 must choose to heat or eat; and even
17 more appalling, to heat or adequately
18 feed their children.

19 The study clearly demonstrates
20 that choosing to pay for energy costs
21 over food has dire consequences for
22 children: malnutrition, leading to
23 increased illness; poor growth;
24 cognitive and developmental deficits,
25 leading poor school attendance and poor

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 performance.

3 Number two. When alternative
4 heating sources are used such as space
5 heaters and stove burners, children are
6 especially susceptible to contact
7 burns, the long-term effects of carbon
8 monoxide poisoning, and, of course,
9 fires.

10 And, lastly, as utility costs
11 consume more of a family's budget,
12 families are more likely to live in
13 substandard housing. The children,
14 again, are greatly affected by this.
15 Substandard housing along with the
16 associated rodent infestation, mold,
17 water leaks, lead poisoning produce the
18 long-term effects of increased asthma,
19 increased risk of diarrhea, cognitive
20 and developmental deficits and
21 respiratory conditions.

22 Overall, the child health
23 impact assessment stated that the
24 effects of not managing high utility
25 costs caused in children mental and

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 physical problems, depression, anxiety,
3 and behavioral disorders.

4 UESF has experienced a decline
5 in utility-customer contributions.
6 They've represented about 50 percent of
7 our budget, our budget about seven
8 years ago, but it has decreased to
9 about 10 percent now. We have made up
10 about 50 percent of the losses in
11 customer contributions by intensifying
12 our fundraising efforts.

13 With the increase in utility
14 costs and the decrease in funding, the
15 need for our services is increasingly
16 vital. Our income limit is 175 percent
17 of the poverty level. At that level,
18 about 220,000 Philadelphia families
19 could qualify for our services. We
20 could serve those families if we had
21 the resources.

22 And if not, utility shutoffs
23 will increase, homelessness will
24 increase -- homelessness is directly
25 related to utility terminations,

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 neighborhoods will deteriorate with
3 increasing housing abandonment.

4 A recent study showed that in
5 Philadelphia, after termination of
6 electric service, 32 percent were
7 abandoned within one year, 22 percent
8 after termination of gas service.

9 UESF currently receives
10 \$525,000 in OHCD funds. UESF has been
11 funded at this constant level since
12 1993. When this amount is matched with
13 utility-bill credits, we are able to
14 assist 2,400 Philadelphia families.

15 We have agreements with PECO
16 Energy, the Philadelphia Water
17 Department, and the Philadelphia Gas
18 Works for them to provide \$2.5 million
19 in utility bill credits to use as a
20 match for the funds which we raise from
21 many different sources, including OHCD
22 funds.

23 Unfortunately, UESF is
24 underutilizing these available credits
25 by \$1.5 million due to a lack of

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 funding. UESF is requesting that OHCD
3 increase its funding to UESF so that we
4 can maximize the available matched so
5 that we can serve those who are in
6 need. For every \$1,000 increase, UESF
7 can help four families get a fresh
8 start.

9 We respectfully request an
10 increase of \$300,000. With that
11 increase, we would be able to leverage
12 an additional \$300,000, and we would be
13 able to assist an additional 1,400
14 families, a great many of whom may
15 never come back for service because
16 they will no longer need UESF.

17 I thank you for the
18 opportunity to submit this testimony.

19 COUNCILWOMAN BLACKWELL: Thank
20 you very much.

21 Are there any questions?

22 COUNCILWOMAN REYNOLDS-BROWN:
23 Yes, ma'am.

24 COUNCILWOMAN BLACKWELL:
25 Councilwoman Reynolds-Brown?

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 COUNCILWOMAN REYNOLDS-BROWN:

3 Good afternoon.

4 MR. ROWE: Good afternoon.

5 COUNCILWOMAN REYNOLDS-BROWN:

6 Let me first thank you for very your
7 compelling testimony.

8 MR. ROWE: Thank you.

9 COUNCILWOMAN REYNOLDS-BROWN:

10 Has your funding remained constant
11 since the inception, which, you say,
12 was 1993?

13 MR. ROWE: Well, we've seen a
14 drastic reduction in the contributions
15 from the utility customers. There's a
16 little chart on Page 7 where back in
17 1997, for example, the amount of -- at
18 the bottom of the page, the amount of
19 contributions that we received from
20 utility customers was in the
21 neighborhood of \$325,000 a year.

22 As you see the downward slope
23 of that, this year, it's in the
24 neighborhood of around \$70,000, less
25 than a quarter of what it used to be.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 There's been a dramatic decrease from
3 contributions by the common utility
4 customer.

5 I'm sure there's a lot of
6 reasons for it. There's a lot of other
7 national emergencies that have happened
8 where we have lost contributors and
9 they've never come back. And also,
10 customers are experiencing their own
11 problems with utility bills.

12 COUNCILWOMAN REYNOLDS-BROWN:

13 Mm-hmm.

14 MR. ROWE: That's what I think
15 What I know is, it has decreased,
16 though, like that.

17 COUNCILWOMAN REYNOLDS-BROWN:

18 You mentioned on Page 2 of your
19 testimony a number of the partnerships
20 you enjoy with others who are trying to
21 make a difference for these families.
22 On Page 4, you talk about the senior
23 citizen community. What is the nature
24 of the relationship with PCA,
25 Philadelphia Corporation for Aging.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 MR. ROWE: We have a real
3 strong proprietorship with PCA. I'm a
4 member of their group that comes up
5 with the programs for the elderly. A
6 representative of PCA is on our board
7 also.

8 COUNCILWOMAN REYNOLDS-BROWN:
9 So, are they one of the entities that
10 assist with this leveraging you talked
11 about earlier in your testimony?

12 MR. ROWE: In terms of the
13 social services? We go more for the
14 community-based organizations. I
15 believe on the copy of the testimony
16 that you have, on the back of it is a
17 map.

18 COUNCILWOMAN REYNOLDS-BROWN:
19 Yes, I see it.

20 MR. ROWE: And what we do is,
21 these organizations have been serving
22 UESF for the past at least three years.
23 I'm new as the executive director; I've
24 been around for about two-and-a-half
25 months.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 And we try to -- we put one
3 group in as an emergency basis out in
4 the Strawberry Mansion area because we
5 weren't covered geographically. We're
6 not covered in the Germantown area, and
7 we lost a site there. We will have an
8 RFP that will go out to make sure that
9 we adequately cover the entire city.

10 We tend to go for the
11 community-based organizations that have
12 roots in the community. PCA is not one
13 of those, but some of the intakes sites
14 for PCA are shared by us; I don't know
15 which ones, but they are.

16 COUNCILWOMAN REYNOLDS-BROWN:
17 Okay. Do you seek any foundation
18 support at all?

19 MR. ROWE: We have had support
20 from two foundations in the past two
21 years -- the Philadelphia Foundation
22 and the William Penn Foundation.

23 We've put together an active
24 fundraising plan where we will go after
25 more foundation support and we'll go

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 after some of the corporate community.
3 We have a database of individual donors
4 who did contribute at the \$70,000
5 level, and we will solicit them also.

6 We have an active plan to go
7 after anything we can really.

8 COUNCILWOMAN REYNOLDS-BROWN:
9 Okay. You give a lot of discussion to
10 what happens with children when their
11 needs are not met. What are the
12 linkages with CHIP, the Children's
13 Health Insurance Program?

14 MR. ROWE: We don't have a
15 relationship with CHIP.

16 COUNCILWOMAN REYNOLDS-BROWN:
17 Okay. I mention that because I think
18 that when you list and consider the
19 issues raised here around children, it
20 could play an important role in filling
21 that gap.

22 MR. ROWE: Part of what I
23 intend to do is to partner with a
24 variety of organizations that have
25 common needs that we have, and what we

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 would do is that we would do joint
3 proposals perhaps. This is an idea
4 that we're entertaining now. So that
5 the need of that organization and the
6 need for UESF could be fulfilled at the
7 same time.

8 We have not considered CHIP.
9 It's something that we would do,
10 though. It's just -- my plate has been
11 full for the last ten weeks or so.

12 COUNCILWOMAN REYNOLDS-BROWN:
13 Sure, sure.

14 MR. ROWE: But there have been
15 other health organizations that we've
16 talked with, and perhaps an idea would
17 be to dedicate some of the services to
18 their customers and, at the same time,
19 make that kind of proposal attractive
20 to a funder for whatever services are
21 offered by the health organization.

22 COUNCILWOMAN REYNOLDS-BROWN:
23 Sure. And then, finally, you mentioned
24 on Page 1 of your testimony that -- at
25 least you allude to the fact that every

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 dollar raised is matched.

3 MR. ROWE: Yes.

4 COUNCILWOMAN REYNOLDS-BROWN:

5 Every dollar raised is matched?

6 MR. ROWE: Every dollar raised
7 is matched. There's an agreement with
8 the utility company.

9 What typically happens is that
10 a customer will come into the Friends
11 Neighborhood Guild as one of our intake
12 sites. And if the bill is perhaps
13 \$600, we would solve that by paying
14 \$250 from our own contributions,
15 including the OHCD amounts of \$525,000.
16 The other \$250 would come from a
17 utility credit in terms of forgiving
18 the bill.

19 And the maximum that we can do
20 is \$500. And then the other \$100 would
21 have to come from some other source.

22 We'll do more than that,
23 though, because we're trying to get
24 away from just being a financial
25 assistance program. We'll make a

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 referral for the same customer perhaps
3 to a utility -- a universal services
4 program because if we merely give the
5 financial assistance without look
6 looking at what the cause is, that
7 family will go back and still have that
8 bill of \$175 a month, and that's the
9 exact situation that brought them to
10 this crisis mode.

11 If they went on a universal
12 services program, if it's possible,
13 then perhaps their bill could go down
14 and get down to maybe \$25, \$30 a month,
15 say, if it's a PECO bill, and their
16 arrearage could be sort of frozen for a
17 while and perhaps forgiven.

18 And then we would still have
19 that same UESF grant for someone else,
20 so we're cautious about that.

21 COUNCILWOMAN REYNOLDS-BROWN:
22 Well, thank you very much your
23 testimony.

24 MR. ROWE: Thank you very
25 much.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 COUNCILWOMAN BLACKWELL: Thank
3 you very much.

4 Are there any further
5 questions?

6 (No further questions.)

7 COUNCILWOMAN BLACKWELL:
8 Mr. John Gallery, Preservation
9 Alliance.

10 (Witness comes forward.)

11 COUNCILWOMAN BLACKWELL: Good
12 afternoon.

13 MR. GALLERY: Good afternoon
14 if the committee would indulge me in a
15 moment of nostalgia.

16 The last time I testified on
17 the Community Development Block Grant
18 was Year 5.

19 (Laughter.)

20 MR. GALLERY: The hearings
21 went three to four hours. And, in
22 fact, there were substantial reasons
23 for that. One was a member of City
24 Council who usually sat to the Chair's
25 right, Councilman Lucien Blackwell, who

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 was one of my most vigorous critics,
3 and I usually had seated about two rows
4 back in the audience a very young
5 housing activist attorney from North
6 Philadelphia named John Street.

7 It's wonderful to see that the
8 block grant has continued and continued
9 to serve the important purposes of
10 helping lower-income people.

11 I'm here today just to make a
12 few comments about a portion of the
13 program that is funded from the NTI
14 parts of this budget and, that is the
15 Historic Property Repair Program.

16 This program was begun in
17 Fiscal Year 2006 with an appropriation
18 from NTI and with the support of City
19 Council. And the objective of the
20 program is to assist low- and
21 moderate-income homeowners who live in
22 historically designated properties or
23 in historic districts to be able to
24 make repairs to their properties that
25 meet the standards that they are

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 required to meet as an owner of an
3 historic property.

4 Preservation Alliance

5 administers this program for OHCD and
6 NTI. Of the original million-dollar
7 grant, we have expended or have
8 commitments to work in progress of
9 \$700,000. We have been able to
10 leverage that with contributions from
11 the individual property owners, which
12 represent about 25 percent of the
13 grants. And in addition to that, we
14 received a \$100,000 grant from the
15 National Trust for Historic
16 Preservation to also support the
17 program.

18 The program has been very well
19 received. We have more applicants than
20 the funds that are currently available.
21 The work has occurred in properties
22 throughout the City, and we believe
23 that the continuation of the program
24 fills a very important and very special
25 need of low- and moderate-income

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 homeowners who do live in historic
3 properties.

4 We also believe that the
5 additional funding proposed in the NTI
6 budget may also lead us to obtain an
7 initial grant from the National Trust
8 to help support a continuation of the
9 program.

10 So I'm very supportive and
11 very appreciative of the OHCD and NTI
12 commitment to this program and also to
13 City Council for appropriating the
14 funds, and I hope you will approve the
15 budget and allow this program to
16 continue.

17 Thank you very much.

18 COUNCILWOMAN BLACKWELL: Thank
19 you, Mr. Gallery.

20 Maybe I've been too easy on
21 you since Lou was a critic; do you
22 think?

23 (Laughter.)

24 COUNCILWOMAN BLACKWELL: Any
25 questions from members of the

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 committee?

3 (No questions.)

4 COUNCILWOMAN BLACKWELL: Thank
5 you very much.

6 Bob Grossman, Associate
7 Director, Philadelphia Green.

8 Mike Groman, Senior Director,
9 Philadelphia Green.

10 (Witness comes forward.)

11 COUNCILWOMAN BLACKWELL: Good
12 afternoon, thank you.

13 MR. GROMAN: Good afternoon,
14 everyone. Mike Groman here. Bob
15 Grossman, unfortunately, couldn't make
16 it today, so I'll speak for everybody
17 at the Pennsylvania Horticultural
18 Society.

19 Thank you, Councilwoman --

20 COUNCILWOMAN BLACKWELL: Thank
21 you.

22 MR. GROMAN: -- for having us
23 here and the opportunity and all the
24 members of the committee.

25 You should have copies of my

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 testimony. I passed it out to John, so
3 I think he's doing that now. And what
4 I'll do is, I'll try to truncate my
5 testimony and keep it as short and
6 impactful as possible here and
7 efficient.

8 The Pennsylvania Horticultural
9 Society, through its Philadelphia Green
10 Program, promotes greening as a vital
11 part of the City of Philadelphia's
12 ongoing revitalization. And over the
13 past three decades, with significant
14 investment from the Office of Housing,
15 through community block grants, and,
16 more recently, throughout the Mayor's
17 Neighborhood Transformation Initiative,
18 Philadelphia Green has demonstrated
19 that greening not only improves the
20 quality of life in the City's
21 neighborhoods but also strengthens
22 community bonds and attracts investment
23 and also creates community wealth.

24 We very much appreciate the
25 support and have put these resources to

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 good use. And, more importantly, we've
3 been able to leverage City dollars into
4 significant support from foundations,
5 businesses, and other entities in the
6 private sector. All of our public
7 funding for the Philadelphia Green
8 programs is about 40 percent so about
9 60 percent of our finding is from
10 private sources, which we think is
11 fairly significant.

12 So let me move on and talk a
13 little about how the resources that we
14 hope to receive this year through
15 Fiscal Year '08 will be spent.

16 And one of the things that we
17 were looking to pursue is this thing
18 called "a green city strategy," and
19 basically what that is, it's a major
20 and significant investment in the
21 City's green infrastructure. So just
22 as you have streets, roads, buildings,
23 utilities as infrastructure, we talk
24 about parks, trees, and open space as
25 part of the green infrastructure of the

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 City of Philadelphia, which means
3 ongoing investment, ongoing care in
4 order to create quality of life in the
5 City's neighborhoods.

6 So this is really a
7 seven-point programs, and let me go
8 through the seven points, and these are
9 the areas that are going to take the
10 major investment.

11 Number one is managing vacant
12 land as a community asset. And this is
13 where most of the dollars for NTI will
14 be focused. So since Fiscal Year 2004,
15 over 5,000 vacant and blighted parcels
16 of land have been cleaned and greened
17 with grass, trees fencing; and others
18 are being maintained on a regular
19 basis.

20 We have this thing called
21 "Community Land Care Project" that
22 actually hires community organizations
23 to go out and continue to maintain the
24 sites that were cleaned and greened by
25 the City of Philadelphia to keep the

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 weeds down, to remove the trash, so
3 there's an additional 2500 lots there
4 that have been taken care of in that
5 way.

6 This project not only engages
7 community organizations in this process
8 but also has the added benefit of
9 hiring 80 Philadelphia residents to
10 partake in this, so we think it's a
11 good sort of employment program for the
12 neighborhood of the City of
13 Philadelphia.

14 So in this coming year, Fiscal
15 Year 2008, Philadelphia Green plans to
16 maintain the existing 5,000 stabilized
17 vacant parcels and clean and green an
18 additional 600 parcels out there in the
19 neighborhoods and select another
20 community organization to participate
21 in our Community Land Care Program.

22 Number 2 is, part of the
23 program is to support the development
24 of community-managed green spaces.
25 Philadelphia is known for its community

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 gardens. Philadelphia Green is
3 producing community gardens throughout
4 the City for the past 30 or so years.
5 They've become very important spaces in
6 the City of Philadelphia. They're very
7 important to the people that live
8 there. They also help to promote
9 security and safety in the
10 neighborhoods.

11 And when you talk about
12 private investment, we've been to
13 secure a large grant for the Albert M.
14 Greenfield Foundation to produce this
15 program called "City Harvest," and City
16 Harvest is a partnership between the
17 Philadelphia prison system, about 25
18 community gardeners out there, and the
19 Pennsylvania Horticultural Society and
20 an organization called "Share," which
21 is a food distribution system, to grow
22 out fresh produce and distribute it to
23 those who are need in our city's
24 neighborhoods.

25 So this year, we've actually

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 grown 7500 pounds of produce, which has
3 been distributed, and our goal for next
4 year is 9,000 pounds of produce, so
5 we're very excited about that program.

6 Number 3 is to promote and
7 invest in what we called "a localized
8 approach" to storm-water management.
9 And as you're probably familiar, in the
10 City of Philadelphia, we do have a
11 combined sewer system which frequently
12 overflows and sends untreated waste
13 into our rivers and streams.

14 So we've been working closely
15 with the Philadelphia Water Department
16 to test out an experiment on vacant
17 lots and the neighborhood parks to
18 actually create them as sponges for
19 storm water to eliminate some of the
20 localized flooding problems and help
21 that storm water infiltrate back into
22 the ground, where it needs to be.

23 So we're going to expand that
24 program, we're going to have some
25 additional funding from the

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 Philadelphia Water Department, and,
3 hopefully, we're going to come up with
4 some great, creative ways to manage the
5 storm water in the City of
6 Philadelphia.

7 Number 4 is to revitalize our
8 neighborhood parks, and research is out
9 there that shows, you know, great parks
10 mean great neighborhoods. If you have
11 a bad park, it means a very bad
12 neighborhood.

13 So we're going to continue
14 with what we call our Philadelphia
15 Green Park Revitalization Program.
16 It's been around about 14 years. We
17 are working now in close partnership
18 with the Department of Recreation and
19 the Fairmount Park Commission to target
20 80 neighborhood parks throughout the
21 City. It's a great program, it's very
22 popular, and we're going to continue to
23 do improvements of parks, host
24 community events around parks, and work
25 to do some training and build the

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 capacity of the parks' volunteers so
3 that they can be good stewards of their
4 neighborhood parks.

5 Number 5 is to support the
6 development and management of the
7 City's urban forest. Trees are very
8 important to the urban environment not
9 only environmentally but socially. And
10 so we are now -- and one of the things
11 to note is also we've just recently
12 completed a study that says that
13 planting street trees in the City of
14 Philadelphia actually increases the
15 values of the homes on that block by
16 about 10 percent. So that's pretty
17 significant.

18 So we are now a major
19 nonprofit partner with the State's
20 Treevitalize Program, and we're working
21 in partnership with the Fairmount Park
22 Commission, and we've planted over
23 2,000 trees in 19 neighborhoods
24 throughout the City of Philadelphia
25 since 2004, which is pretty

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 significant. And in the coming year,
3 what we intend to do is, we will work
4 with NTI and use this funding to plant
5 an additional 600 trees on vacant lots,
6 plant 200 street trees in commercial
7 corridors throughout the City, and
8 provide maintains to 300 maintenance
9 mature trees scattered throughout the
10 City.

11 Number 6 is to invest in our
12 civic landscapes, and you may have seen
13 recently since last fall the major
14 transformation of the landscape of the
15 swan fountain at Logan Square, and we
16 did that in partnership with the
17 Fairmount Park Commission, with funding
18 from Pew Charitable Trusts. It's a
19 great spot and it gets a lot of great
20 people out there now.

21 So we're saying that we will
22 continue to raise private dollars to
23 improve and manage these landscapes
24 throughout the City such as the Art
25 Museum, the Azalea Garden, Penn's

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Landing, the cover parks over I-95 and
3 Society Hill, and many other high-
4 profile spaces that really identify
5 Philadelphia as a world-class city.

6 And, finally, number 7 is to
7 help to implement Green Plan
8 Philadelphia. And Philadelphia Green
9 has partnered with the Neighborhood
10 Transformation Initiative, the Managing
11 Director's Office, and the City
12 Planning Commission to support the
13 creation of Green Plan Philadelphia,
14 which is, as far as we know, is
15 first -- the City's first comprehensive
16 open space program.

17 Philadelphia Green has managed
18 a community-engagement process which
19 involved all twelve planning areas
20 throughout the City of Philadelphia.
21 We had over 350 residents come out to
22 talk to us about what their hopes,
23 dreams, desires, and issues were about
24 open space in the City of Philadelphia.

25 And over the next year, we

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 will host additional community
3 engagement sessions to share the
4 preliminary plans that are coming out
5 and also to get additional feedback
6 before Green Plan is finalized by the
7 end of the year.

8 So that sort of winds up my
9 testimony. But, again, I want to say
10 that the Pennsylvania Horticultural
11 Society is very grateful for the
12 long-term support provided for its
13 Philadelphia Green Program through OHCD
14 and NTI.

15 We look forward to continuing
16 our work in the neighborhoods, using
17 greening as a community development
18 tool, and we also look forward to do
19 expanding our impact and building on
20 the landmark investment that's been
21 made to date through the Neighborhood
22 Transformation Initiative in open space
23 revitalization.

24 We hope this green city
25 strategy holds tremendous promise for

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Philadelphia's continuing
3 revitalization.

4 So thank you very much for
5 your support.

6 (Applause.)

7 COUNCILWOMAN BLACKWELL: Thank
8 you very much.

9 Are there any questions?

10 Councilwoman Reynolds-Brown?

11 COUNCILWOMAN REYNOLDS-BROWN:

12 Thank you. Good afternoon.

13 MR. GROMAN: Hello.

14 COUNCILWOMAN REYNOLDS-BROWN:

15 I want to compliment you on the number
16 of partners you've engaged in all the
17 work that you do. Speak more about
18 what you're doing with the Philadelphia
19 prison system.

20 MR. GROMAN: This has been an
21 interesting partnership and one that we
22 would have never envisioned until we
23 received from this Albert M.
24 Greenfield.

25 We're working with the prison

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 up on State Road. And they have --
3 originally had a greenhouse that was
4 funded many, many years ago to produce
5 some similar type program where they
6 would grow plants out to distribute to
7 the community. And, unfortunately,
8 because of lack of funding from the
9 prison system, the greenhouse fell into
10 disrepair and was no longer functional.

11 So we sought them out, we knew
12 that there was a problem up there. We
13 also saw this other organization called
14 "Share," which runs a number of food
15 cupboards throughout the City.

16 COUNCILWOMAN REYNOLDS-BROWN:
17 Very familiar.

18 MR. GROMAN: And we started to
19 put two and two together and said, what
20 if we just took some of this money and
21 revitalized the greenhouse up there,
22 worked with the prisoners who are there
23 to grow out additional plants, which
24 are then transferred to community
25 gardens in this city, the community

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 gardens grow out the extra produce, and
3 then it's given to share, and they
4 distribute it to the food cupboards.

5 It's not only been a great way
6 to revitalize that greenhouse, but it's
7 been a great way to revitalize people
8 and spirits up there who are in the
9 prison system. And they love it, they
10 love the project.

11 And we, fortunately, have
12 received another year of funding to
13 support the program, and we're going to
14 hopefully continue with it throughout
15 this next year.

16 COUNCILWOMAN REYNOLDS-BROWN:
17 So take a leap. What are the criteria
18 for the Philadelphia Flower Show
19 participants?

20 MR. GROMAN: For the flower
21 show participants or for the program
22 participants?

23 COUNCILWOMAN REYNOLDS-BROWN:
24 Those who ultimately exhibit at the
25 flower show?

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 MR. GROMAN: Oh, oh, oh, I
3 see. Are you trying to make the
4 connection between the prison and the
5 flower show?

6 COUNCILWOMAN REYNOLDS-BROWN: I
7 am, I am.

8 MR. GROMAN: Well, we tried to
9 make that connection this year and we
10 thought it would be a great idea to get
11 the prisoners connected to the flower
12 show just to help them see what
13 greening is all about.

14 And we actually organized
15 something and had a bus tour come with
16 the prisoners. And, unfortunately,
17 when we got there, we ran into some
18 problems with security from the
19 Convention Center.

20 Long story short: We were
21 able to make a number of negotiations,
22 we were able to make sure that we could
23 take the chains off of the prisoners;
24 we didn't require that, which was
25 unfortunate that they were even

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 required to have chains.

3 And we had a professional
4 guided tour for them to go through
5 early in the morning to actually get
6 inspired and see what the flower show
7 is all about.

8 COUNCILWOMAN REYNOLDS-BROWN:

9 Mm-hmm.

10 MR. GROMAN: So we're hoping
11 that some day, you know, particularly
12 when some of the prisoners are released
13 or maybe there's a program that can be
14 hatched out of the prison system that
15 they may be able to exhibit in the
16 flower show, and I think that that
17 would be a great idea.

18 COUNCILWOMAN REYNOLDS-BROWN:

19 That's where I'm headed, yes, because
20 the mix of those who exhibit at the
21 flower show is rich and is very
22 diverse.

23 MR. GROMAN: Absolutely.

24 COUNCILWOMAN REYNOLDS-BROWN:

25 And it really should include people

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 from all walks of life.

3 MR. GROMAN: Absolutely.

4 COUNCILWOMAN REYNOLDS-BROWN:

5 Okay. Thank you for your testimony.

6 MR. GROMAN: Sure. Thank you.

7 COUNCILWOMAN BLACKWELL: Thank
8 you very much.

9 MR. GROMAN: Thank you.

10 COUNCILWOMAN BLACKWELL: If
11 there are no more questions, the next
12 witness is Will Gonzales, Executive
13 Director of CEIBA.

14 (Witness comes forward.)

15 COUNCILWOMAN BLACKWELL: Thank
16 you. Feel free to identify yourself
17 for the record and begin your
18 testimony.

19 MR. GONZALES: My name is Will
20 Gonzales, and I am the Executive
21 Director of CEIBA, a coalition of
22 Latino community-based organizations in
23 Philadelphia. We thank you very much
24 for providing us with the opportunity
25 to testify today.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 The members of CEIBA are the
3 (indiscernible) Federal Credit Union,
4 Centro (indiscernible), (indiscernible)
5 de Philadelphia, the Norris Square
6 Civic Association, and Nueva Esperanza.

7 We testify here regarding the
8 Office of Housing and Community
9 Development's Year 33 Consolidated
10 Plan. We are happy to see in the plan
11 that OHCD will continue to work on
12 housing development projects in the
13 Latino community with organizations
14 like (indiscernible), APM, the Norris
15 Square Civic Association, and Nueva
16 Esperanza.

17 We have a limited amount of
18 time today, so we want to focus on
19 remarks to a number of areas where we
20 would like to see further improvements
21 in the plan. They relate mostly to
22 homeownership.

23 We are glad that the housing
24 market in Philadelphia is flourishing
25 today in comparison to what the market

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 was like at the turn of the 20th
3 century. That blessing, however, has
4 created some challenges in the area of
5 housing affordability and the
6 preservation of homeownership for
7 working families.

8 We are glad to see a modest
9 increase in funding for neighborhood
10 and citywide housing counseling, but we
11 are disappointed in seeing a \$300,000
12 cut in settlement grants.

13 As the prices of homes go up,
14 the importance of settlement grants
15 increases. We understand that the
16 settlement grant assistance provided
17 under the program is modest, \$800, but
18 it is a very good bait to get buyers to
19 come in for housing counseling.

20 The size of the OHCD
21 settlement grant has not been increased
22 for over ten years. Instead, the grant
23 amount was reduced from what it was at
24 one time, \$1,000. Over the last ten
25 years, however, housing values in the

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 City have quickly outpaced what many of
3 our residents can afford.

4 For example, in the
5 predominantly Latino area of eastern
6 North Philadelphia, housing values have
7 increased 444 percent, while incomes
8 have only grown by 7.8 percent over the
9 same period. We respectfully request a
10 restoration of the \$300,000 to the
11 Settlement Grant Program of OHCD.

12 We are proud that 49.8 percent
13 of Latino households are owner
14 -occupied in the City. The increase in
15 home prices and the threats from a
16 foreclosure crisis are a big threat to
17 our community.

18 But we have one more thing to
19 worry about in order to protect some of
20 the gains that we have already made in
21 terms of homeownership: We need
22 effective and responsive basic system
23 repair and weatherization programs.
24 The plan's proposed elimination of
25 \$619,000 in weatherization and basic

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 system repair program tier II is not
3 good.

4 Philadelphia has an old
5 housing stock. For example, one third
6 of Latinos live in homes built prior to
7 1940, and over 60 percent of them live
8 in homes built in 1959 or earlier.

9 While we welcome the increase
10 in money allocated to the
11 Weatherization Assistance Program, we
12 feel that these are Band-Aid repairs
13 compared to the ones offered through
14 the BSRP Tier II Program. Some of our
15 older homes need a lot more than caulk
16 on the windows; they need total systems
17 replaced and repaired.

18 Our homes are deteriorating,
19 and because of that, residents in the
20 City are paying more for health care
21 and home energy. The inability of poor
22 families to meet the demands of repairs
23 for their older homes is fueling a tide
24 of gentrification. We would like to
25 see money for the Weatherization and

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Basic System Program Tier II restored
3 and the efficiency of all home repair
4 programs improved.

5 You know well about the
6 problems of the long wait that clients
7 face to go through the program and the
8 problems that the limits on the size of
9 grants pose for clients whose old homes
10 need sizable repairs.

11 One problem that also needs
12 attention is the need to fix and ensure
13 that language is not a barrier for
14 people who do not speak English.
15 Spanish-speaking families in the City
16 have difficulty accessing and getting
17 grants under the home repair programs.

18 For example, only 1.7 percent
19 of BSRP funding was spent in the
20 American Street Empowerment Zone last
21 year. We believe that language
22 barriers to that inequity, and we
23 respectfully ask that OHCD ensure that
24 non-English-speaking people have full
25 access to all of its programs.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 We have heard anecdotal
3 evidence from applicants to the
4 programs that when inspectors from the
5 program come to their homes to assess
6 their property's needs -- not only
7 inspectors, but also contractors, when
8 they come to their home, there are
9 problems communicating, and important
10 matters are lost in translation.

11 A report entitled "Pursuing
12 Equitable Community Development in the
13 American Street Empowerment Zone,"
14 prepared by (indiscernible), in
15 collaboration with the Reinvestment
16 Fund, offers a good insight into the
17 shortcomings of the various housing
18 preservation programs in the City and
19 offer solutions to address them. We
20 refer to you that report.

21 Latinos have been priced out
22 of Spring Garden, they have priced out
23 of Northern Liberties, and they are on
24 the path to being priced out of a
25 number of other surrounding

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 neighborhoods in Philadelphia.

3 While gentrification has the
4 potential to bring some benefits to the
5 City and its neighborhoods, there needs
6 to be institutional mechanisms in place
7 to ensure that the residents who
8 endured sacrifices to protect their
9 communities that are being gentrified
10 are not punished or pushed out for
11 their good work.

12 There's a lot more that we can
13 talk about relating to the plan, but in
14 the interest of time, we will cut our
15 remarks short and attempt to follow up
16 later if we see a need to.

17 Thank you for attention. We
18 hope that we can work together to
19 address these concerns.

20 Gracias.

21 COUNCILWOMAN BLACKWELL: Thank
22 you very much.

23 Councilman Greenlee?

24 COUNCILMAN GREENLEE: Thank
25 you, Madam Chair.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Mr. Gonzales, when you talk
3 about the language problems, you know,
4 particularly with the home repairs and
5 all, have you had discussions with OHCD
6 people about that? and if so, any kind
7 of response?

8 MR. GONZALES: Well,
9 preliminary discussions but nothing
10 that we've gone deeply in. We've
11 testified on this on previous plans.

12 We have done some work around
13 Title 6. As you know, there is a
14 requirement that every entity that
15 receives federal funding must ensure
16 equal access based on language. We've
17 devoted more of the time in dealing
18 with other departments in the City.
19 We're looking forward to working this
20 year with OHCD on that.

21 COUNCILMAN GREENLEE: Any kind
22 of -- rough kind of numbers of how many
23 people you feel have somehow gotten
24 lost because of the language problem?
25 particularly focusing in on the home

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 repair thing, which is obviously very
3 key, you know, to be able to stay in
4 your home.

5 MR. GONZALES: Well, I
6 referred you to that report by
7 Mr. Wilson. He tried to take a chunk
8 of the City, a relatively small chunk,
9 which was the American Street
10 Empowerment Zone area, and tried to
11 study that deeply. He did have some
12 difficulty in terms of getting that
13 full picture of the number of people.

14 We hope that we can work with
15 OHCD in the coming year to get that
16 type of information that he needs not
17 only for that area but for larger
18 areas.

19 No, we don't have large set
20 numbers. We're basically dealing with
21 anecdotal evidence with clients that
22 come to our office.

23 COUNCILMAN GREENLEE: Mm-hmm.
24 All right, okay. Thank you.

25 Thank you, Madam Chair.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 COUNCILWOMAN BLACKWELL: Thank
3 you.

4 Councilman Ramos?

5 COUNCILMAN RAMOS: Thank you,
6 Madam Chair.

7 Along those lines, I think
8 there is probably a bigger -- a broader
9 problem, and that is that the people
10 new immigrants, particularly
11 Spanish-speaking people but not
12 exclusive to the Spanish-speaking, that
13 they don't know about these programs,
14 they really don't.

15 And that has been my
16 experience here in City Council that
17 the overwhelming majority of people
18 that come through my office -- close to
19 7,000 people have come through my
20 office, and they do not know of these
21 programs. And I know we do a decent
22 job advertising and trying to get the
23 public to know about this program.

24 But a new growing community
25 such as the Spanish-speaking community,

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 these programs are not known, and I
3 think we need to do more in getting
4 this -- these programs known throughout
5 the City and particularly in those
6 areas that you mention -- east of Broad
7 Street, where there's a vast Hispanic
8 community and other languages. I live
9 in a community where a lot of people
10 from different parts of the Arab world
11 are living, and they need to know about
12 these programs as well.

13 So I think that would be a
14 good thing to work out OHCD, you know,
15 outreach, you know, to your particular
16 community, right?

17 MR. GONZALES: Yeah, it's with
18 one --

19 (Indiscernible, parties
20 talking over each other.)

21 COUNCILMAN RAMOS: ... were to
22 access the program, what does the
23 program offer, and then on the other
24 end, on your point, you know, just to
25 have bilingual personnel, or

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 multi-lingual personnel to be able to
3 make these programs available to the
4 people of Philadelphia.

5 MR. GONZALES: Yes, that would
6 help a lot, but there's also a more
7 nefarious, disgusting problem with
8 that; and that is that those who do now
9 about it and do apply for the grant are
10 put on long waiting lists, and that is
11 one thing that has plagued the program
12 for many years.

13 I think that facing what is
14 going on in Philadelphia in terms of
15 affordable housing, that there is a
16 need to say (using Spanish phrase),
17 stop now. We're going to try to fix
18 this program and finally make it work.

19 And at this point, the small
20 amount of money that is allocated for
21 it, plus there's a need to put more
22 money into it and put more money per
23 grant for these programs.

24 So I hope that we look at this
25 plan as the last year that we run the

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 program like this and that we look
3 forward to really instituting a very
4 good Basic System and Weatherization
5 Program for the aging housing stock in
6 this city, one of the oldest cities in
7 this country.

8 COUNCILWOMAN BLACKWELL: Thank
9 you very much.

10 Are there other questions?

11 (No further questions.)

12 COUNCILWOMAN BLACKWELL: Liz
13 Robinson, ECA.

14 MR. GONZALES: Thank you.

15 (Witness comes forward.)

16 COUNCILWOMAN BLACKWELL: After
17 Liz will be Judy Robinson.

18 Is there anyone else who would
19 like to testify? Thank you very much.

20 MS. ROBINSON: Good afternoon.

21 COUNCILWOMAN BLACKWELL: Good
22 afternoon.

23 MS. ROBINSON: Thank you,
24 Councilwoman Blackwell and members of
25 the committee.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 I am Liz Robinson, and I'm the
3 Executive Director of the Energy
4 Coordinating Agency, or ECA.

5 ECA provides comprehensive
6 energy services, specifically energy
7 conservation, home repair, bill payment
8 assistance, and education services to
9 more than 25,000 low-income households
10 every year. These services are funded
11 by federal, state and local government,
12 local utilities, corporations, and
13 foundations.

14 ECA's citywide network of
15 neighborhood energy centers create a
16 lifeline of service, connecting
17 thousands of low-income households to
18 public and private assistance,
19 resolving utility disputes, restoring
20 thousands of households who have been
21 shut off, and teaching people how to
22 manage their scarce sources more
23 skillfully to ensure that they keep
24 their water, electricity, and heating
25 service on year-round.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 As energy costs continue to
3 climb, this job gets harder every year.
4 Utility terminations are on the rise,
5 affecting not only low-income families
6 but also moderate-income people. In
7 fact, last year, for the first time
8 across Pennsylvania, there were more
9 terminations among low-moderate-income
10 people than among low-income
11 households.

12 This suggests that our
13 low-income energy-assistance programs
14 are serving to protect low-income
15 households but that those just above
16 the eligibility thresholds have no
17 protection from rising prices. This
18 will only continue as energy costs
19 continue to rise.

20 In Philadelphia, the rate cap
21 on electricity will expire in 2010.
22 Conservative projections are that rates
23 will rise 25 percent. If surrounding
24 states are any guide, the rate hike
25 will be closer to 70 percent. Imagine

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 what that will do to our local economy.

3 Philadelphia needs to start

4 investing in its own energy future.

5 Energy conservation is the cheapest and

6 cleanest energy resource. As such, an

7 old city in which virtually every

8 building is leaky, underinsulated, and

9 has old, inefficient heating appliances

10 and lighting, energy conservation is

11 also an abundant resource in

12 Philadelphia. We need to start

13 harvesting this energy conservation

14 resource and start saving the tens of

15 millions of dollars we're currently

16 wasting every year.

17 I thank OHCD for increasing the

18 ECA's contract for the neighborhood

19 energy centers this year. This

20 increased funding will enable us to

21 expand our network and meet even more of

22 the pressing need.

23 A key service that ECA has been

24 providing for many, many years is the

25 Heater Hotline Program. Through Heater

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Hotline, we repair almost 4,000 heating
3 systems every year. We're also able to
4 replace just a handful of systems.

5 Heater Hotline is essentially a lifeline
6 to low-income homeowners throughout the
7 City.

8 ECA has been funded at the same
9 level since 2000. During that time, the
10 number of households served has risen
11 each year from 3,864 in 2002 to 4,923
12 last year.

13 ECA's also modified this
14 program, introducing some measures to
15 conserve energy in addition to repairing
16 heating systems. Thus, through Heater
17 Hotline, we are helping people lower
18 their energy costs.

19 As you may imagine, in the last
20 four years, labor costs, health
21 insurance, Worker's Comp, gasoline,
22 materials, and many other costs of
23 providing the Heater Hotline Program
24 have steadily climbed. As our budget
25 remains flat, it becomes increasingly

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 difficult for us to keep up with rising
3 demands.

4 The other program which
5 desperately needs to be refunded year is
6 the Energy Conservation Workshops. ECA
7 has received a grant for the last two
8 years to do weatherization workshops
9 citywide. These workshops have reached
10 thousands of people in every
11 neighborhood across the City, teaching
12 them how to install basic weatherization
13 materials in their homes, and then
14 giving them a starter kit of
15 weatherization materials.

16 These workshops have been
17 extremely popular. This year, we're
18 asking OHCD to fund this effort earlier
19 in the year rather than waiting for the
20 holidays to get started. In this way,
21 we can do much better planning and even
22 run a train-the-trainers program through
23 our neighborhood centers to train
24 skilled presenters in many neighborhoods
25 across the City.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Thank you very much very, very
3 much for the opportunity to testify, and
4 I'd be happy to answer any of your
5 questions.

6 COUNCILWOMAN BLACKWELL: Thank
7 you very much.

8 Councilwoman Reynolds-Brown?

9 COUNCILWOMAN REYNOLDS-BROWN:
10 Thank you. Good afternoon.

11 MS. ROBINSON: Good afternoon.

12 COUNCILWOMAN REYNOLDS-BROWN:
13 Did you have an opportunity to hear the
14 testimony of the Utility Emergency
15 Services Fund?

16 MS. ROBINSON: Yes, I did.

17 COUNCILWOMAN REYNOLDS-BROWN:
18 Is there any opportunity to complement
19 each other in the work that you do?
20 since it appears, at least on paper,
21 that for sure, you're serving the same
22 population.

23 MS. ROBINSON: Exactly. Yes.
24 Most of the neighborhood energy centers
25 are also UESF intake sites.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 COUNCILWOMAN REYNOLDS-BROWN:

3 Okay.

4 MS. ROBINSON: We do
5 coordinates very closely. And the
6 energy-services delivery system is
7 actually very well coordinated in
8 Philadelphia.

9 COUNCILWOMAN REYNOLDS-BROWN:

10 Okay.

11 MS. ROBINSON: We are
12 trying -- John and I are talking about
13 doing even more at UESF sites around
14 budget counseling, which is really, you
15 know, financial literacy is a greatly
16 needed service.

17 COUNCILWOMAN REYNOLDS-BROWN:

18 Can you give me an example of what you
19 mean when you say that Philadelphia
20 needs to start investing in its energy
21 future?

22 MS. ROBINSON: Yes. Thanks
23 for asking. Energy.

24 Conservation is, by far, the
25 cheapest form of energy. So, for

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 example, I'll just give you a real-life
3 example. In this room, the lights that
4 are in the ceiling, these are probably
5 incandescent lamps. If you were to
6 change these lamps out to compact
7 fluorescent lamps, you would drop the
8 energy cost for lighting this room by
9 75 percent. You would receive a
10 payback of less than six months.

11 So this kind of opportunity is
12 abundant in Philadelphia. We are, as
13 you know, a very old city with old
14 buildings with old equipment, old
15 every. Energy technologies right now
16 can cut energy consumption in our
17 existing buildings cost-effectively by
18 more than 40 percent, and that's with a
19 payback of less than five years.

20 As energy costs rise, in
21 comparison, energy conservation gets
22 cheaper and cheaper and cheaper. So
23 the cost of delivered energy
24 conservation in Philadelphia is about
25 2-and-a-half cents per kilowatt hour in

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 comparison to what PECO charges us,
3 which is 15 cents per kilowatt hour,
4 just to give you a sense of the
5 relative cost.

6 COUNCILWOMAN REYNOLDS-BROWN:
7 Sure. So is there any organized
8 strategic way of informing consumers of
9 that? I mean, just that fact alone,
10 how many owners of old buildings in
11 this city know that?

12 MS. ROBINSON: That's a
13 huge -- you've hit the nail right on
14 the head.

15 The reality is that most
16 Americans know very little about energy
17 and would love to learn more and are
18 really eager. You know, they're kind
19 of desperate for this information.

20 The federal government, as you
21 know, has been doing nothing on this
22 score for years, and it's really left
23 to the local level.

24 Both PGW and PECO have begun
25 educating customers a bit about energy

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 conservation, but, you know, we really
3 need to do a vast amount of education
4 to give people the right tools to help
5 them reduce their consumption.

6 This is the single biggest
7 wealth opportunity waiting to be tapped
8 in the City. It's huge.

9 COUNCILWOMAN REYNOLDS-BROWN:
10 Is there a coordinated effort between
11 PGW and PECO?

12 MS. ROBINSON: No, there is
13 not.

14 COUNCILWOMAN REYNOLDS-BROWN:
15 And the reason for that would be...?

16 MS. ROBINSON: I honestly
17 don't know. I don't know the reason
18 for that.

19 COUNCILWOMAN REYNOLDS-BROWN:
20 Okay. Thank you very much for
21 testimony.

22 MS. ROBINSON: You're welcome.

23 COUNCILWOMAN BLACKWELL:
24 Councilman Greenlee?

25 COUNCILMAN GREENLEE: Thank

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 you, Madam Chair.

3 Good afternoon, Ms. Robinson.

4 MS. ROBINSON: Good afternoon.

5 COUNCILMAN GREENLEE: You talk
6 about the low-moderate-income person
7 that's probably above the limits to get
8 direct help. Does your agency still
9 deal with those people as far as
10 advice, you know...

11 MS. ROBINSON: Yes. We
12 provide -- we have a -- well, just to
13 be clear about this, all of the
14 low-income programs use 150 percent of
15 poverty. So services to people below
16 that level are free.

17 COUNCILMAN GREENLEE: Mm-hmm.

18 MS. ROBINSON: If you make 151
19 percent of poverty, you have no free
20 services.

21 There are now a couple of
22 loans, low-interest loans. Citizens
23 Bank has a 1 percent loan, the State
24 has backed an energy loan. And we
25 provide service to anybody regardless

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 of income on a fee-for-service basis;
3 we charge people who are not low-income
4 for conservation.

5 But there really are not yet
6 the right tools and the right education
7 out there that, in order to get this
8 market moving, specific tools needs to
9 be created.

10 COUNCILMAN GREENLEE: What do
11 you mean by that?

12 MS. ROBINSON: The cities
13 across the country that are most
14 successful have a zero-interest loan
15 program. They have robust education,
16 public education efforts, they have
17 low-interest loans for mortgages so
18 that on an energy-efficient building,
19 the interest rate would be lower. They
20 have requirements when a building
21 changes hands that the building be
22 brought up to energy codes.

23 Philadelphia could be doing a
24 great deal more for new construction
25 now that we really have a building boom

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 going on in the City. New construction
3 could be required to be much more
4 energy-efficient in order to earn the
5 tax abatement.

6 So there are many, many tools
7 that we could be looking at and
8 creating to spur energy efficiency in
9 the City that will make the City much
10 more competitive over the long term.

11 COUNCILMAN GREENLEE: That's
12 interesting. Very good.

13 MS. ROBINSON: More to come.
14 Thank you so much.

15 COUNCILMAN GREENLEE: Right,
16 thank you.

17 COUNCILWOMAN BLACKWELL: Thank
18 you very much.

19 Miss Judith Robinson?

20 And if there's no one else
21 after this, we will ask Kevin Hanna and
22 Eva Gladstein and others from our
23 housing agency to come forward and
24 respond to some of the issues we raised
25 earlier and to make your testimony.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 (Witness comes forward.)

3 COUNCILWOMAN BLACKWELL: Good
4 afternoon. Thank you for your
5 patience.

6 MS. ROBINSON: Good afternoon.
7 Please bear with me. I understand we
8 are combining two -- or one resolution
9 and one bill?

10 COUNCILWOMAN BLACKWELL: Yes.

11 MS. ROBINSON: So bear with me
12 because I planned to testify on both.

13 Good afternoon. My name is
14 Judith Robinson, and I'm here to
15 testify on Bill No. 070387 and also
16 070405.

17 Wow. It's been a long time.
18 The first time I ever heard about
19 community block development grant
20 funds, it was Citizen John Street oh so
21 many years ago. I was a young mother,
22 not even in -- I wasn't in the real
23 estate business at that time, not just
24 yet, and at home, trying to raise my
25 daughter, hearing John Street and his

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 brother, Milton, on WHAT, Mary Mason

3 Show, talking about the community

4 development block grant funds.

5 But I was subscribing to

6 Philadelphia Magazine. And in 1979, I

7 received this magazine in my mailbox,

8 "The Hot New Neighborhoods: Come On

9 Back," and it has a nice ethnic family

10 sitting on the step, and it's talking

11 about various neighborhoods. Come,

12 come back. A whole nice article about

13 the various neighborhoods, had maps, et

14 cetera.

15 I kept subliminally, I guess,

16 remembering that, and I kept it in my

17 archives. It's an interesting story.

18 I want all of this to go in the public

19 record, please, so maybe someone in the

20 future like my granddaughter won't be

21 as confused about just how this

22 planning and housing and all of this

23 kind of comes together.

24 I always knew that federal

25 funding and housing dollars and urban

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 renewal takes a long time when you're
3 dealing with government, but this is a
4 very interesting story.

5 I remember blabbing to all of
6 my friends about, wow, they're even
7 talking about coming on back all the
8 way back to North Philly, where we
9 live, y'all, up to Brewerytown,
10 Brewerytown, all the way uptown.

11 So I want all of that to go
12 in, and maybe it will be good reading
13 for someone. That was in June of 1979.

14 In October of 1979, October,
15 there -- another Philadelphia Magazine
16 came in my mail, and it asked the
17 question, Is Philadelphia going black?
18 Okay? I brought that too for you all
19 to research if you choose to.

20 I was wondering, and I
21 probably have been sounding a little
22 angry as I have come down here to
23 testify in years, but fast-forward to
24 the future.

25 I realize those two covers and

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 those stories that I read years ago
3 were sticking in my mind, they were
4 bothering me; it was something about
5 them that was bothering me.

6 As I looked at the housing
7 budget and started to pay more
8 attention, I got in the real estate
9 business -- it was like six years after
10 this. I didn't realize that this had
11 anything -- I didn't no consciously
12 that this had anything to do with me
13 getting in the real estate business.
14 But as I did, I went about trying to be
15 a real-estate person trying to sell
16 real estate.

17 And then about 1990-something,
18 '96, '98, I started to remember what
19 Citizen John Street -- at this time, he
20 was my councilman -- was talking about
21 these community development block grant
22 funds, and he and his brother was
23 marching up and down the Gallery steps
24 and carrying on.

25 I kind of thought they had our

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 back so to speak, you know? I was
3 thinking that. So I didn't rush
4 downtown to start testifying; I didn't
5 come down here until about the '90s.

6 But before I did, I wrote to
7 my councilman then, John Street, saying
8 to him -- there was a select committee,
9 and those of you that have been around
10 for a long time will remember this -- a
11 Select Committee on Land Management and
12 Reuse.

13 I wrote to my councilman at
14 the time; he was president of City
15 Council. This was 1998 by this time.
16 I'm saying to him, Listen, I found out
17 about these hearings that are being
18 held around the summer of 1998. It was
19 a select committee hearing in September
20 of '98, and if they start tearing down
21 these properties and doing these things
22 that they're talking about at these
23 meetings, the 5th District will have
24 more vacant land than any other area.
25 How come you don't have more of your

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 people involved with this Select
3 Committee on Land Management and Reuse?

4 Well, nobody has to tell me as
5 a citizen how to get involved. What
6 did I, I attended the meetings
7 throughout that summer of '98, and I
8 wrote to my councilman at that time.
9 And he wrote he me back a real weak
10 letter, okay? telling me that he's been
11 in contact with me on more than one
12 occasion about the subject of this
13 letter, which is abandoned properties
14 and vacant properties and their use for
15 housing.

16 And he says my staff is
17 working on these problems every day,
18 and if I take a quick drive around
19 North Philadelphia, I would be able to
20 confirm this. I was living in North
21 Philly at the time. But, anyway, I
22 just wanted to put all of that in the
23 record.

24 Fast-forward to the future.
25 John Street, John F. Street, our mayor,

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 coming up with the NTI Program. I just
3 want to say this, 'cause what is my
4 point, what is my point in all of this?
5 I remind myself to get to the point.

6 That Mayor John Street's NTI
7 Program with Hope VI, PHA has moved
8 more African-Americans out of the City
9 of Philadelphia over this period of
10 time.

11 In addition, all of the
12 projects in our district that didn't
13 work out -- 16th and Cecil B. Moore,
14 Girard Avenue, here they are digging
15 up, having a groundbreaking about a
16 project that never came to fruition.
17 Girard Avenue, Heritage Village, Super
18 Mall of Shopping. I was sent this by
19 my councilman, saying things were
20 moving forward.

21 Well, I'm just saying this
22 'cause I don't want to drag you all
23 along too long but, you know, I'm going
24 to read it to you all, and it's not
25 adding up because the community block

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 development grants, according to your
3 documents, were supposed to eliminate
4 blight, help economic building of our
5 community.

6 But what I see that it was
7 really doing is following this plan of
8 reducing black people from
9 Philadelphia, because when the projects
10 were torn down, that reduced the number
11 substantially of African-Americans in
12 this town. They all didn't move to the
13 new -- they didn't come back to the new
14 developments.

15 It's only one development, and
16 you can correct me if I'm wrong, and
17 that's Mill Creek that increased the
18 number of units from when they were the
19 developments.

20 My point, my point, my point
21 is that I live in North Philly. I'm a
22 homeowner, I am a business owner. And
23 after 33 years, all I see is like a
24 hodgepodge of development cheaply
25 crafted but very expensive

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 developments.

3 Now, I'm not going to be so
4 out of order as to say that nothing has
5 been done that's of value 'cause, sure,
6 you know, there are some things such as
7 the retaining walls, but that's not so
8 much in North Philly as it is in other
9 areas. I think that was a good thing.
10 The Clip Program, I think, is a good
11 thing.

12 I hear CDCs come here to this
13 forum over the years, talking about
14 what they're doing and what they have
15 done. ACDC, for instance, which is our
16 development in North Philly, after 30
17 years, they no longer exist. And
18 Susquehanna CDC is a new CDC. You
19 can't find out who is on the board, you
20 can't find out any -- very much about
21 them. I think CDCs have not been of
22 value to my community.

23 We have had a lot of
24 developments with pop-up CDCs such as
25 the 3S Project, and it's a lot of just

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 mess. It's almost like I really wish
3 the private sector could have done more
4 and not have politicians get in our way
5 over 33 years.

6 I know good and well I have
7 done in one year, created a business on
8 an avenue, Susquehanna Avenue, without
9 any government dollars than I've seen
10 on our commercial corridors in 33
11 years. This restore, whatever that's
12 supposed to be, a drop in the bucket, I
13 don't really know what it's supposed to
14 do, but I know it's not of value to
15 Susquehanna Avenue.

16 If we could just get something
17 like an anti-litter campaign or just
18 some help with reduction of litter,
19 that would be a lot for me.

20 I just -- I'm trying to --
21 bear with me -- combine both of these
22 testimonies in and making sure that I
23 don't leave out things that I really
24 think are important, because I don't
25 want to come down here and just say

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 that I'm perturbed about over 33 years
3 of much of nothing, you know.

4 I want to be of value because
5 I do have 20 years of real estate
6 experience, and I should be able to add
7 something to this hearing.

8 So in that regard, let me just
9 please try to go over my notes so I can
10 maybe add something to this hearing.

11 RDA, let me start there,
12 because that's the implementation
13 agency. They have more land, more
14 properties in their inventory. They
15 need a property disposition program
16 such as HUD where they get rid of their
17 properties in their inventory.

18 It's no good reason why they
19 should be allowed to mar communities
20 with vacant properties in their
21 inventory that when you write to
22 request them, they tell you that
23 there's a development planned.
24 However, years later, the properties
25 are there sitting vacant, such as 2603

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 North 33rd Street.

3 Years ago, I had a tour. I
4 showed Councilman Goode and others that
5 were on the tour this property on 33rd
6 Street. It's still there rotting, but
7 when you request any information about
8 it from RDA, they'll tell that you
9 there's some project going on. There
10 are many properties like that, vacant
11 and rotting while they sit there.

12 I don't know how we can say
13 that housing agencies are being
14 redeveloped or reorganized without PHA
15 being a part of some kind of
16 organization. It's no way that PHA
17 should be allowed, after 30 years of
18 funding, to have properties that are
19 sitting vacant while they have a long
20 list of people that are in need of
21 housing.

22 And I'm going to jump a little
23 bit. RDA, still from what I can see,
24 are not giving fair market value to
25 folks that are having their property

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 taken through eminent domain. They
3 seem to have a problem with their
4 appraisals, and I think this is really
5 something I'm going to work with the
6 next mayor to see if we can work on.

7 When they get an appraisal and
8 they're taking someone's home through
9 eminent domain, it's very low, below
10 fair market value. However, when
11 people have requested land, they are
12 given appraisals that are extremely
13 high. There is something wrong with
14 that.

15 And I have challenged the
16 board at RDA to look into this, and I
17 would respectfully request that you
18 all, as Councilmembers, find out what's
19 going on there because at least if a
20 person's property is going to be taken
21 from them through condemnation and
22 eminent domain, at least they should
23 get fair market value.

24 The rate of real estate, as we
25 all know, has really tremendously

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 increased. Let everybody partake of
3 the bounty. Let's not be disrespectful
4 of mostly African-American people as
5 you take their properties and not give
6 them fair market value. Let everybody
7 be a part of what's going on here.

8 Let me get to some of the
9 things that I think are of value in
10 this plan.

11 I don't know why these folks
12 over here are holding on to these plans
13 like, you know, they're gold or
14 something. We, the taxpayers, should
15 be seeing this information. I don't
16 know how we could have an intelligence
17 discussion without seeing this, but I'm
18 a speed-reader, so I was able to go
19 through this and see something's are of
20 value.

21 In the past, I have requested
22 that there be money for tangled titles.
23 That's the reason why we have so much
24 abandonment now.

25 A lot of people, for whatever

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 reason, especially in the
3 African-American community, do not have
4 wills. They need to be encouraged to
5 have wills so that they will know when
6 they're not able to, for whatever
7 reason, or if they're deceased, if
8 they're not able to take care of their
9 properties, they need to designate
10 someone that will.

11 So that's a good thing. A
12 small amount, \$50,000. I guess that
13 will be sucked up like the last money
14 was.

15 As a real estate broker, this
16 is something that I encourage all the
17 time. I'm not looking for any money,
18 government money, but the last time
19 some little bit of money was available,
20 a bunch of lawyers sucked it up, and
21 they had somebody all the way in
22 Glenside counseling people in
23 Philadelphia about whether they should
24 get a will or not. That was really
25 just crazy for me.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Even the lawyers at that forum
3 that they had, the one little one that
4 I attended, agreed with me sneakily,
5 privately, that real estate brokers'
6 ears were closer to the ground, and
7 they were the ones that really should
8 be very much involved with assisting
9 folks in creating wills, or assisting
10 in making sure that their properties
11 are a part of some process a
12 succession.

13 I'm not looking for any
14 funding for that; I want to be clear on
15 that, please. I would not take any
16 more for that, 'cause it's something
17 that so much needs to be done.

18 But community planning. I
19 really wish that communities' plans and
20 community planning would be more a part
21 of this process 'cause if true
22 community planning was a part of this
23 process, I don't think so much money
24 would be squandered.

25 I am not trying to disrespect

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Councilpeople, but they need guidance.

3 I don't think any of you all, as

4 Councilpeople, are experts in real

5 estate. And I am, so I'll be willing

6 to volunteer my time just to make sure

7 that when we have developments in

8 communities, that they truly are of

9 value.

10 In addition -- and I will be

11 summing up shortly, but I want to make

12 sure I get this all in 'cause maybe

13 somebody might just hear some of this.

14 You know, I'm not one to take credit,

15 as long as it gets done, so maybe I'll

16 see some of my other ideas in some of

17 these plans.

18 But in addition, I'm really

19 concerned -- and I will be talking to

20 my councilman about this -- that

21 Stanley Street, the block that I grew

22 up on, is down here for demolition of

23 51 properties. We asked the councilman

24 to take substantial number of

25 properties off of the list, and that's

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 money for somebody else to knock down
3 something else because we do not want
4 51 properties on a 69-house block
5 demolished. You might as well take the
6 whole block, and I'm just not feeling
7 that, if I could use the vernacular.

8 In addition, I see where
9 scattered sites -- PHA scattered sites
10 would be modernized, 244. That would
11 be a good thing.

12 But I just don't understand
13 how PHA, with their own source of
14 financing from HUD, can be sucking up
15 dollars. Their dollars should be
16 better managed. I know that's not a
17 part of this process, but it should be.
18 And the fact that it's in this book
19 tells me that it's somewhat a part of
20 the process.

21 It's no way that people should
22 be sitting around, waiting for PHA
23 housing. How much modernization could
24 they need? People are not looking for
25 the most modern, cute property in the

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 whole city; they just want a clean,
3 safe, healthy property, like no
4 lead-based paint and all of that.

5 So if PHA has been getting
6 millions of dollars in the name
7 maintaining these properties over the
8 years, how much could they need, you
9 know?

10 Anyway, one thing I'm really
11 concerned about that I saw at RDA --
12 and I do go to their board meetings and
13 have been for the past three years,
14 most times I've attended -- side yards
15 that are being used as tot lots
16 gardens, et cetera, have really started
17 to increase in price.

18 Now, I understand the value of
19 land has increased, but when a house in
20 the same neighborhood would go for less
21 than what the land would cost if it was
22 condemned, something is wrong.

23 And I'll give you an example.
24 The 1200 block of West Cambria, a side
25 yard a person was buying, an average

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 size house, 18,000. But a house that's
3 being condemned for the 52nd and
4 Jefferson development, they only want
5 to give the person 17,000. Something's
6 wrong with that. Something is
7 definitely wrong with that. So I
8 really would respectfully request that
9 you all look into that.

10 I'm glad to know that money
11 will be budgeted for historic property
12 repair. Diamond Street, in the former
13 Councilman John Street's district, I
14 remember him being so happy about
15 Diamond Street being the first historic
16 street district, but over the years,
17 they have done nothing much to help the
18 folks on Diamond Street maintain those
19 historic properties, and many of them
20 have been torn down. So it's good to
21 know that there's some money there.
22 I'll tell my friends right away.

23 Well, I really appreciate your
24 attention. Thank you very much. I
25 think that's about it.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 But I really would
3 respectfully request that all of these
4 documents -- I got two sets, one for
5 the NTI hearing and one for the
6 community block development grant
7 funds, 'cause I want you all to read
8 this. So I would like to have this put
9 in the record, please.

10 COUNCILWOMAN BLACKWELL: Thank
11 you very much.

12 Are there any questions?

13 (No questions.)

14 COUNCILWOMAN BLACKWELL: Thank
15 you very much.

16 MS. ROBINSON: Thank you.

17 COUNCILWOMAN BLACKWELL: Thank
18 you.

19 We'll now ask Kevin Hanna, Eva
20 Gladstein, and whomever.

21 I'm sorry. Someone just came
22 in from People's Emergency Center.
23 This is the last individual that we
24 have before you to testify, and then we
25 will have the Administration testify.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 (Witness comes forward.)

3 COUNCILWOMAN BLACKWELL: Thank
4 you very much.

5 MS. WALL: Good afternoon. My
6 name is Stephanie Wall, and I represent
7 People's Energy Center Community
8 Development Corporation. Thank you for
9 offering me the opportunity to testify
10 today and to discuss the importance of
11 supporting the ongoing funding for
12 affordable housing and neighborhood
13 economic development.

14 On behalf of PEC CDC, I'd like
15 to make the following recommendations
16 for Year 33.

17 First, we thank the City for
18 continuing to set aside community
19 development block grant funding for
20 homeless and special-needs housing to
21 better serve homeless individuals and
22 families and people with physical
23 disabilities.

24 The set-aside ensures new
25 housing units for the homeless,

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 increase of the development capacity of
3 special-needs providers, and increases
4 the federal dollars for special-needs
5 projects in Philadelphia.

6 It serves as a match to
7 available federal and state dollars
8 that can add to development operating
9 costs. Additionally, the set-asides
10 enable the City to fund critical
11 permanent supportive housing without
12 draining resources from other
13 components of the homeless continuum of
14 care.

15 Second, we appreciate the City
16 has maintained their commitment to both
17 homeownership and affordable rental
18 housing at levels relatively close to
19 last year's allocation.

20 Third, thriving commercial
21 corridors are critical to the overall
22 health of Philadelphia neighborhoods.
23 We applaud the City's commitment to the
24 neighborhood economic development with
25 the \$65 million in City bond proceeds

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 for commercial corridor revitalization
3 and their continued partnership with
4 the Commonwealth through the Main
5 Street and Elm Street programs.

6 And finally, acquisition is
7 essential to the revitalization in the
8 neighborhood commercial corridors and
9 in the surrounding residential
10 communities. We thank the City for
11 allocating funds to both commercial and
12 residential property acquisition, which
13 will allow critical affordable housing
14 and economic development activities to
15 move forward.

16 We greatly appreciate the past
17 support that City Council, the OHCD,
18 the RDA and the Commerce Department,
19 and other City agencies have provided
20 to PEC CDC and the local CDC community.
21 We believe that we have consistently
22 provided an important return on this
23 public investment.

24 Thank you again for the
25 opportunity to provide these comments.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 COUNCILWOMAN BLACKWELL: Thank
3 you very much.

4 Are there any questions?

5 (No questions.)

6 COUNCILWOMAN BLACKWELL: Thank
7 you very much. PEC does a great job.

8 All right. We're now prepared
9 for the Administration, and thank you
10 for your patience.

11 (Witnesses come forward.)

12 COUNCILWOMAN BLACKWELL:
13 Please introduce yourself for our
14 record and begin your testimony.

15 MR. HANNA: What a difference
16 a year makes, right? At this time last
17 year, I had people sitting behind me,
18 encouraging me to go back to a certain
19 city, a southern city that rhymes with
20 "lanta."

21 Good afternoon. My name is
22 Kevin Hanna. I serve as Secretary of
23 the Office of Housing for the City of
24 Philadelphia.

25 I'm here today to testify on

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 behalf of the Administration on Bill
3 No. 070387, which permits the City to
4 apply for the Federal Community
5 Development Block Grant Home Investment
6 Partnership Funds, Emergency Shelter
7 Grant, and Housing Opportunities for
8 Persons, otherwise known as HOPWA, and
9 for State funds from the Department of
10 Community and Economic Development.

11 The bill refers to the Year 33
12 consolidated plan, which will be
13 submitted to the U.S. Department of
14 Housing and Urban Development, and
15 which details our proposal for spending
16 these and other related funds for
17 affordable housing and other
18 activities.

19 By no later than August 16,
20 2007, the City is required to submit to
21 HUD the consolidated plan which
22 combines the formerly separate CDBG
23 final plan and statement, the Home
24 Program Description Emergency Shelter
25 Grant Application, the HOPWA

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 application, and the Comprehensive
3 Housing Affordability Strategy.

4 With me are Debra McCullough,
5 First Deputy of Housing and Community
6 Development. Tony MacIntosh is seated
7 to my left, your right, as is Michael
8 Koonce. Tony is Executive Vice
9 President of PHDC, Mike is the
10 Executive Director of RDA.

11 With me also is Eva Gladstein,
12 the Director of the Neighborhood
13 Transformation Initiative, who can
14 answer whatever questions you might
15 have related to NTI and its budgeted
16 items within the CDBG plan.

17 The Year 33 Consolidated Plan
18 for the fiscal year that begins July 1,
19 2007, details our plan for spending
20 monies from a variety of federal,
21 state, and local sources. The proposed
22 budget cares forward existing programs
23 and commitments to reinforce NTI
24 activities.

25 As far as resources go, the

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 sources of funding for the Year 33
3 Consolidated Plan are varied, and they
4 total \$199.582 million; that's an
5 increase of \$30,539,000 over the prior
6 period over the prior year.

7 Most of the increase can be
8 attributed to City bond proceeds used
9 to -- or used for community economic
10 development and from NTI bond proceeds.
11 New entitlement funding from HUD is
12 virtually the same as in the Year 32.

13 Resources also include the
14 Community Development Block Grant,
15 still the largest single source of
16 funding for affordable housing that is
17 outside of the subsidies that PHA
18 receives directly from HUD.

19 In Year 33, the City will
20 receive \$53.643 million in new
21 entitlement funding; that's a reduction
22 of only \$75,000 from Year 32. And to
23 put that in perspective, at this time
24 last year, we were looking at about a
25 \$6.3 million cut in CDBG funds versus

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 75,000 for this year.

3 Other CDBG-related resources

4 include program income such as the

5 proceeds from the sale of land and

6 other prior years' reprogram funds,

7 which are funds which can be liquidated

8 from prior years' budgeted activities.

9 Overall, the total CDBG

10 resources that are available, including

11 reprogram funding and anticipated

12 program income, are \$69,878,000, and

13 that's a 2.2 million increase from

14 Fiscal Year 2007.

15 Other federal resources

16 received reflect minor changes from

17 prior years' levels.

18 Home funds received will total

19 \$15.879 million; that's a \$115,000

20 increase from the prior year.

21 HOPWA funds awarded are

22 \$7 million; that's a \$333,000 decrease

23 from the prior year.

24 The Emergency Shelter Grants

25 will total \$2.3 million in the upcoming

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 years.

3 This plan also estimates
4 \$11,250,000 will be obtained from the
5 Commonwealth of Pennsylvania and
6 various grant contracts as well as
7 \$12.758 million in NTI funds made
8 available through that program.

9 Additional sources of revenue
10 include \$14 million from the Housing
11 Trust Fund, \$31.5 million in
12 City-issued bond funding, \$20 million
13 in Section 108 loan requests for
14 economic stimulus activities,
15 \$11 million in other City funding, and
16 \$4 million in RDA bond proceeds.

17 The proposed Year 33
18 Consolidated Plan builds upon
19 initiatives and programs from prior
20 years consistent with the Neighborhood
21 Transformation Initiative's housing
22 development strategies.

23 Year 33 is the sixth year of
24 implementation of the NTI Program. The
25 proposed plan seeks to keep as much

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 money in programs and projects as
3 possible.

4 That's a very important line;
5 in fact, it bears repeating: The
6 proposed plan seeks to keep as much
7 money in programs and projects as
8 possible. More specifically, the
9 proposed plan either maintains or
10 slightly increases funding aimed at
11 subsidizing the development of new
12 affordable housing.

13 The reorganization of the
14 three housing agencies -- OHCD, RDA,
15 and PHDC -- is substantially complete.
16 The Administration's proposal to
17 strategically organize the three core
18 housing agencies has resulted in the
19 consolidation of redundant functions
20 and activities.

21 It streamlined certain
22 processes and reduced the cost for
23 delivering housing services, assuming
24 no additional reductions in projected
25 funding resources and assuming no

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 significant unforeseen expenditures.

3 We do not anticipate
4 additional staff reductions in the
5 upcoming fiscal year, nor do we
6 anticipate decreases in housing program
7 funding levels.

8 In order to meet our deadline,
9 I would respectfully request that the
10 committee vote Bill 070387 out with a
11 favorable recommendation and with a
12 request to suspend the rules to allow
13 for first reading at the next Council
14 reading on Thursday.

15 Thank you for this opportunity
16 to present this written and verbal
17 testimony, and I have my colleagues
18 standing ready to answer any questions
19 that you might have.

20 COUNCILWOMAN BLACKWELL: Thank
21 you. We will ask Miss Gladstein to
22 give her testimony, and then we'll open
23 the floor for questions.

24 MS. GLADSTEIN: Good
25 afternoon. My name is Eva Gladstein.

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 I'm Director of Neighborhood
3 Transformation. And thank you, Madam
4 President and other members of the
5 committee, for allowing me the
6 opportunity to testify today in support
7 of Bill No. 070405.

8 I'm going to truncate my
9 written testimony -- I assume that you
10 all have copies of it -- just for the
11 sake of time.

12 In April of 2007, Mayor Street
13 unveiled the Neighborhood
14 Transformation Initiative in response
15 to the challenges of blight,
16 abandonment, and deterioration and the
17 quality of life of residents that
18 resulted from decades of disinvestment
19 in Philadelphia neighborhoods.

20 The NTI strategy was created
21 to rebuild and preserve Philadelphia's
22 neighborhoods as thriving communities
23 with clean and secure streets,
24 recreation and cultural outlets, and
25 quality housing.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 From the beginning of NTI
3 through Fiscal Year '06, its work was
4 organized into strategies that included
5 facilitating and supporting community-
6 based planning; eliminating blight to
7 improve streetscapes, to abate
8 debris-filled lots and remove abandoned
9 cars, litter, and graffiti; improving
10 the City's ability to assemble land for
11 development; encouraging neighborhood
12 preservation; stimulating investment in
13 Philadelphia neighborhoods; and
14 leveraging resources to the fullest
15 extent possible, investing them in
16 neighborhoods strategically.

17 Like any long-term
18 comprehensive strategy, NTI was also
19 designed to be resilient and adapt to
20 changing conditions. Its rich and
21 successful implementation has increased
22 expectations in neighborhoods, in
23 commerce, and among City departments.

24 Effective in Fiscal Year '07,
25 NTI revised its framework to build upon

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 earlier achievements and lessons
3 learned. The new framework includes
4 supporting sustainable community
5 development to ensure that
6 Philadelphia's neighbor are
7 economically diverse, culturally rich,
8 and desirable places to live, work,
9 learn, shop, and play; and continuing
10 to help the City work smarter by
11 improving its business practices. We
12 continue to operate within this
13 framework, which we define as "smart
14 growth."

15 I'll now go through some
16 highlights for Fiscal Year '08, which
17 is on the bottom of Page 2 of my
18 written testimony.

19 Beginning in Fiscal Year '08,
20 an additional \$10,641,000 will be made
21 available as a result of interest
22 earned on NTI bond proceeds.
23 Approximately 8.6 million of this
24 interest was earned on tax-exempt bond
25 proceeds and 1.9 million was earned on

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 taxable bond proceeds.

3 This 10.64 million is being
4 allocated to uses consistent with the
5 original bond issue. For example,
6 interest earned on tax-exempt
7 governmental-purpose bond proceeds must
8 be allocated to uses that meet that
9 criteria for the original tax exemption
10 governmental bond issue. Therefore,
11 effective Fiscal Year '08, the NTI Bond
12 Program funding totals \$306,875,415, of
13 which \$67,537,774 will be spent during
14 this program year. It is anticipated
15 that Fiscal Year '08 will be the final
16 year of NTI bond spending.

17 The proposed program statement
18 creates flexibility among certain NTI
19 funding line items and allocates the
20 interest earned in most part to
21 housing- preservation activities. And
22 I've highlighted these changes.

23 NTI bond proceeds allocated to
24 residential demolition, vacant property
25 stabilization, and large vacant

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 property demolition will become
3 fungible and be available for
4 activities approved for the expenditure
5 of tax-exempt bond proceeds. These
6 include public-safety demolition;
7 grants for physical improvements to
8 public infrastructure such as
9 streetscape and gateway improvements.

10 We've made this modification
11 because a number of District Council
12 persons have found that there's less
13 demolition needing to be accomplished
14 in their districts and want to be able
15 to use the resources towards other
16 physical infrastructure improvement.

17 We've also made fungible the
18 grant funds that were allocated for the
19 Preservation Development Initiative and
20 the Historic Property Repair Program so
21 that any remaining resources from the
22 initiative can be used to help
23 low-income homeowners in historic make
24 necessary and historically appropriate
25 repairs.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Now, 1.176418 of the interest
3 earned on taxable bond proceeds will be
4 added to the Land Acquisition Budget
5 for acquisition zones and large-scale
6 development projects.

7 The preponderance of the
8 interest earned on tax-exempt bond
9 proceeds will be allocated to a range
10 of housing preservation activities,
11 including the Basic Systems Repair
12 Program, the Home Rehabilitation
13 Program, and the Adaptive Modification
14 Program.

15 The Vacancy Prevention
16 Program, which was referenced two
17 speakers ago, will be newly funded with
18 NTI resources of \$50,000, and there
19 will be additional CDBG resources
20 attached to that as well that, and will
21 help elderly homeowners and others plan
22 for the maintenance and disposition of
23 their homes.

24 The largest investment,
25 planned investment, almost

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 \$3.8 million, is proposed for the
3 City's equitable development strategy.
4 First funded in Fiscal Year '06, this
5 strategy addresses neighborhood change
6 resulting from housing commercial
7 revitalization activities. The
8 strategy will continue to develop
9 financial tools, housing counseling,
10 and education programs to enable
11 long-term residents to participate and
12 benefit from stronger housing markets
13 and other improved neighborhood
14 economies.

15 These activities will
16 complement the work of Inclusionary
17 Housing Working Group recently formed
18 by the mayor and to be cochaired by
19 Councilman Clarke and Secretary Hanna.

20 The program statement also
21 discusses additional City resources and
22 initiatives, which I'll just name and
23 not read through my testimony,
24 including: Restore Philadelphia
25 Corridors, Green Plan Philadelphia, the

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 New River City initiative, as well as
3 Project Management Best Practices that
4 are working with various operating
5 departments to migrate those practices
6 back into those departments as well as
7 best practices for economic opportunity
8 and participation and employment.

9 On Page 6, I list some of our
10 accomplishments, which I will not read
11 for you.

12 And before I conclude, I do
13 want to note that in the copy of the
14 proposed program statement, there's a
15 stapled sheet, I believe, in the inside
16 front cover, because as we reviewed the
17 document for today's hearings, we
18 noticed several typographical errors
19 that we wanted to correct.

20 I'm not going to read that
21 into the record unless I need to do
22 that, and somebody will advise me, but
23 I do want to make a note of that in my
24 testimony.

25 In conclusion, Madam

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Chairwoman and members of the
3 committee, I would like to take this
4 opportunity to thank you and to
5 acknowledge your contributions to the
6 success of NTI. Without your support,
7 your work with us, any significant
8 achievements would not have been
9 possible.

10 I respectfully request that
11 the committee vote out Bill No. 070405
12 with a favorable recommendation.

13 Thank you.

14 Miss McCullough, you okay?

15 Thank you very much.

16 I'll ask just maybe two or
17 three questions myself and then turn it
18 over to my colleagues, who have many
19 questions.

20 Mine is about housing
21 reorganization; many people have waited
22 a long time to deal with this issue,
23 and it has been a problem in prior
24 years.

25 MR. HANNA: Councilwoman, can

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 I make a couple of comments first of
3 all?

4 COUNCILWOMAN BLACKWELL:

5 Absolutely.

6 MR. HANNA: Just to respond to
7 the testimony presented earlier -- it
8 seems like a long time ago -- by
9 Miss Pankey.

10 I agree with Miss Pankey that
11 if we, the Office of Housing -- and
12 when I say "the Office of Housing," I'm
13 speaking there of OHCD, RDA, and PHDC.

14 If we, the Office of Housing,
15 have to suffer through any more federal
16 cuts consistent with what we've seen,
17 this next year notwithstanding, it is
18 going to be very -- in fact, it's going
19 to be more painful going forward than
20 it has been up until now.

21 Because she's right, we've cut
22 from an administrative -- from a
23 personnel standpoint, we've pretty much
24 cut to the bone. Any additional
25 federal cuts will mean that we're going

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 to have to start cutting programs, and
3 that's one thing we've tried to avoid.

4 I will agree with Miss Pankey
5 also when she says that -- when she
6 throws out the idea that the General
7 Fund may need to be tapped going
8 forward. I disagree as far as this
9 current fiscal year is concerned; I
10 think we'll be okay, and I can talk
11 about some of the program income
12 assumptions we've made. So I think
13 short-term, we should be okay; but
14 long-term, I absolutely support her
15 view, the union's view, that we need to
16 look at the General Fund as an
17 additional source of funds for housing.

18 We are -- we, meaning
19 Miss McCullough and I and the other
20 folks on the Housing Trust Fund
21 Advisory Board, as you all know, are
22 looking for additional alternative
23 sources for revenue for that particular
24 housing source.

25 And I think long-term -- maybe

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 even intermediate term -- we'll be
3 successful with that. Short-term,
4 maybe not so successful; we may not be
5 able to find as much subsidy for the
6 Housing Trust Fund short-term as we
7 will long-term.

8 But I say all of that to say
9 this, that we are in desperate need of
10 additional funding. We can't -- not
11 anymore anyway -- depend substantially
12 upon CDBG. We do have to look at other
13 sources for funding; otherwise, the
14 level of services, the quality of the
15 provision of those services are going
16 to suffer dramatically.

17 From a reorganization
18 standpoint, as I said in my testimony,
19 the reorganization is substantially
20 complete.

21 In this current fiscal year,
22 the one that will end at the end of
23 this month, we will not see a whole lot
24 in the way of savings, nor will we see
25 a whole lot in the way of more

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 efficiency.

3 It's not unlike what you see
4 when a road is being repaired. During
5 the time that the road is being
6 repaired, traffic sometimes actually
7 gets worse sometimes. But it's the
8 expectation -- as with road repair,
9 it's our expectation that with this
10 upcoming fiscal year, we will, in fact,
11 see more efficiency; we will, in fact,
12 see a smoother provision of certain
13 housing services.

14 I'm not here to make excuses,
15 but I will tell you that implementation
16 of the reorganization in this fiscal
17 year was more difficult than we thought
18 it would be -- for whatever reasons.
19 The fact is, we are in now, I guess,
20 already June, just about to embark on a
21 new fiscal year.

22 I do, however, fully expect
23 that in this upcoming fiscal year,
24 we'll see a better operated Office of
25 Housing than we saw in this current --

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 the one now, just about to pass, fiscal
3 year.

4 COUNCILWOMAN BLACKWELL: How
5 do you reconcile, for example, just on
6 a -- we took a cursory look at some of
7 the information we asked and received
8 from you, and that prior to housing
9 reorganization, seven employees had
10 salaries in excessive of \$100,000. In
11 posts, there were 12 employees who had
12 incomes in excess of 100,000, and five
13 of those who were making more than
14 90,000 got increases, but seven more
15 people, who were making significantly
16 less, got cuts, cuts like 6,000, 10,000
17 a year, 14,000, 15,000, 25,000 dollars
18 a year.

19 So how do you reconcile
20 housing reorganization when those who
21 were making the higher rates almost
22 doubled; and at the same time, the same
23 number of people who had lower salaries
24 doubled as well. How do you reconcile
25 those kinds of numbers?

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 MR. HANNA: I can't comment
3 specifically on that because this is
4 the first time I'm hearing about that,
5 and I have not seen --

6 COUNCILWOMAN BLACKWELL: It's
7 in your figures, Mr. Hanna.

8 MR. HANNA: Well, I have not
9 seen the specific individuals.

10 I can give you one, at least
11 one, anecdotal example. There was one
12 individual who was making, I don't
13 know, roughly \$90,000 a year, and he's
14 probably one of folks of whom you're
15 speaking. That individual had not had
16 a raise since the mid- to late-'90s.

17 During the reorganization
18 time, it was determined that that
19 person had not had a raise in upwards
20 of ten years, and it was time.

21 Now the timing may have been
22 ill-conceived, or accidental more than
23 anything else, but the two weren't
24 timed to go with one another --
25 reorganize so that we can give people

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 who make whatever baseline number you
3 use there, people who make a lot to
4 make a whole lot more.

5 Several adjustments were made
6 on that same basis. Folks who hadn't
7 seen -- I'm talking folks who are not
8 represented by the union, who hadn't
9 seen raises in seven to ten years,
10 those folks, their salaries -- and I'm
11 not going to embarrass anybody by
12 calling out names, but people like that
13 did have salary adjustments.

14 Again, this is without seeing
15 the specific names that you're talking
16 about, and I'd ask that you not call
17 out specific names here.

18 COUNCILWOMAN BLACKWELL: Well,
19 I realize that I contacted you on
20 certain individuals and asked you to
21 relook at their cases, whenever I
22 learned about them, and you did that.
23 But other people --

24 MR. HANNA: One other point
25 still to your question.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 When folks came over from the
3 Redevelopment Authority and PHDC into
4 the Office of Housing and Community
5 Development, an agreement needed to be
6 made between the union and management
7 which would have governed the basis on
8 which those folks came. In other
9 words, without -- and I'm trying to be
10 as circumspect as possible -- without
11 the benefit of what we call "a
12 transition agreement."

13 Without the benefit of a
14 transition agreement, those people who
15 were hired from RDA or PHDC had to be
16 brought in at lower levels of
17 compensation. If the transition
18 agreement had been negotiated -- and,
19 believe me, an awful lot of effort went
20 into negotiating.

21 If that transaction agreement
22 had been negotiated, folks who came up
23 RDA and PHDC, for the most part, would
24 have maintained their same level of
25 salary and other benefits.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Without that transition
3 agreement -- and such a transition
4 agreement was negotiated in each of the
5 previous reorganizations to which
6 Miss Pankey referred. Without that
7 transition agreement, to a large
8 extent, our hands were tied in terms of
9 being able to bring folks over at the
10 salary they had at PH or RDA.

11 COUNCILWOMAN BLACKWELL: Oh, I
12 wish I had specific figures, but in
13 seven cases, it was lowered -- 15,000,
14 14,000, 12,000, 16,000, 6,000, 10,000,
15 and 25,000 per year are salaries that
16 folks were lowered by. That's --
17 that's really -- that's major.

18 As I said, I know in some
19 cases where I learned about it, people
20 came to me, I called you, and you
21 reviewed them, but I don't know how
22 anybody lives at times 25,000 less a
23 year -- even 6 at the bottom end.

24 While we're talking about
25 housing reorganization, on another

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 level, many of my colleagues and I have
3 experienced a slowdown in acquisition
4 of properties, notwithstanding dollars.
5 Many properties that were even approved
6 in '03 have not as yet been acquired,
7 and others seem to be delayed.

8 Where are you on the issue of
9 improving this process? And, you know,
10 because the agencies work as hard as
11 they can. They do all that they can.
12 We've been worried about them, and it's
13 been a blessing we've gotten to go this
14 far because, again, I still haven't met
15 anybody who thinks housing
16 reorganization has made life better.

17 But can you cite a few
18 examples of how program efficiency has
19 improved and your criteria or how you
20 even expect it to?

21 MR. HANNA: The real estate
22 disposition process, again, to which
23 you just referred, over the past nine
24 months, you're right, has gotten worse.
25 A lot of that has had to do

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 specifically with the reorganization,
3 the fact that we were moving the Real
4 Estate Department from PHDC and RDA up
5 to OHCD.

6 As you well know, late last
7 year, there were some issues with that.
8 We ended up actually having to lay some
9 of those -- most of those folks off for
10 several weeks. And, obviously, with no
11 staff, there will be -- there was to be
12 no disposition. That had an awful lot
13 to do with what you're talking about.

14 Those folks have now been
15 hired, they're at the Office of Housing
16 and Community Development. My
17 expectation is that now that they are
18 there, the kinds of issues that we
19 dealt with in October, November, and
20 December, we hopefully won't have to
21 deal with going forward.

22 You asked about efficiencies
23 going forward. As a direct result of
24 consolidating certain redundant
25 functions, we have fewer employees;

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 that's a fact of life. We have fewer
3 employees now than we did this time
4 last year. This time last year,
5 remember too, as I said, we were
6 looking at a \$5.9 million decrease in
7 our funding level.

8 With fewer employees, we've
9 been able to actually get out of a
10 couple of the leases. We'll get out of
11 a lease, part of the lease that we have
12 in our building. That's going to save
13 us some money.

14 As a result of the
15 reorganization, as well, we have been
16 able to be more efficient in our usage
17 of vehicles. We'll operate with
18 roughly 16 fewer vehicles this coming
19 year than we did in the previous year.

20 As a result of the
21 reorganization, we'll also do a better
22 job of managing and ordering equipment
23 and supplies used by the Office of
24 Housing offices of housing.

25 Again, my expectation is that

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 in this upcoming year, we'll see -- I
3 know we'll save money. In fact, if
4 you'll look at our plan, the total
5 administration costs actually go down
6 by about \$2 million. I know we'll save
7 money.

8 Our expectation is that with,
9 again, for the most part, the most
10 difficult aspects of parts of
11 reorganizing behind us, it's my hope,
12 it's my expectation that the provision
13 of services, like disposition, will get
14 better in the upcoming months than they
15 have been in previous months.

16 COUNCILWOMAN BLACKWELL:
17 Councilman Greenlee?

18 COUNCILMAN GREENLEE: Thank
19 you, Madam Chair.

20 I had a couple questions on
21 some of the testimony. But just,
22 Mr. Hanna, just quickly so I'm clear,
23 can you explain in answer to one of
24 Councilwoman Blackwell's questions on
25 the salary decreases of some people,

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 you said your hands were tied because
3 there wasn't a transitional agreement.

4 Can you explain that a little
5 bit for me, please?

6 MR. HANNA: In previous
7 organizations and in this
8 reorganization, folks were moved from
9 RDA and PHDC. I wasn't here for
10 previous reorganizations.

11 COUNCILWOMAN BLACKWELL:
12 Excuse me a moment, Mr. Hanna. We have
13 to interrupt a moment.

14 Councilman O'Neill?

15 COUNCILMAN O'NEILL: The good
16 news is, you'll have at least one vote,
17 I hope more.

18 I just want to -- I have to
19 run up to my district, and I just
20 wanted to not have anybody rush 'cause
21 I know a lot of people want to be here
22 until 6 and 7 o'clock, but I do have to
23 go, and I want to have my vote recorded
24 as aye on all bills today, and if
25 there's on those as well, but I don't

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 believer there are at this point.

3 COUNCILWOMAN BLACKWELL: Thank
4 you, Councilman.

5 COUNCILMAN O'NEILL: Thank
6 you, Madam Chair.

7 COUNCILWOMAN BLACKWELL: Thank
8 you.

9 MR. HANNA: I wasn't here for
10 previous reorganizations, so I can't
11 speak specifically as to they were, but
12 in this reorganization, as I said, it
13 contemplated moving folks from RDA and
14 PHDC to the Office of Housing and
15 Community Development.

16 Without a transition
17 agreement, without some document which
18 instructed, which directed the basis on
19 which folks could come from those
20 organizations, without that, OHCD would
21 have to look at those hires as new
22 hires.

23 With that transaction
24 agreement that transition agreement
25 would have determined the basis on

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 which people brought over their
3 vacation time, their sick leave, their
4 salary.

5 The proposal was, in fact, to
6 have -- to allow folks to come over and
7 maintain the salaries that they had at
8 RDA and PHDC. Without that transition
9 agreement, we couldn't agree to do
10 that. And so those folks were brought
11 on as new hires.

12 COUNCILMAN GREENLEE: And you
13 say they had to be brought on as new
14 hires without that agreement? I mean,
15 there was no other way to do that?

16 MR. HANNA: Well, certainly
17 there could have been other ways to
18 look at it, but that agreement would
19 have instructed how, in fact, folks
20 were brought on.

21 COUNCILMAN GREENLEE: Okay.
22 I'm not sure I totally understand that,
23 but let me just ask, if I could a,
24 couple of other questions on --
25 regarding some testimony that was here

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 earlier, particularly Mr. Gonzales's
3 testimony on the language difficulties.

4 MR. HANNA: Okay.

5 COUNCILMAN GREENLEE: First,
6 informing people of programs and then
7 dealing with the clients or the
8 constituents once they're in the
9 program, have you looked at that at
10 all?

11 I know he said he would have
12 some discussion with you, but have you
13 looked at that at all? have you seen in
14 a program? do you have any plans, that
15 kind of thing?

16 MR. HANNA: Mr. Gonzales
17 brought very compelling testimony. We
18 certainly are aware of the language
19 challenges that we face not just in
20 that part of Philadelphia but, you
21 know, those parts where there's a
22 preponderance of Asian citizens.

23 COUNCILMAN GREENLEE: Right,
24 right.

25 MR. HANNA: One correction I

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 do feel compelled to make.

3 Mr. Gonzales made a remark relative to
4 the Basic Systems Repair System, how it
5 seemed like Latin or Spanish-speaking
6 individual citizens were put onto a
7 long list.

8 Everybody who comes onto the
9 Basic Systems Repair Program gets put
10 onto the same list. We don't maintain
11 different lists, so we certainly are
12 not discriminating against him or folks
13 of Latin --

14 COUNCILMAN GREENLEE: Right.
15 I guess I was more interested in what
16 he said as far as dealing with people
17 coming out and doing the inspections
18 and whatever, how they may be not
19 understanding; the language there seem
20 to be a big concern.

21 MS. McCULLOUGH: My name is
22 Debra McCullough from the Office of
23 Housing and Community Development.

24 The BSRP Program is carried
25 out through PHDC, and then maybe

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 there's someone here from PHDC who
3 could speak to it more directly than I
4 can, but we have worked with PHDC to
5 try to ensure that the folks do have
6 that -- interpreters there to help them
7 through those complicated processes.

8 Mr. Gonzales is right:

9 Contracts are very complicated, and
10 certainly some of our contractors, we
11 don't expect them to be able to speak
12 Spanish, the folks that who are coming
13 in to do the work on the houses.

14 But we have Spanish-speaking
15 and bilingual employees at PHDC to
16 assist clients who need that kind of
17 help, and we would want to work with
18 Mr. Gonzales and other housing-
19 counseling to ensure that that language
20 barrier is overcome, and we've been
21 working with him and others to try to
22 do that, and so we would welcome his
23 assistance to continue to try to do
24 that.

25 COUNCILMAN GREENLEE: How

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 about the other part that was mentioned
3 as far as -- I think it was actually
4 Councilman Ramos that mentioned this,
5 as far as people actually even knowing
6 about the program, as far as outreach
7 to both -- as Mr. Hanna said, to both
8 Latino communities, Asian, whatever.

9 MS. McCULLOUGH: Right. I
10 would say that we do as much outreach
11 as we can. We have, you know, a whole
12 series of housing counseling agencies,
13 we have neighborhood advisory
14 committees throughout the City whose
15 job it is -- is to advertise our
16 programs.

17 Certainly, can we do a better
18 job? I think one can always do a
19 better job of outreach.

20 That particular issue that
21 Councilman Ramos raised was not one
22 that was brought to my attention
23 before, that people don't even know
24 about the programs.

25 The concern that Mr. Gonzales

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 raised that sometimes people are
3 confused about the programs or there's
4 a misunderstanding in interpretation,
5 that problem I have heard, and we've
6 been working with the housing
7 counseling agencies and others to try
8 to overcome that. The issue of people
9 not having even heard of it, I'm not
10 aware that that part of it is a
11 problem.

12 One of the problems that we do
13 have right now, as you well know, is
14 that our needs so far exceed our
15 resources that it may be that people
16 have heard about it and they've heard,
17 Oh, there's a long waiting list, I
18 don't even want to apply, or something
19 like that. That may be a part of the
20 issue.

21 But certainly through our
22 (indiscernible) and other
23 organizations, we try to get the word
24 out there about the programs we have --
25 ads in water bills, you may have seen

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 the water bill stuffers that advertise
3 our programs, and those are both in
4 Spanish and English, so we certainly
5 try to get the word out.

6 COUNCILMAN GREENLEE: Again, I
7 had not heard that either, but I was
8 just going by what the Councilman said,
9 that that may be a problem.

10 On the Basic System Repair and
11 Weatherization, has the list elongated
12 any more? Have you been able to cut
13 into it a little bit? Is it hard to
14 say?

15 MR. HANNA: Well, actually,
16 it's heartening and at the same time,
17 it's disheartening, because I've been
18 here now -- this is my fifth budget
19 hearing. Each year, we've increased
20 the amount going into BSRP. There's a
21 paper decrease on this, but we can
22 explain why that is.

23 But each year that I've been
24 here, we've but more money into the
25 Basic Systems Repair Program. That's

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 the heartening part.

3 The disheartening part is no,
4 the list doesn't seem to get any
5 shorter. The more money we pump into
6 it, it seems like the higher the demand
7 continues to be.

8 COUNCILMAN GREENLEE: Yeah, I
9 guess that's not surprising,
10 particularly with what Liz Robertson
11 said about how even more people that
12 are probably not eligible for a program
13 may need assistance like that.

14 Just the last question, if I
15 could, to Ms. Gladstein. The Restored
16 Philadelphia Corridors, as you
17 mentioned in your written testimony, I
18 don't expect you to go into the whole
19 thing here, but could you give an
20 example of like an area or a corridor
21 that's been particularly helped through
22 your program?

23 MS. GLADSTEIN: Actually,
24 we've been mostly doing planning
25 through Restore Philadelphia Corridors,

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 and we've looked at a number of the
3 transit-oriented corridors in the City,
4 and I've been working with District
5 Councilpeople planned investment.

6 So some of those corridors
7 include Girard Avenue, Lancaster
8 Avenue, Baltimore Avenue, Ridge Avenue,
9 corridors like that, where we would be
10 making investments either in furthering
11 planning that community-based
12 organizations have been doing on those
13 corridors or actual investments into
14 capital improvements and investment
15 into the businesses on those corridors.

16 COUNCILMAN GREENLEE: And I
17 guess you're just using that as an
18 example. That's an ongoing thing,
19 'cause obviously, those corridors are
20 getting there, some of them anyway.

21 MS. GLADSTEIN: Right. I
22 mean, this was newly funded or
23 authorized by City Council. The
24 funding became available in December,
25 so actually, some members of my staff

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 will be here on Wednesday, looking for
3 second-year funding on it, but we've
4 identified investments for a
5 significant amount of it, but the money
6 is not yet on the street; we're still
7 in the process of hiring folks.

8 COUNCILMAN GREENLEE: Okay.
9 So it's still kind of new, okay.

10 MS. GLADSTEIN: Exactly.

11 COUNCILMAN GREENLEE: Okay.

12 Thank you.

13 Thank you, Madam Chair.

14 COUNCILWOMAN BLACKWELL: Thank
15 you.

16 Councilwoman Reynolds-Brown?

17 COUNCILWOMAN REYNOLDS-BROWN:

18 Thank you.

19 Let me follow-up with Eva
20 Gladstein. Councilwoman Jannie
21 Blackwell and I sit on a committee with
22 Stephanie Nadoff and her team of
23 professionals that are making decisions
24 around the bond issuance for the
25 corridors and the arts institutions.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 What is your interface with
3 the Commerce Department on that
4 project?

5 MS. GLADSTEIN: Our interface
6 is really that the Commerce Department
7 and the NTI staff are working together
8 around the \$150 million overall
9 Cultural and Commercial Corridor Bond
10 Issue. However, the Commerce
11 Department is managing the cultural
12 component, and the NTI staff is
13 managing the commercial component.

14 So we have, for example, tried
15 to work on systems that are compatible
16 with each other. To the extent that
17 there are projects that might be
18 eligible from either or both sources,
19 we'll to try to discuss it to make sure
20 that we both have the right information
21 to make a good funding decision.

22 But in essence, they are
23 managing the cultural, and we're
24 managing the commercial corridor
25 component.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 COUNCILWOMAN REYNOLDS-BROWN:

3 You should know that Councilwoman
4 Jannie Blackwell and I have sent a
5 letter to Miss Nadoff indicating our
6 interests in making sure that the
7 process is fair, transparent, and open
8 to everybody.

9 MS. GLADSTEIN: If I may
10 interrupt, we concur.

11 COUNCILWOMAN REYNOLDS-BROWN:
12 Okay. And the way it has been
13 currently described to us, we believe,
14 does not fit open, fair, transparent
15 and a level playing field for
16 everybody.

17 On the issue of the bilingual
18 challenges, are any of the brochures
19 published by any of the housing
20 agencies in different languages?

21 MR. HANNA: They're all.

22 MS. GLADSTEIN: All.

23 COUNCILWOMAN REYNOLDS-BROWN:
24 Very good, excellent.

25 Any publications in Latino

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 newspapers and/or the radio?

3 MR. HANNA: Yes.

4 COUNCILWOMAN REYNOLDS-BROWN:

5 Okay. That takes care of that.

6 Both of you witnessed the
7 testimony of both the Energy
8 Coordinating Agency and the Utility
9 Emergency Services Fund.

10 Knowing the world that they
11 try to serve, what opportunities have
12 you had in the past where you were able
13 to -- where dollars appear for whatever
14 reasons that happen within the work of
15 the housing agencies and you're able
16 to -- available dollars become
17 available mid-year and you decide -- or
18 can you make a decision to then go back
19 to those agencies that provide the kind
20 of testimony that we witnessed here
21 today?

22 MR. HANNA: Let me comment
23 first of all upon their testimony.
24 Again, it was very compelling
25 testimony. Those folks do outstanding

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 work. The folks they serve need the
3 services that are provided to them.
4 And if we had more money, we'd give
5 them more money.

6 I think testimony was provided
7 that the one agency has had \$525,000
8 budget for the last umpteen years or
9 so.

10 That in and of itself is
11 actually something to be proud of
12 because given the cuts that we have had
13 over the past five years that I've been
14 here, everybody, I thought, had been
15 cut, with the exception, obviously, of
16 that \$525,000.

17 Now, this year, again, things
18 were relatively flat so they didn't see
19 an increase but, again, the fact that
20 over the past several years, they have
21 been flat is really a testament to the
22 good work that they have done as
23 opposed to anything else.

24 We had earlier discussions as
25 to how we might be able to step up to

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 their requests. One way would, in
3 fact, be to review their requests. As
4 the days got shorter, as the weather
5 got colder, they're not going to need
6 that money until, you know, November or
7 December or certainly January or
8 February.

9 If our program income
10 projections prove to be conservative,
11 then it may be possible to pull some
12 additional funds from those additional
13 collections and dedicate it here. If
14 we don't do that, if it is Council's
15 desire that we somehow, quote/unquote,
16 find money to dedicate to them, that's
17 going to entail pulling it from
18 someplace else.

19 Now, what someplace else is is
20 up for debate, but this budget is
21 pretty tight. If we decide to do
22 that -- and, again, I'm not at this
23 point lobbying for other against it, so
24 to speak, but if we choose to do that,
25 just know that we're going to have to

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 pull that, whether it's 300 or some
3 factor thereof, from some other line
4 item.

5 COUNCILWOMAN REYNOLDS-BROWN:

6 Okay. Does the federal government
7 offer any incentives, provisions,
8 conditions whereby those agencies
9 receiving higher housing dollars,
10 you're required to adhere to the new
11 leads standards, for example? Do you
12 impose those types of requirements for
13 new construction currently within the
14 Administration?

15 MS. McCULLOUGH: We are using
16 Energy Sta certification -- Energy Star
17 requirements for all of our rehab and
18 new construction.

19 COUNCILWOMAN REYNOLDS-BROWN:

20 Okay.

21 MS. McCULLOUGH: And we were
22 encouraging, encouraging, the even more
23 restrictive -- if that's right word --
24 better leads qualification
25 requirements, and that's the direction

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 that we're moving in. We're not there
3 yet, but we are requiring Energy Star
4 requirements now for all of offer work.

5 COUNCILWOMAN REYNOLDS-BROWN:

6 Okay. All right then.

7 MS. GLADSTEIN: If I could add
8 something.

9 COUNCILWOMAN REYNOLDS-BROWN:

10 Please.

11 MS. GLADSTEIN: In the Mayor's
12 executive order that he issued during
13 Earth Week, he did ask, I believe, the
14 Planning Commission to review the
15 adaption around leads development, so
16 it's something that he's asked the City
17 Administration to study.

18 COUNCILWOMAN REYNOLDS-BROWN:

19 Okay. That's important to know.

20 Finally, you're right, the
21 difference a year does make when it
22 comes to the huge challenge that all of
23 the housing agencies were confronted
24 with, given the backdrop of the federal
25 government.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 So now, with the benefit of
3 hindsight and knowing that hindsight is
4 20/20 what lessons have been learned
5 around the housing reorg, period?

6 MR. HANNA: That's a good
7 question. We would have approached --
8 we would have approached our
9 communications with the union
10 differently.

11 (Applause.)

12 MR. HANNA: We could have done
13 a better job of communicating, and they
14 could have done a better job of
15 communicating with us. We would have
16 approached that differently; that's
17 probably the most important, the
18 biggest lesson learned, the best lesson
19 learned probably.

20 COUNCILWOMAN REYNOLDS-BROWN:
21 Because if we look to what's happening
22 in D.C. and what lies ahead, given
23 fewer dollars coming to municipalities,
24 Philadelphia and other cities may be
25 confronted with that type of must-do

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 governmental assignment again. And so
3 it's just important that we not repeat
4 --

5 MR. HANNA: Well taken.

6 COUNCILWOMAN REYNOLDS-BROWN:
7 -- what did or did not work.

8 Thank you for your testimony.

9 COUNCILWOMAN BLACKWELL: Thank
10 you, Councilwoman.

11 Councilwoman Campbell, thank
12 you for your patience all day.

13 COUNCILWOMAN CAMPBELL: Madam
14 Chair, some questions that I would like
15 to ask Miss Gladstein.

16 COUNCILWOMAN BLACKWELL:
17 Certainly.

18 COUNCILWOMAN CAMPBELL: Good
19 afternoon, Miss Gladstein.

20 MS. GLADSTEIN: Good
21 afternoon.

22 COUNCILWOMAN CAMPBELL: I
23 would appreciate your prompt response
24 to my request for some details
25 regarding NTI funds that are available

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 for use in the 4th Council District. I
3 have a number of questions regarding
4 the information provided that I would
5 like you to respond to now and confirm
6 your response in writing.

7 In the document titled
8 "Neighborhood Transformation Initiative
9 Demolition and Encapsulation Summary,"
10 it shows the retaining wall repair
11 escrow account in the amount of
12 \$100,000. On what basis was this
13 escrow account established? number one.

14 MS. GLADSTEIN: Well, thank
15 you for the opportunity to respond and
16 to confirm later since I'm not sure I
17 can give you full detail on all of
18 these points.

19 There was a retaining wall in
20 the 4th District that -- for which an
21 RFP had been issued by the Streets
22 Department in the last year. There was
23 a technical error with that RFP that
24 was issued by the Streets Department,
25 and it was reissued.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 However, the first set of bids
3 that came in identified that there
4 would be a need for additional funding
5 beyond the amount available in the
6 retaining wall line item.

7 The previous holder of the
8 position of the 4th District
9 Councilmember had signed off on an
10 escrow, if you will, an allowance to
11 enable that retaining wall to be
12 completed. And this is one that I
13 would like to definitely be able to
14 confirm in writing to you later.

15 COUNCILWOMAN CAMPBELL: On
16 what basis will these funds be released
17 from escrow to be used to support
18 activity of the 4th Council District,
19 though? I assume that you are talking
20 about Stewart Street.

21 MS. GLADSTEIN: Yes.

22 COUNCILWOMAN CAMPBELL: And
23 the 5700 block of Stewart Street.

24 MS. GLADSTEIN: And what I do
25 have to do is confirm with the Streets

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 Department the status of their
3 rebidding of that retaining wall. In
4 these cases, we do require the
5 signature of the Councilperson for the
6 use of the funds.

7 COUNCILWOMAN CAMPBELL: In the
8 same document, it shows \$539,388 total
9 available dollars. Can I assume that
10 this amount and more, if the escrow for
11 retaining walls is released, is
12 available to be reprogrammed for other
13 activities in the 4th Council District?

14 MS. GLADSTEIN: I'm going to
15 ask Tumar Alexander from the Managing
16 Director's Office to assist me with the
17 response.

18 COUNCILWOMAN CAMPBELL: Okay.

19 MS. GLADSTEIN: Your question
20 is about the \$539,000 that's available
21 for demolition and vacant property
22 stabilization? I'm sorry, if you could
23 just --

24 COUNCILWOMAN CAMPBELL: If
25 there's anything left over, will it be

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 reprogrammed for other activities in
3 the 4th Council District?

4 MS. GLADSTEIN: Right. If
5 it's -- if there is funding left over,
6 yes, that would be available for other
7 activities of a similar nature in the
8 4th Council District.

9 COUNCILWOMAN CAMPBELL: Okay.
10 In the document entitled
11 "Accomplishments of the 4th Council
12 District," the line-item settlement
13 grant shows a citywide budget of
14 \$3,100,000, and the 4th Council
15 District's expenditures of \$212,000.

16 The 4th District expenditures
17 itself of 212,000 represents only 6.85
18 percent of the citywide budget; why
19 such a small percentage in the 4th
20 Council District, and what actions can
21 be taken to increase the use of funds
22 in the 4th Council District?

23 MS. GLADSTEIN: This is for
24 the Basic Systems Repair Program, which
25 is a citywide program. And the way it

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 works is that there's individuals
3 through housing-counseling agencies,
4 (indiscernible) or other community-
5 based organizations become aware of the
6 program, apply to PHDC for the program.
7 They have to be income-eligible and
8 meet other criteria.

9 So the distribution is not
10 necessarily consistent throughout
11 Council Districts. I believe you heard
12 testimony earlier today from the --
13 eastern North Philadelphia that they
14 also felt that their community was
15 underserved.

16 I think there are two ways to
17 deal with this. One, obviously, is to
18 try to maintain as much funding as
19 possible in that line item, but the
20 second is to be able to ask
21 community-based organizations and other
22 groups in the 4th District to be aware
23 of the program, and I'm sure the Office
24 of Housing and PHDC would make
25 information available so that they

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 could make referrals into that program.

3 There are several housing-
4 counseling programs that do work in the
5 community, and they should be well
6 aware of the program and be able to
7 make referrals.

8 COUNCILWOMAN CAMPBELL: I
9 think there are copies of that, but I
10 just wanted to know why only 6.85
11 percent.

12 MS. GLADSTEIN: If I may, I
13 think it's hard to know what the
14 correct percentage should be in every
15 community because not very household
16 will be eligible for it, again, because
17 it's based upon ownership status and
18 income as well as the kinds of needs of
19 the property.

20 And I don't know that it's --
21 something that I think we would have to
22 do is to look to see who the eligible
23 households would be in any particular
24 community; I'm not sure it's
25 information that we have available.

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 COUNCILWOMAN CAMPBELL: In the
3 lower part of the 4th Council District,
4 it's comprised mainly of senior
5 citizens, low-income and fixed incomes.
6 That's the lower part of the district.

7 Let me go on to this one: You
8 have here in the same document, your
9 line item Basic Systems Repair Program
10 shows a citywide budget that's
11 \$26,475,000, with expenditures in the
12 4th Council District of only \$562,026.

13 The 4th District expenditures
14 of \$562,026 which represents only 2.12
15 percent of the citywide budget; why
16 such a small percentage in the 4th
17 Councilmatic District? I mean, you
18 know, this is getting redundant, it
19 really is.

20 MS. GLADSTEIN: Well, I think
21 you're looking at number of grants and
22 then the dollar amounts of grants, and
23 the dollar amounts of the grants would
24 again relate to what the particular
25 needs of the household would be,

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 because while there's a maximum grant,
3 not every household receives a maximum
4 grant; it depends upon what basic
5 systems need repair.

6 COUNCILWOMAN CAMPBELL: I
7 still don't think you understood what I
8 said. I said the 4th Councilmatic
9 District in the lower end is comprised,
10 the majority of senior citizens on low
11 incomes and fixed incomes; it's a very
12 poor area who are greatly in need of
13 help for basic repairs.

14 And I just -- it's
15 inconceivable to me that that small
16 percentage is there and with the need
17 of the people that I know, I've lived
18 there all my life, so I know what their
19 needs are.

20 Also in the same document, the
21 line item Adoptive Modification Program
22 shows a citywide budget of \$9,300,000
23 with no expenditures in the 4th Council
24 District. Why are there no
25 expenditures in the 4th Council

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 District? What actions are you
3 prepared to make sure that these funds
4 are made available to the residents of
5 the 4th Council District who
6 desperately need their homes adapted to
7 meet their disability?

8 MS. GLADSTEIN: We would need
9 to work with you and with the housing
10 agencies that operate these programs to
11 make sure that we can increase the
12 number of applications coming from the
13 4th District into those agencies for
14 these programs.

15 COUNCILWOMAN CAMPBELL:
16 Evidently, according to this
17 information, there were none because no
18 one received anything. And that's
19 deplorable because there are a lot of
20 people that are disabled in that
21 district that need help, and they're
22 poor and they can't get it themselves.

23 MS. GLADSTEIN: My information
24 will be corrected by -- and I apologize
25 for this -- Tony Macintosh, the

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 Executive Director of PHDC, who
3 operates the program.

4 MR. MACINTOSH: My name is
5 Anthony MacIntosh. I'm the Executive
6 Vice President of Philadelphia Housing
7 Development Corporation.

8 With respect to the 4th
9 Councilmatic district and specifically
10 the Adaptive Modification Program,
11 we're showing expenditures in the last
12 nine months in excess of about
13 \$320,000. And then in the previous
14 years, which would actually only
15 reflect six months because, remember,
16 PHDC only assumes responsibility for
17 the program in January of '06.

18 During that same period, there
19 were 10 modifications and there were a
20 total of 3 properties that were treated
21 during that time period.

22 What should be noted with
23 respect to the Adaptive Modification
24 Program as well as the Basic Systems
25 Repair Program is, those programs are

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 demand-driven. It's a first-come-
3 first-served basis, and we try to serve
4 all of the clients that are, in fact,
5 eligible for services.

6 And in certain neighborhoods,
7 the need appears to be greater than
8 others, but we do have information
9 available to reflect actual
10 expenditures related to the community
11 development dollars as well as the NTI
12 dollars.

13 COUNCILWOMAN CAMPBELL: This
14 information I have we received from
15 your department last week, and we were
16 told that it was current.

17 MR. MACINTOSH: Well, I'm not
18 sure where the information came from.

19 MS. GLADSTEIN: We will review
20 it again with PHDC. Again, we are
21 collecting information from a variety
22 of departments, and so it may have been
23 our error; and if so, I apologize.

24 COUNCILWOMAN CAMPBELL: I
25 would appreciate that very much in

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 writing.

3 Thank you.

4 COUNCILWOMAN BLACKWELL: The

5 Chair is requesting that the

6 information be forwarded here as well

7 so that the Councilwoman receives all

8 of the information she required for her

9 district.

10 Thank you, Councilwoman.

11 COUNCILWOMAN CAMPBELL: Thank

12 you.

13 COUNCILWOMAN BLACKWELL:

14 Councilman Greenlee?

15 COUNCILMAN GREENLEE: Yeah.

16 Mr. Hanna, just at the risk of

17 belaboring the point, but just so I

18 understand, and I know that it was

19 what -- or it was what it was, so I

20 know it's not going to change.

21 But on that salary question

22 okay, you responded both to

23 Councilwoman Blackwell and I that

24 the -- about your hands being tied, and

25 I don't mean to be sarcastic, but

1 6/4/07 FINANCE - BILL 070387, RES. 070405

2 you're the Secretary of Housing who is
3 tying your hands?

4 I mean, why couldn't you have
5 just brought those people in at that
6 level and maybe taken away a lot of the
7 problem?

8 MR. HANNA: The union contract
9 is pretty specific, but the union
10 contract outlines the basis on which
11 these kinds of transactions can take
12 place. Without -- the contract spells
13 out that those kinds of things have to
14 be negotiated that I can't unilaterally
15 make those kinds of decisions. That's
16 what bound my hands.

17 COUNCILMAN GREENLEE: So the
18 union would have opposed that?

19 MR. HANNA: No. Remember, I
20 said we were negotiating. Negotiations
21 were between us and the unions.
22 Without a negotiated transition
23 agreement, we had to do what we did.

24 And, again, I can't go into
25 any of the detail as to the level of

1 6/4/07 FINANCE - BILL 070387, RES. 070405
2 negotiations and the hours and weekend
3 nights that were spent trying to
4 negotiate that, but an awful lot of
5 effort went into it from both sides.

6 COUNCILMAN GREENLEE: Okay.
7 Thank you. Thank you, Mr. Hanna.

8 COUNCILWOMAN BLACKWELL: Are
9 there any further questions for the
10 witnesses?

11 (No further questions.)

12 COUNCILWOMAN BLACKWELL: Any
13 further questions?

14 Thank you very much. If there
15 are no further questions and no one
16 else who wants to testify, we will
17 conclude this part of our hearing and
18 enter into our stated meeting.

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1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 COUNCILWOMAN BLACKWELL: For
3 my colleagues, we'll go by the
4 calendar. And as you note, the first
5 two bills were the Biosolids bills,
6 060108 and 060109.

7 Next is the bill for City
8 depositories, and the Chair recognizes
9 Councilman DiCicco for a motion with
10 regard to Bill No. 070230.

11 COUNCILMAN DICICCO: Thank
12 you, Madam Chair.

13 I move that Bill No. 070230 be
14 reported out of this committee with a
15 favorable recommendation and a further
16 recommendation that the rules of
17 Council be suspended.

18 (Motion seconded.)

19 COUNCILWOMAN BLACKWELL: It
20 has been moved and seconded that Bill
21 No. 070230 be reported out of committee
22 with a favorable recommendation and
23 furthermore that the rules of Council
24 be suspended in order to permit first
25 reading at our next session of Council.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 All those in favor will say
3 aye.

4 Opposed?

5 The ayes have it and so the
6 bill passes.

7 The Chair recognizes
8 Councilman Greenlee with regard to a
9 motion to Bill No. 070260.

10 COUNCILMAN GREENLEE: Thank
11 you, Madam Chair.

12 I move that Bill No. 070260 be
13 reported out of this committee with a
14 favorable recommendation and that the
15 rules of Council be suspended so as to
16 allow for first reading at the next
17 session of Council.

18 (Motion seconded.)

19 COUNCILWOMAN BLACKWELL: It
20 has been moved and seconded that Bill
21 No. 070260 be reported out of committee
22 with a favorable recommendation and
23 furthermore that the rules of Council
24 be suspended in order to permit first
25 reading at our next session of Council.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 All those in favor will say
3 aye.

4 Opposed?

5 The ayes have it, and so the
6 bill passes.

7 The Chair recognizes
8 Councilman Reynolds-Brown with regard
9 to a motion to Bill No. 070151.

10 COUNCILWOMAN REYNOLDS-BROWN:

11 Okay, Madam President. I move that
12 Bill No. 070151 be reported out of
13 committee with a favorable
14 recommendation and further move that
15 the rules of Council be suspended so as
16 to permit first reading.

17 (Motion seconded.)

18 COUNCILWOMAN BLACKWELL: All
19 in favor, say aye.

20 Opposed?

21 The ayes have it; and,
22 therefore, Bill No. 070151 will be
23 reported out of committee with a
24 favorable recommendation and also a
25 recommendation for a suspension of the

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 rules so as to permit first reading at
3 our next session of Council.

4 The Chair now recognizes
5 Councilman DiCicco for an amendment to
6 Bill No. 070049.

7 COUNCILMAN DICICCO: Thank
8 you, Madam Chair.

9 I move that the amendment that
10 was circulated earlier in reference to
11 Bill No. 070049 be approved.

12 (Motion seconded.)

13 COUNCILWOMAN BLACKWELL: It
14 has been moved and seconded that the
15 amendment to Bill No. 070049 be
16 adopted.

17 All those in favor will say
18 aye.

19 Opposed?

20 The ayes have it and so the
21 amendment is adopted.

22 The Chair now recognizes
23 Councilman DiCicco for a motion with
24 regard to the amended bill.

25 COUNCILMAN DICICCO: Thank

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 you, Madam Chair.

3 I move that Bill No. 070049,
4 as amended, be reported out of this
5 committee with a favorable
6 recommendation and that the rules of
7 Council be suspended.

8 (Motion seconded.)

9 COUNCILWOMAN BLACKWELL: It
10 has been moved and seconded that Bill
11 No. 070049, as amended, be reported out
12 of committee with a favorable
13 recommendation and also a
14 recommendation for a suspension of the
15 rules so as to permit first reading at
16 our next session of Council.

17 I think we voted, didn't we?

18 All those in favor will say
19 aye.

20 Those opposed?

21 The ayes have it, and so the
22 bill passes.

23 The Chair recognizes
24 Councilwoman Brown with regard to Bill
25 No. 070125.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 COUNCILWOMAN REYNOLDS-BROWN: I

3 move that Bill No. 070125 be reported

4 out of committee with a favorable

5 recommendation and further move that

6 the rules of Council be suspended.

7 (Motion seconded.)

8 COUNCILWOMAN BLACKWELL: It

9 has been moved and seconded that Bill

10 No. 070125 be reported out of committee

11 with a favorable recommendation and

12 also a recommendation that the rules of

13 Council be suspended in order to permit

14 first reading at our next session of

15 Council.

16 All those in favor will say

17 aye.

18 Opposed?

19 The ayes have it, and so the

20 bill passes.

21 The Chair recognizes

22 Councilman Goode with regard to Bill

23 No. 070170.

24 COUNCILMAN GOODE: Thank you,

25 Madam Chair.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 I move that Bill No. 070170 be
3 reported out of committee out with a
4 favorable recommendation and that the
5 rules of Council be suspended so as to
6 permit first reading at our next
7 session.

8 (Motion seconded.)

9 COUNCILWOMAN BLACKWELL: It
10 has been moved and seconded that Bill
11 No. 070170 be reported out of committee
12 with a favorable recommendation and,
13 furthermore, that the rules of Council
14 be suspended in order to permit first
15 reading at our next session of Council.

16 All those in favor will say
17 aye.

18 Opposed?

19 The ayes have it, and the bill
20 passes.

21 The Chair recognizes
22 Councilman Greenlee with regard to Bill
23 No. 070262.

24 COUNCILMAN GREENLEE: Thank
25 you, Madam Chair.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 I move that Bill No. 070262 be
3 reported out of this committee with a
4 favorable recommendation and that the
5 rules of Council be suspended to allow
6 for first reading at the next session
7 of Council.

8 (Motion seconded.)

9 COUNCILWOMAN BLACKWELL: It's
10 been moved and seconded that Bill No.
11 070262 be reported out of committee
12 with a favorable recommendation and
13 also that the rules of Council be
14 suspended in order to permit first
15 reading at our next session of Council.

16 All those in favor will say
17 aye.

18 Opposed?

19 The ayes have it, and the bill
20 passes.

21 The Chair recognizes Blondell
22 Reynolds-Brown with regard to Bill No.
23 070368.

24 COUNCILWOMAN REYNOLDS-BROWN:
25 Madam Chair, I move that Bill No.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 070368 be reported out of committee
3 with a favorable recommendation and
4 further move that the rules of Council
5 be suspended so as to permit first
6 reading.

7 (Motion seconded.)

8 COUNCILWOMAN BLACKWELL: It
9 has been moved and seconded that Bill
10 No. 070368 be reported out of committee
11 with a favorable recommendation and
12 furthermore that the rules of Council
13 be suspended in order to permit
14 consideration at our next session of
15 Council.

16 All those in favor will say
17 aye.

18 Opposed?

19 The ayes have it, and the bill
20 passes.

21 The Chair recognizes
22 Councilman Goode with regard to Bill
23 No. 070387.

24 COUNCILMAN GOODE: Thank you,
25 Madam Chair.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 I move that Bill No. 070387 be
3 reported out of committee with a
4 favorable recommendation and that the
5 rules of Council be suspended so as to
6 permit first reading at our next
7 Council session.

8 (Motion seconded.)

9 COUNCILWOMAN BLACKWELL: It's
10 been moved and seconded that Bill No.
11 070387 be reported out of committee
12 with a favorable recommendation and,
13 furthermore, that the rules of Council
14 be suspended in order to permit first
15 consideration at our next session of
16 Council.

17 All in favor, say aye.

18 Opposed?

19 The ayes have it, and the bill
20 passes.

21 The Chair recognizes
22 Councilman DiCicco with regard to Bill
23 No. 070388.

24 COUNCILMAN DICICCO: Thank
25 you, Madam Chair.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 I move that Bill No. 070388 be
3 reported out this committee with a
4 favorable recommendation and a further
5 recommendation that the rules of
6 Council be suspended.

7 (Motion seconded.)

8 COUNCILWOMAN BLACKWELL: It
9 has been moved and seconded that Bill
10 No. 070388 be reported out of committee
11 with a favorable recommendation and,
12 furthermore, that the rules of Council
13 be suspended in order to permit first
14 consideration at our next session of
15 Council.

16 All in favor, say aye.

17 Opposed?

18 The ayes have it and the bill
19 passes.

20 The Chair recognizes
21 Councilman Greenlee with regard to a
22 motion for Bill No. 070393.

23 COUNCILMAN GREENLEE: Thank
24 you, Madam Chair.

25 I move that Bill No. 070393 be

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 reported out of this committee with a
3 favorable recommendation and that the
4 rules of Council be suspended to allow
5 for first reading at our next session
6 of Council.

7 (Motion seconded.)

8 COUNCILWOMAN BLACKWELL: It
9 has been moved and seconded that Bill
10 No. 070393 be reported out of committee
11 with a favorable recommendation and,
12 furthermore, that the rules of Council
13 be suspended in order to permit first
14 consideration at our next session of
15 Council.

16 All those in favor will say
17 aye.

18 Opposed?

19 The ayes have it, and the bill
20 passes.

21 The Chair recognizes
22 Reynolds-Brown with regard to a motion
23 on Bill No. 070401.

24 COUNCILWOMAN REYNOLDS-BROWN:
25 Madam Chair, I move that Bill No.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 070401 be reported out of committee
3 with a favorable recommendation and
4 further move that the rules of Council
5 be suspended so as to permit first
6 reading.

7 (Motion seconded.)

8 COUNCILWOMAN BLACKWELL: It
9 has been moved and seconded that Bill
10 No. 070401 be reported out of committee
11 with a favorable recommendation and,
12 furthermore, that the rules of Council
13 be suspended in order to permit first
14 consideration at our next session of
15 Council.

16 All those in favor will say
17 aye.

18 The ayes have it, and so the
19 bill passes.

20 The Chair recognizes
21 Councilman Goode with regard to Bill
22 No. 070402.

23 COUNCILMAN GOODE: That you,
24 Madam Chair.

25 I move that Bill No. 070402 be

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 reported out of committee with a
3 favorable recommendation and that the
4 rules of Council be suspended so as to
5 permit first reading at our next
6 Council session.

7 (Motion seconded.)

8 COUNCILWOMAN BLACKWELL: It
9 has been moved and seconded that Bill
10 No. 070420 be reported out of committee
11 with a favorable recommendation and,
12 furthermore, that the rules of Council
13 be suspended in order to permit first
14 consideration at our next session of
15 Council.

16 All in favor will say aye.

17 Opposed?

18 The ayes have it, and the bill
19 passes.

20 The Chair recognizes
21 Councilwoman Brown with regard to
22 Resolution No. 070405.

23 COUNCILWOMAN REYNOLDS-BROWN:
24 Madam Chair, I move that Resolution No.
25 070405 be reported out of committee.

1 6/4/07 FINANCE COMMITTEE - PUBLIC MEETING

2 (Motion seconded.)

3 COUNCILWOMAN BLACKWELL: It

4 has been moved and seconded that

5 Resolution 070405 be reported out of

6 committee with a favorable

7 recommendation.

8 All in favor will say aye.

9 Opposed?

10 The ayes have it, and so the

11 resolution is passed.

12 This completes our short

13 calendar for the day.

14 Let me thank all of you and

15 thank all of the members of the

16 committee. And we note that Councilman

17 O'Neill voted aye on all bills and

18 resolutions that were passed today.

19 Thank you very much to

20 everyone. Thank you.

21 (Proceedings end at 4:50 p.m)

22 * * *

23

24

25

C E R T I I f C A T E

I HEREBY CERTIFY that the
proceedings of the City of Philadelphia
Council Committee on Finance are contained
fully and accurately in the stenographic
notes taken by me on Monday, June 4, 2007,
and that this is a true and correct statement
of same.

JOSEPHINE CARDILLO
Registered Professional Reporter

(The foregoing certification
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