COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON HOUSING, NEIGHBORHOOD DEVELOPMENT AND THE HOMELESS

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 7, 2006
4:10 p.m.

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PRESENT:
COUNCILWOMAN JANNIE BLACKWELL, CHAIR
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN FRANK DiCICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN JUAN RAMOS
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

BILL 060466 - An ordinance amending Chapter 21-1600 of The Philadelphia Code, entitled "Housing Trust Fund," to require that all Philadelphia Housing Trust Fund dollars be appropriated and expended equally between each councilmanic district within the City of Philadelphia; all under certain terms and conditions.

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COUNCILWOMAN BLACKWELL: Good afternoon. Thank you for being here. Thank you for your patience, and we're grateful to have the opportunity to have this hearing with regard to Bill No. 060466.

We'd like to note that we have a quorum. This is the Committee on Housing, Neighborhood Development and the Homeless. To my right is Councilman Darrell Clarke. To his right, Vice-Chair, Councilman Juan Ramos. To my left, we have Councilman Frank DiCicco. We also have here, and we're happy to have join us --

COUNCILMAN RIZZO: Rizzo.

COUNCILWOMAN BLACKWELL: No, no. You are to my left, Councilman DiCicco. Thank you, but I was going to say we have Councilman W. Wilson Goode and Councilman Frank Rizzo.

So we're happy that they are here. We do have a quorum and we're happy to begin our hearing.

6/7/06 - HOUSING - BILL 060466

We will ask the Clerk to read the title of the bill.

THE CLERK: Bill 060466, an ordinance amending Chapter 21-1600 of The Philadelphia Code, entitled "Housing Trust Fund," to require that all Philadelphia Housing Trust Fund dollars be appropriated and expended equally between each Councilmanic District within the City of Philadelphia; all under certain terms and conditions.

COUNCILWOMAN BLACKWELL: Thank you very much.

The Chair would now invite the Administration to testify.

While they are, we are also requesting the presence of the City Solicitor.

Is the City Solicitor here? If not, we'll ask our office to call him again.

Is Mr. Rosman, Deputy City Solicitor, is he here?

(No response.)

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COUNCILWOMAN BLACKWELL: We want our City Solicitor here. We have some documents that they have authored, and we are asking that they come to this hearing.

MR. HANNA: I understand that the City Solicitor is en route.

COUNCILWOMAN BLACKWELL: Thank you very much. We will ask you to identify yourselves for the record and begin your testimony, after which we will have many things to say this afternoon. Thank you for being here and please begin your testimony.

MR. HANNA: Good afternoon, Councilwoman Blackwell and --

COUNCILWOMAN BLACKWELL: To my colleagues, it's in your folder. Thank you.

MR. HANNA: -- Councilwoman Blackwell and other members of City Council. I am Kevin Hanna and I serve as Secretary of the Office of Housing and Neighborhood Preservation for the City of

Philadelphia. I am here today to testify on behalf of the Administration on Bill No. 060466. This bill amends the current Housing Trust Fund legislation to mandate that Housing Trust Fund dollars be appropriated and expended equally among each Council District in the City. With me today is Deborah McColloch, the Director of Housing.

The Administration does not support Bill 060466 for several reasons. It upsets the consensus that was reached last year among the Administration, City Council, housing advocates and State legislators. As you know, the Housing Trust Fund legislation that was passed through State action, City Council action and mayoral action was achieved after many months of discussion and compromise. Money has been accruing in the Trust Fund only since September of 2005.

The City has issued a request for proposals for housing development and has received 20 proposals from community

development corporations and other non-profit groups. These proposals are being evaluated by staff from the Office of Housing and Neighborhood Preservation, the Office of Housing and Community Development, the Redevelopment Authority, the Neighborhood Transformation Initiative office, the City Planning Commission and the Office of Emergency Shelter and Services.

As the proponents of the Trust Fund envisioned, this is an open, competitive and transparent process. Under this bill, affordable housing developments, which have all their funding identified but for the gap being filled by Housing Trust Fund dollars, may not be able to move forward because the funding for that Council District has been or may be committed elsewhere. The open and competitive process would be compromised by the proposed Council District allocation.

The review committee will be

making recommendations to me as the Secretary of Housing and Neighborhood Preservation. I am certainly mindful of the need to serve all areas of the City and anticipate making awards to strong projects in a wide variety of neighborhoods. After consulting with the Mayor and the District Councilperson, my office will make a decision on project funding.

In addition, certain funding for certain activities such as the Basic Systems Repair Program and Adaptive Modifications Program will be made available Citywide, based on demand from low-income homeowners. As a practical matter, it is unclear how appropriation or expenditure requirements by Council District would affect Citywide programs such as the Basic Systems Repair and Adaptive Modifications. Would an individual homeowner have to apply for a Basic Systems Repair Program grant, only to be informed that all of the funding

for their district has been committed, while a homeowner in another district would be served.

The Administration also opposes this bill because it limits the City's ability to focus much-needed housing resources on the areas with the greatest needs. Demographic information indicates that there remain huge pockets of poverty and unsafe housing in concentrated areas of the City. If Trust Fund dollars were to be distributed evenly, we would quickly, I fear, run into a scenario where certain neighborhoods will be left without funds, though viable projects would otherwise be able to be built, while other Council Districts will be flush with cash due to the lack of need or proposed developments.

In addition, the Law Department has raised serious concerns regarding City Council's power to take the proposed action under both the Home Rule Charter and the State enabling legislation for

the Trust Fund. The analysis raises issues in two areas. The first area of concern is whether City Council actually has the power to make appropriations in categories beyond the, quote, lump sum, end quote, categories permitted by Section 2-300 of the Home Rule Charter. In the case of the appropriation for Fiscal Year 2007, at least, the operating budget has already been passed without any limitation by Council District.

The second and more serious area of concern raised by the Law Department relates to Council's power under the Charter and State law to require the expenditure of funds. Previous City Solicitor opinions indicate that Council may not make conditional appropriations or otherwise limit the appropriation made in the operating budget ordinance. Further, the State enabling legislation for the Housing Trust Fund outlined specific areas in which Council may legislate; that is, the

portion of funds to be spent on very low income persons, the portion to be spent on housing production, the percentage of new construction housing which might be accessible, the extent to which expenditures must be limited to, quote, affordable housing, end quote, and the right to limit the cost to the consumer of housing produced with Trust Fund dollars.

Act 49, the State enabling legislation, does not give Council the power to limit expenditures by Council District, and I'm quoting here from the Law Department, Because this limitation exceeds Council's power under the Charter, Bill 060466 is not a lawful exercise of Council's authority, end quote.

As envisioned by the legislation, the Housing Trust Fund Oversight Committee, an advisory group having no power to spend, allocate or compel the City to spend money, that

Oversight Board has made a proposal for Fiscal Year 2007 spending for specific housing programs, which has been incorporated as line items in the City's Proposed Consolidated Plan. The Consolidated Plan is before Council at this time for its review and approval.

While the Trust Fund represents a new source for affordable housing development and preservation, it should be viewed in the context of all funding sources that are available to the City. One of the requirements of the Housing Trust Fund legislation is detailed annual reporting on the use of Trust Fund dollars by fiscal year, including by, quote, geographic distribution, end quote.

I think that the most useful way to describe the geographic distribution in this case would be by Council District, and we will ensure that all Councilmembers are in fact fully informed about the impact that the

Housing Trust Fund activities will have in their respective districts.

In summary, the Administration does not support Bill 060466 and respectfully requests that it be held at this time.

I will be happy to answer any questions that you or any other members of the Committee or Council might have of me at this time.

COUNCILWOMAN BLACKWELL: Mr. Hanna, the Chair notes that we have spoken with other members of Council who have stated that -- because we initially thought we would introduce an amendment -- that they are willing to abide by income guidelines and that they would be willing to return dollars if they did not use them or did not meet criteria within their districts. You may be aware of that; you may not be aware of that.

MR. HANNA: Actually, I was not aware of it.

COUNCILWOMAN BLACKWELL: But we have a few questions with regard to this, with regard to the legislation.

Number one -- and we're waiting for the City Solicitor. We have a suggested amendment, a suggestion from the City Solicitor dealing with -- and I'll mention this since you reference him in your statement. And I'll read, quote, The Councilmember who represents a Councilmanic District in which expenditures from the Fund are proposed shall be consulted to determine a member's view on the proposal.

So my question to you is, we who are elected -- I would like to know if we don't agree with your recommendations or of two or three people from the Housing Trust Fund who don't agree on expenditures, what is the liability, or what does that mean for our districts or the people we represent?

MR. HANNA: Relative to your reference to people on the Housing Trust

Fund Advisory Board, again, their input stops, ends, their influence ends once they make the recommendation. At that point, we pick it up as far as projects are concerned and then we make a decision. So their input after that point, as far as we're concerned, will have already been considered.

COUNCILWOMAN BLACKWELL: Mr. Hanna, if people don't agree with how we vote, what we think or what we fund, we have offices. We're accountable to the public. To whom are the Housing Trust Fund people accountable?

(Applause.)

MR. HANNA: Again, Councilwoman, the input of the Advisory Board is only on projects, and even then, it's advisory. They make recommendations. This City Council, through the Consolidated Plan, decides specifically on how much money ends up going into what line item in the Consolidated Plan. As far as specific

projects are concerned, again, those projects go through an RFP process. A committee that consists of --

COUNCILWOMAN BLACKWELL: And how does Council know who were sent RFPs, Mr. Hanna? We don't know that either.

MR. HANNA: The RFPs are advertised to the world, to the entire City of Philadelphia.

COUNCILWOMAN BLACKWELL: If anybody here has been given a copy of who was sent an RFP, please let me know.

MR. HANNA: No, Councilwoman. We didn't send RFPs to anybody. We advertise RFPs. People are open -- anybody can respond to a request for proposal. We didn't necessarily send RFPs to anyone. We simply advertised that this money is available and based on this criteria, you can propose to try to get some of this money.

Once those proposals are submitted to my office, a committee is formed, in fact has been formed, a

committee of housing specialists from the Office of Emergency Services, from the Redevelopment Authority, from my office, from several offices, all with housing expertise. No one from the Affordable Housing Coalition, no one necessarily from Council. These are folks who are staff. We do this with most RFPs that are issued.

That committee then makes its recommendation to me as the Secretary of Housing. I take that recommendation -- and, in fact, you'll notice it. This is outlined in my testimony.

I take those recommendations and I make a recommendation to the Mayor. I then would propose -- remember, none of this money has been spent. I would propose, pursuant to my testimony, to sit down with the respective District Councilperson to get their input.

COUNCILWOMAN BLACKWELL: You mean after decisions are made.

MR. HANNA: No, no. No

decision has been made.

COUNCILWOMAN BLACKWELL: You're telling me --

(Applause.)

MR. HANNA: No decision has been made. I'm talking about proposals, proposals that were provided to us in response to a request for proposals.

COUNCILWOMAN BLACKWELL: Let me ask the question another way. I received, after I complained, I received a list of projects and money that was decided they would receive in terms of funding for the Housing Trust Fund.

MR. HANNA: I'm sorry.

COUNCILWOMAN BLACKWELL: There are lists of projects that you proposed to fund out of the Housing Trust Fund.

MR. HANNA: Can I clarify that just one minute? If it's the piece of information that I think you're talking about, what was really provided to you was a list of those developers, not-for-profits, who have submitted

proposals who have responded to the request for proposals. No decisions have been made on that list. The committee --

COUNCILWOMAN BLACKWELL: So there is a change in that regard.

MR. HANNA: There is no change. The committee is now reviewing --

COUNCILWOMAN BLACKWELL: I note that the First District was omitted, the Fourth District was omitted, the Sixth District was omitted, the Ninth District was omitted, and the Tenth District was omitted. Are you telling me that they have no low-income people and people who live there don't meet criteria?

MR. HANNA: That's not what I'm telling you. I am telling you that, Councilwoman --

COUNCILWOMAN BLACKWELL: You're telling me nobody in their district applied for dollars?

MR. HANNA: What I am telling you is that we sent out an invitation, a request for people to submit proposals.

We can't control -- we don't control who responds to that request. Like I said, we did not send specific RFPs to specific people. We simply advertised to the Philadelphia world that this money was available.

The list that you have represents those organizations who have projects that are close to being ready for funding, projects that would, in their view, qualify for the Housing Trust Fund.

COUNCILWOMAN BLACKWELL: Mr. Hanna, who makes decisions? Again, you want to decide what projects are ready for funding and what projects are not. Who makes that decision? Are we not the elected officials who have a right in our districts to decide who gets funding?

(Applause.)

COUNCILWOMAN BLACKWELL: You're telling me about projects that are ready.

I have a letter from

Mr. MacDonald. I'm glad he's here, because in his statement he talks about his right and the Housing Trust Fund's right to make decisions. I have his document. And he talks about the geographical basis that he chose in terms of who should be funded. And I'm still trying to figure out under whose authority do you have a right to decide for Councilpeople, who are accountable by the people and who are elected, all these housing dollars. And this is from Mr. MacDonald, Board President, Philadelphia Association of CDCs. Who are you folks to decide who gets funded in my district and other districts around the City?

(Applause.)

COUNCILWOMAN BLACKWELL: How do you decide income? Who told you what project is ready? And if you decide what project is ready, who gives you the authority to make decisions on who's funded, and what if we don't agree? What

if some association is not available or they're on vacation? Where does the community appeal if they disagree with whatever your decisions are, you and about two or three people, with regard to funding? We need some information, Mr. Hanna.

(Applause.)

COUNCILWOMAN BLACKWELL: And we're not talking about pennies. We're talking, by the end of '07, we're talking $26 million. I think we're elected. I think we have a right to decide where $26 million gets spent. We're accountable by the people. We're here every day. Somebody is in offices of people who aren't there. What if somebody is not around, some CDC? Where does the community appeal if some group who has decided what monies they want spent where -- forget the districts they left out -- what does the community do? Where do they go?

(Applause.)

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MS. McCOLLOCH: Excuse me. My name is Deborah McColloch. I am the Director of Housing for the City of Philadelphia.

The process that we used for the Housing Trust Fund request for proposals is the same process that we have used for many years under the Community Development Block Grant, and that is what was established in the ordinance and also in the Mayor's Executive Order that established the Housing Trust Fund. The ordinance and the Executive Order both call for an open and competitive process, and we agreed that we would use a request for proposals process, which is very similar to exactly how we've done Community Development Block Grant funding for many years.

COUNCILWOMAN BLACKWELL: Ms. McColloch, are you saying that people who are low income, none of them live in the First, none in the Fourth District, none live in the Sixth, none live in the

Ninth or none live in the Tenth?

MS. McCOLLOCH: No, I'm not saying that.

COUNCILWOMAN BLACKWELL: Well, that's a list of those people, the districts, that were left out of this funding.

MS. McCOLLOCH: For this round, the first round of funding for the first request for proposals that was issued, there's $6 million available, and 20 organizations chose to respond to the RFP. That does not say that there are not low-income people in the other districts. It says that organizations did not choose to respond to the request for proposals.

I anticipate issuing --

COUNCILWOMAN BLACKWELL: How did you decide how much money people got who applied?

MS. McCOLLOCH: We haven't made any decisions yet about how much money people will get. We simply --

COUNCILWOMAN BLACKWELL: But we have a list of how much money, from 150,000 to a million dollars. That's what people are listed here allocated for this money.

MS. McCOLLOCH: No, no. That's what the request is. I don't have the list in front of me, but ABC Development Corporation requested $500,000 to support its housing development, whatever was submitted, whatever their proposal is. That list is not allocations. That's a list of requests submitted in response to the RFP.

COUNCILWOMAN BLACKWELL: Is this a total list? Because it is ironic that you had $6 million and this is around 5.5. That's all the --

MS. McCOLLOCH: No. I think it's --

COUNCILWOMAN BLACKWELL: Well, then I don't have the list. I have a list that comes to something like 5.55 million.

MS. McCOLLOCH: I believe that list comes to 8 million. There are three different categories, and if you add up the bottom total of each category, I believe it's about $8 million. I could get the exact number for you.

COUNCILWOMAN BLACKWELL: Well, I believe that Councilpeople would like to know in their respective districts who applied for money and who is slated to receive money. Who are three or four people to make those decisions? I still come back to the same issue, that three or four people do not Citywide have a right to make a decision for some $20 million a year.

(Applause.)

COUNCILWOMAN BLACKWELL: And this is why we ask that the money be divided, and this is why -- and we'll ask our City solicitor if he will come to the table.

This is why we want to have this discussion with regard to a

statement we received by Mr. Rosman, but more than that, an e-mail that he submitted regarding the Housing Trust Fund that says, "The Councilmember who represents the Councilmanic District in which expenditures from the fund are proposed shall be consulted to determine a member's view."

So consultation is one thing, but having the authority to make decisions is another. So we'd like to ask our City Solicitor -- and I understand this was received after I approached my colleague, Councilman Clarke, who wants to transfer money. In the next hearing, he wants to transfer.

And I apologize, Councilwoman Krajewski.

Because I told her we'd try to get through this, and I don't know how we get through this now more quickly. More people are asking to testify, unless somehow we could legally join committees together, then we could do that, because

we do have a joint hearing next.

But we're concerned about the authority of Council and the e-mail we have that says that we may be consulted for our views. And we wanted to ask you to explain that, what Council's authority is in this e-mail. If you would do that, that would help us to move from here.

MR. DIAZ: Madam Chairwoman, Romy Diaz, City Solicitor.

Let me try to separate two questions that I think you've asked so that hopefully we can try to unconfuse this a little bit. I understand this is an important and somewhat charged issue, but you're addressing two points that I'd like to try to clarify.

The first is the question relating to the authority of Council to allocate, as the bill before you would require, to allocate the Housing Trust Fund dollars equally among ten Councilmanic Districts. There is an opinion which was provided to your office

and to other offices that have requested it which basically concludes that is outside the authority of Council to do.

There is a clear process for appropriations laid out in the City Charter, and that process does not contemplate the kind of detailed allocation of funds by Council as part of the appropriations process, and we believe that the bill before you and the Committee members is outside the scope of Council's authority.

Separate from that issue, I understand, and I step into this with some trepidation, but separate from the earlier issue about Council authority is a question of what type of consultation and involvement in the advisory process currently laid out in the Mayor's Executive Order related to the Housing Trust Fund is appropriate. I understood that Councilman Clarke -- and I don't speak for him, but this is my understanding -- that Councilman Clarke

had drafted some language to share with the Chairwoman of the Committee related to how could more input from Councilmembers be developed as part of the process laid out in the Executive Order. I believe the e-mail that you referred to addresses at least a recommendation or at least an idea for how that involvement might be increased.

But I don't want to suggest that that is an official proposal or recommendation either from myself or the Law Department or, for that matter, from the Administration. I understood this to be a discussion among colleagues. This is an option that has been put on the table, as I understand it.

COUNCILWOMAN BLACKWELL: Is it your understanding, Mr. Diaz, that the process for the Housing Trust Fund dollars is that the Housing Trust Fund meets and makes recommendations to the Office of Housing and Community Development without direct input from

Councilmembers, other than the one representative on the Housing Trust Board?

MR. DIAZ: It is my understanding, and only that, that there is an Advisory Board which has been established as part of the Executive Order process. It is a mechanism, certainly not an exclusive mechanism, for receiving Council views about how the allocation of dollars should be made. I believe what I heard from Secretary Hanna and Director McColloch was that in fact there is a very wide-ranging process for soliciting input from the community. Part of that process includes a competitive request for proposals so that we can determine how to use scarce dollars most effectively. There is a process which is laid out as part of the Consolidated Plan for Year 32, which is the subject of a public hearing, I believe, tomorrow to solicit citizens input, as to how some of these dollars

would be spent.

There's certainly, it seems to me as part of any well thought out development project, an opportunity for Councilmembers to be directly engaged as part of the discussion, the normal give and take with the Administration about how projects should be developed in the City and how the scarce dollars should be made.

So I hope that I'm giving the impression, because I intend to, that the Executive Order lays out a process for allocating the dollars from the Housing Trust Fund, which for the very first time are being made available for development within the City of Philadelphia, but it certainly, to my understanding, is not intended to be an exclusive mechanism for soliciting or receiving Councilmanic opinions about how projects should be developed with respect to Housing Trust Fund activities.

COUNCILWOMAN BLACKWELL: Well,

certainly -- point of information, Mr. Goode.

COUNCILMAN GOODE: Thank you, Madam Chair.

Mr. Solicitor, you're clearly referring to the Executive Order within your remarks and somehow differentiating it from the ordinance. Why is that?

MR. DIAZ: I'm sorry. I didn't hear --

COUNCILMAN GOODE: You were clearly referring to the Executive Order within your comments and differentiating it from the ordinance. Why are you referring to the Executive Order rather than the ordinance?

MR. DIAZ: In terms of the question I believe that was put to me by Councilwoman Blackwell, I understood it to refer to the Advisory Board process which was established under the Executive Order. I was trying to address that issue. But with regard to the ordinance, I take it you're referring to the Housing

Trust Fund ordinance that was passed last year? I certainly didn't intend to in any way suggest that that ordinance is not an important element in terms of trying to determine Councilmanic views with regard to Housing Trust Fund projects. So there was no intention to suggest for any reason that the ordinance was not a part of the thinking process about how the Housing Trust Fund dollars should be spent.

COUNCILMAN GOODE: One quick follow-up. Where the ordinance and Executive Order is consistent is use of the term "the Office of Housing and Community Development." If that office changes to the Office of Housing and Neighborhood Preservation, how does that affect the ordinance and Executive Order?

MR. DIAZ: Well, I think it's not unexpected that there are frequently name changes and successor organizations to organizations mentioned in legislation or executive orders, and I would

anticipate that should there be some change down the road that either affects terms used in either the ordinance or the Executive Order, that decisions would be made at the time, judgments would be made about what the intended consequences of that with regard to how the ordinance or the Executive Order would apply.

COUNCILMAN GOODE: Well, clearly, the Mayor can sign a new Executive Order or amend his own Executive Order by a stroke of a pen, but to amend an ordinance, it has to be done through Council. So if you change the Office of Housing and Community Development to the Office of Housing and Neighborhood Preservation, do you in fact have to amend the ordinance for the Housing Trust Fund, legally?

(Applause.)

MR. DIAZ: I believe subject to check, Councilman -- I would be happy to provide this in writing to you and the members of the Committee -- I believe

subject to check that if there is an officially designated successor organization, that the responsibilities of the Office of Housing and Community Development as intended to be referred to in the ordinance, that those responsibilities would be assumed to be part of the responsibilities of the successor organization. But I'll be happy to --

COUNCILMAN GOODE: Who determines whether the Office of Housing and Neighborhood Preservation is actually a successor organization to the Office of Housing and Community Development as it relates to the ordinance?

MR. DIAZ: I think what we'd have to do -- and we're talking in very conceptual terms, and I understand why you have this interest, but talking in very conceptual terms I think doesn't give us an opportunity to reflect exactly what the mission and purpose of a potential successor organization might be

and how that relates to the ordinance. I'd like to, frankly, defer an opinion with regard to that hypothetical successor organization until I saw what it had to do and could make a determination whether in fact it was a successor to OHCD within the scope of the ordinance that you referred to.

COUNCILMAN GOODE: Let me clear it up a bit by actually citing the ordinance. In Section 4 of the ordinance where the Philadelphia Housing Trust Fund Oversight Board is created, it says, "Council called upon the Mayor to establish a Housing Trust Fund Oversight Board to make recommendations to the Office of Housing and Community Development," and it goes on.

So the ordinance actually reads that Council calls on the Mayor to establish a Housing Trust Fund Oversight Board to make recommendations to the Office of Housing and Community Development. What if Council does not

call on the Mayor to establish a Trust Board to make recommendations to the Office of Housing and Neighborhood Preservation?

MR. DIAZ: The question of the authority to establish agencies, organizations within the City government within the executive and administrative branch, I think is pretty clearly within the Mayor's authority under the City Charter, and with or without a request from Council, I believe the Mayor certainly would be authorized under the Charter to establish the Office of OHNP. I believe that the Mayor would be within his authority via Executive Order to establish any advisory board, such as the one that you're referring to under the Executive Order, which he has so established.

COUNCILMAN GOODE: I agree the Mayor under the Home Rule Charter has the authority to establish an agency. I agree the Mayor under the Executive Order

has the authority to establish an advisory board however he'd like. What I disagree with is whether the ordinance is affected by changing the Office of Housing and Community Development to the Office of Housing and Neighborhood Preservation. In fact, for the purpose of the ordinance, Council passed the ordinance in a way it intended to pass the ordinance a year ago. If something changes within that, then it's changed and it's not what Council passed.

So my question really is whether the ordinance has to be amended to reflect that change based upon what Council's legislative intent was. Council's legislative intent a year ago was not to have the Mayor form a Trust Board to make recommendations to the Office of Housing and Neighborhood Preservation. That was not Council's intent.

MR. DIAZ: With all due respect, Councilman, let me try to give

you as candid and as honest an answer as I can now, and I'm happy to expand upon it for the record.

But if it is outside the scope of Council authority to direct reorganizations and agencies within the executive and administrative branch, it would be my tentative opinion, subject to check, that insofar as an ordinance would presume to restrict the Mayor's authority under the Home Rule Charter, that that provision would be unlawful.

I don't believe that the ordinance is unlawful and I would have to interpret its intent within the scope of the Council's authority under the Home Rule Charter, and it would be likely that I would find that a successor organization having responsibilities of a similar nature as OHCD would have the responsibility for carrying out the purposes of the ordinance.

But subject to check, I think this deserves a little more thought, and

I'd like to provide that response for the record, but that is my candid and immediate response to your question.

COUNCILMAN GOODE: Just to ask in context, further context to this. The local legislation with regard to Housing Trust Fund had to be in concert with State enabling legislation, which requires the creation of the Housing Trust Fund to be done by ordinance. In other words, the Housing Trust Fund as it is constructed could not be created by executive order. It can only be created by ordinance, which means that Council had to create it per the State enabling legislation.

MR. DIAZ: I agree with that.

COUNCILMAN GOODE: Which means that the ordinance under State law supersedes any executive order, and the ordinance has to be in concert with Council's legislative intent a year ago or it has to be amended.

MR. DIAZ: I believe,

Councilman, that I will just simply reaffirm what I have previously stated, that if it is outside the scope of Council's authority under the Home Rule Charter, such as to direct the Mayor in connection with his Charter-given responsibilities to effect reorganizations, then what I am concluding is that the ordinance which authorizes the Housing Trust Fund to be created in the City of Philadelphia pursuant to State enabling legislation I do not believe can properly make decisions and give direction with regard to matters which are assigned under the Home Rule Charter exclusively to the Mayor.

COUNCILMAN GOODE: We are in no way trying to direct the Mayor. We are directed by State enabling legislation to create an ordinance if we so choose to create a Housing Trust Fund. We created an ordinance. At this point, this is not a matter of directing the Mayor and

implementation of the ordinance. I'm referring to the actual ordinance that was created. And whether Council's legislative intent, which, in essence, created a Trust Board for a specific purpose, if that purpose is changed, whether you consider it to be a successor organization or not, if that purpose is changed, the State enabling legislation gave Council the authority to create the Trust Fund by ordinance.

MR. DIAZ: I don't disagree with the responsibility for implementation at the local level to be done via ordinance, as required by the State enabling legislation. You and I have common ground on that, Councilman.

COUNCILMAN GOODE: Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: Thank you very much, and I thank my colleague for those references. You also reference the Community Development Block Grant application, whose public hearing we'll

have tomorrow, but in that application, these funds are listed under Office of Housing and Neighborhood Preservation.

Now, one of the reasons we're having this whole discussion is because were it just renaming, but when 50 percent of the workforce received notices that they're being laid off, then it's not just a renaming.

(Applause.)

COUNCILWOMAN BLACKWELL: So when my colleague talks about the purposes, when we talked about creating enabling legislation on our level to create a Housing Trust Fund and a Housing Trust Board, we did not anticipate that 50 percent of the people who work for housing agencies would be laid off so that they could create something new and people wouldn't even be here to administer who knows what programs, because who knows what people will be doing, where they'll be and how programs will be implemented.

That's part of the issue here today and part of why we raise these questions about who has what authority. And certainly we are concerned about who has the authority to make decisions under this Board, because when Council agreed to create a Housing Trust Fund, we did not anticipate that its purpose would be narrowly interpreted or narrowly defined -- I'll ask you for that -- as a Board where some two or three people make decisions on $20 million a year and we have no right, only to review or to give input. That wasn't our intent at all.

(Applause.)

MR. DIAZ: Councilwoman, I understand that this is an issue that you and Secretary Hanna and Director McColloch have discussed on numerous occasions, and it is not strictly a legal issue. Having said all of that, with some trepidation, if I could just respond.

The issue related to the

reductions in federal monies for Community Development Block Grants is affecting the City of Philadelphia and every metropolitan area, every city around the country, and it is my understanding just as a member of this Administration and interested bystander, it's my understanding that the effort associated with the reorganization is not related to an attempt to lay off people. In fact, it's just the opposite. The issue is whether the housing programs of the City of Philadelphia will, frankly, suffer death by a thousand cuts or there is an opportunity to make some changes now to address what the funding reductions at the federal level are.

So I am not aware that there is any effort within the Administration to lay people off associated with the application for the Community Development Block Grants.

COUNCILMAN RAMOS: Is there any further questions for the City Solicitor?

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Councilwoman Reynolds Brown.

COUNCILWOMAN BROWN: Thank you. Good afternoon. My question is directed to Secretary Hanna or Director McColloch. In your testimony, you mention what the Advisory Board cannot do, and you state the advisory group having no power to spend, allocate or compel the City to spend money. So then please define for me what is the role of the Advisory Board.

MS. McCOLLOCH: The Oversight Board makes a recommendation to the Administration of what the overall budget allocations for the Housing Trust Fund should be. That recommendation for allocating the budget is included in the Consolidated Plan, which is submitted to City Council for its review and approval prior to submitting it to HUD. So the Oversight Board recommends -- and I'm using this hypothetically, for example -- to put $1 million allocated for affordable rental housing production and

$2 million allocated for Basic Systems Repair and $500,000 allocated for homeless prevention programs and so forth. It recommends large budgetary categories that then get included in the Consolidated Plan that are brought to this body for review and approval prior to submission to HUD.

COUNCILWOMAN BROWN: And so if we accept the City Solicitor's opinion as true, with all the categories you just mentioned, there is no mention of Councilmanic District. It is purely the category and the dollar amount, correct?

MS. McCOLLOCH: Correct.

COUNCILWOMAN BROWN: Now, there's a step before recommendation in any process. Describe for us what the steps are before you move to the step of recommendation to the Administration. There are things that happen before you can get to a recommendation phase.

MS. McCOLLOCH: For recommending the budget?

COUNCILWOMAN BROWN: Yes.

MS. McCOLLOCH: Yes. The Oversight Board composed of eight members, as established in the ordinance and the Executive Order, discuss the budget, discuss the budget categories --

COUNCILWOMAN BROWN: Yes, but they discuss that based on what? Based on what type of information do you use that then moves you to the recommendation stage?

MR. HANNA: When you say "recommendation," Councilwoman, there are two recommendations that are made. One by the Advisory Board to me.

COUNCILWOMAN BROWN: To the Administration.

MR. HANNA: Right, to the Administration. Another is the recommendation -- as Deborah said, that's a broad categorical type of budgetary spending, how much to Basic Systems, how much to affordable rental, how much to affordable for sale.

There is another recommendation that's made for another chunk of money, if you will, the money that would go to individual projects, the type for which we issued an RFP here recently. There, for instance, the RFP went out for affordable rental. People who had affordable rental deals responded to that RFP. Those responses are then reviewed by a review committee. That review committee recommends projects, again, to the Secretary.

So that's why again I asked the question are we talking about -- you're referring now to the recommendations made by the review committee, review committee made up of staff, on individual projects or are you talking about the recommendations by the Oversight Committee to us as to broad categorical methods of spending money?

COUNCILWOMAN BROWN: My question was to the latter, to the recommendations made by the Housing Trust

Fund Oversight Committee. So I better understand what happens there.

With regards to the RFP process, clearly, we know that in the ten Councilmanic Districts, needs are going to vary district by district. The level of these type of programs in one Councilmanic District is going to vary greatly depending on others, because that's simply the makeup of the City. So when you do the RFP process, then do you take that fact into consideration in the award process?

MS. McCOLLOCH: The RFP process is only for specific budget categories of the overall Housing Trust Fund budget. The Housing Trust Fund budget includes a proposed allocation for Basic Systems Repair, for example. That's a Citywide program that's not included in the RFP process. The RFP process is for the affordable rental production, the neighborhood-based homeownership production and the new construction

homeownership construction.

So the RFP that was recently issued for which we received the 20 proposals, the list of which you've seen, was for the $6 million allocated for rental, homeownership and new construction. That's only 6 million out of the overall Housing Trust Fund budget that included Basic Systems Repair, Adaptive Modification, homeless prevention and so forth.

The Oversight Board, after making those large budgetary recommendations that for FY06 were approved through the Consolidated Plan process, then the Oversight Board no longer has a role in the decision-making or even making recommendations.

The Oversight Board did review the request for proposals, the RFP that was issued. The RFP was issued by the Office of Housing and Community Development. We advertised widely. We sent out notices. We put it on the web,

so on and so forth, and then we received the 20 proposals.

Those 20 proposals are being reviewed by that internal staff committee that Kevin referred to, and that staff committee will make a recommendation to Kevin of how the $6 million that's available should be allocated amongst the 20 proposals that were submitted.

COUNCILWOMAN BROWN: Okay. Thank you for your testimony.

COUNCILMAN RAMOS: Questions from this Committee?

Councilman Goode, please.

COUNCILMAN GOODE: Thank you.

Mr. Hanna, in your testimony, you stated that the Administration does not support Bill 060466 for several reasons. "It upsets the consensus that was reached last year among the Administration, City Council, housing advocates and State legislators."

Can you explain that consensus process and who actually was involved in

it? Because you actually reference City Council, but I don't remember a consensus process.

MR. HANNA: I'll ask Ms. McColloch to chime in here, because she was actually more intimately involved than I was.

That process involved a group of affordable housing advocates making several trips, making who knows how many phone calls to me, who knows how many letters to Harrisburg encouraging State legislators to enact legislation that would enable the City to create a Housing Trust Fund, because as you knew -- well, last year, the City, even if it wanted to, could not enact --

COUNCILMAN GOODE: Mr. Hanna, I'm very familiar with the process towards establishing a Housing Trust Fund. I'm referencing your testimony where you said it upsets the consensus that was reached. What consensus was reached and who was it reached by?

Because you reference the Administration, City Council, housing advocates and State legislators. I'm assuming that would include me as a member of Council. I don't remember the point a consensus was reached. I don't know who determined that a consensus was reached. I don't know what the consensus was that was reached.

MR. HANNA: The consensus that I referred to refers to, as far as City Council are concerned, Councilwoman Blackwell and Councilwoman Blondell Reynolds Brown. Those two people were the point people with whom we, the Administration, the affordable housing advocates, for lack of a better term, negotiated during the time that we were trying to create the Housing Trust Fund.

COUNCILMAN GOODE: So it should read a consensus was reached last year among the Administration, Councilwoman Blackwell, Councilwoman Reynolds Brown, housing advocates and State legislators.

You included me in a consensus that I was not included in.

MR. HANNA: Yes. That's an accurate statement, but --

COUNCILMAN GOODE: Thank you. Then you go on to say, "As you know, the Housing Trust Fund legislation that was passed through State action, City Council action and mayoral action was achieved after months of discussion and compromise."

Who was involved in discussion and compromise?

MR. HANNA: Again, from the City Council standpoint, Councilwoman Blackwell and Councilwoman Blondell Reynolds Brown.

COUNCILMAN GOODE: I've sat here next to Councilwoman Blackwell. She said that she didn't agree to the same consensus as you --

MR. HANNA: I'm sorry.

COUNCILMAN GOODE: I'm sitting here next to Councilwoman Blackwell. She

obviously doesn't agree that you agreed to the same consensus or the same compromise. She feels that there was a different opinion of what was supposed to happen versus what is happening now. So who am I supposed to rely upon, when your testimony says I was part of a consensus that I was not part of, I was part of a discussion and compromise that I was not part of? I was definitely part of City Council action. I voted for an ordinance. As far as I know --

(Applause.)

COUNCILMAN GOODE: -- this has nothing to do with consensus. It has nothing to do with discussion and compromise. There are three actions that were taken. There's a State law, there's a local law, there's an Executive Order. So what's all this talk about consensus, discussion and compromise?

MR. HANNA: That talk involves, Councilman, discussion, again, with the affordable housing advocates,

representatives of City Council -- no, we didn't talk to every member. We talked to the specific members to whom I've referred. Discussions with those Councilpersons. It was our understanding that those Councilpersons spoke on behalf of City Council. If that was an erroneous assumption on our part, then I'll take the blame for that.

COUNCILMAN GOODE: Let me tell you what's erroneous. What's erroneous is to try to suggest the Housing Trust Fund was created through consensus, discussion and compromise as opposed to being created through a State law, a local law. The State enabling legislation created the opportunity for us to pass a local law.

MR. HANNA: That's correct.

COUNCILMAN GOODE: We passed a local law.

MR. HANNA: That's correct.

COUNCILMAN GOODE: As far as I'm concerned, the Housing Trust Fund was

created by City Council.

MR. HANNA: Yes. That's a true statement.

(Applause.)

MR. HANNA: That's a true statement.

COUNCILMAN GOODE: Thank you.

COUNCILWOMAN BLACKWELL: The Chair neglected to note the presence of Councilman Frank DiCicco and Councilwoman Donna Miller. All members of this Committee are here. And we would also like to note that the joint hearing on Appropriations and Housing, Neighborhood Development and the Homeless that is due to be scheduled today after this for Bill No. 060475 will be continued until 8:00 tomorrow morning.

So having said that, we will continue this hearing on Housing, Neighborhood Development and Homeless dealing with our bill, which is how monies are spent. And to follow up on some questions raised by my colleagues,

as Chair of the Housing Committee, I'm a member of the Housing Trust Fund, and obviously if we thought that Council were included in decisions, we wouldn't be having these decisions. Five districts are left out. There are only ten of us.

(Applause.)

COUNCILWOMAN BLACKWELL: And five districts are left out of the equation, and we didn't think that was fair. We wondered why they weren't included. And our question again is, if our constituents have some questions with regard to who was funded and who was chosen, does the -- I'll ask this of Mr. Diaz. Maybe this is a legal question.

If the Housing Trust Fund through its two or three people who are on the community development side, not the housing agency side, if members of the community or any other community organizations who are not chosen have some question about the group or those

groups who were funded according to this chart, what recourse do they have with these organizations who are picked for funding as opposed to their elected officials? What can a community group do with other community organizations being picked for funding? What recourse do they have?

MR. DIAZ: Councilwoman, I'm not sure that it really is a legal question, but let me try to be responsive.

It's my understanding that the process by which City Council has established the approval process for the grant applications with respect to Community Development Block Grants includes a requirement for public hearings.

It's also my understanding, as I think it was mentioned earlier in other questions, that Housing Trust Fund dollars are included, if I believe Director McColloch's testimony, if I

recall it correctly, that Director McColloch said that Housing Trust Fund dollars are incorporated into the overall plan associated with the proposal before Council.

It seems to me that there is an up-front opportunity through the competitive bidding process for community groups to be very much involved up front in proposing projects and dollars to be associated with those projects for funding.

Secondly, it seems to me that through the Advisory Board, which is established under Executive Order, there is certainly an opportunity for the views of Councilmembers and certainly the Chair of the Housing Committee directly to be heard. There is an opportunity, through the approval process associated with the filing of the federal grant application, for views to be heard.

So it seems to me both before even recommendations are developed about

the expenditure of Housing Trust Fund dollars and during the review process associated with those recommendations and following decisions on those recommendations but before Council approval of the applications filed on behalf of the City of Philadelphia with the federal government, that there is ample opportunity for views to be heard.

And so I don't know what else you're looking for in connection with a legal response, but it seems to me that I believe this process is one that incorporates significant public input, certainly opportunity for Councilmanic input. Whether there is a desire or a need for additional Councilmanic input, that's a public policy issue and I won't address that.

COUNCILWOMAN BLACKWELL: Mr. Diaz, I wish it were as you just stated, but it is not. We have --

(Applause.)

COUNCILWOMAN BLACKWELL: We

have a Board that decides who gets funding and informs those organizations who they are, so that if there is some problem in the community with regard to who was chosen, then the elected officials have to argue with those people in the communities and they put themselves at a disadvantage because of the decisions of some two or three who have been e-mailing everybody every day.

(Applause.)

COUNCILWOMAN BLACKWELL: I would note to my colleagues that all of the e-mails and flyers you received are never sent to me, and I'm on the Board, by other members of the Housing Trust Board. They're only sent to my colleagues to try to pressure me not to speak out.

Let me tell you, if other groups are funded by two or three and if those people have the right to choose who's funded in our communities, then what makes you think they won't decide

who also runs for office and who has the right to sit here and have this discussion in the first place?

(Applause.)

COUNCILWOMAN BLACKWELL: It is our responsibility to protect and provide for the public trust. The process that has evolved with the Housing Trust Fund is not one that provides for that. We have been told that the Housing Trust Fund has a discussion.

And, Mr. Hanna, maybe you can explain to me if I'm wrong.

The Housing Trust Fund makes recommendations that go to OHCD; is that not correct?

MR. HANNA: There are two types of decisions that need to be made, Councilwoman. On projects such as those for which we issued an RFP recently, those proposals come back to the Office of Housing and Community Development, you're right. A committee is then put together of staff people, all of whom

have housing expertise and a housing background. That committee makes a recommendation to me. I have a discussion with the Councilperson and the Mayor, and then a decision is made.

COUNCILWOMAN BLACKWELL: So it, frankly, becomes doubly insulting. Number one, we have no input in the beginning. Number two, you propose to reorganize, so we won't have OHCD. We'll have OHNP, with 50 percent of the people laid off who even work for housing. We don't even know what agency will exist.

(Applause.)

COUNCILWOMAN BLACKWELL: So in addition to this whole issue of union busting, which is what we're doing --

(Applause.)

COUNCILWOMAN BLACKWELL: -- I would say to my colleagues -- because 50 percent of the people have been told through their union representatives -- by law, they have to give them a 30-day notice -- that they'll be laid off, and

people will be told, whomever they are and however Mr. Hanna and the Administration chose to work it out, some people will be told to come back. I guess others won't. We don't know what at benefit levels. They lose their pension. They lose their vested time, in spite of the fact that from the beginning employees have said and unions have said they were willing to talk about co-pay and willing to talk about streamlining our housing reorganization.

We have a hearing tomorrow. We will deal with housing reorganization in detail in that regard, but I have to --

(Applause.)

COUNCILWOMAN BLACKWELL: I had to mention it as it refers to this whole issue of what happens to Housing Trust Fund dollars, because at this point, we don't know who will be in place to process these dollars. So we lose on both ends. We lose at the beginning, because this Housing Trust Fund that is

staffed -- I'm the only Councilperson on it, and I have no real input. And then on the other end of it, we don't know who will even be there to process what funds and what that process will be. So we lose on the front end and we lose on the back end, and those issues -- and only five districts so far were included, because as the Philadelphia Association of CDCs said, they chose who was worthy. They chose who was low income. They chose who meets the criteria, and I don't think they have a right to do that.

(Applause.)

COUNCILWOMAN BLACKWELL: Councilwoman Miller had a point of order.

Councilwoman Miller.

COUNCILWOMAN MILLER: Thank you, Madam Chair.

The Oversight Board just makes recommendations; that's correct?

MR. HANNA: That's correct.

COUNCILWOMAN MILLER: Other than, I guess, if Councilmembers -- we

have to think of some way to have Councilmembers be a part of input into what's happening on the Housing Trust Board. So what is the mechanism set up? If I have an idea, if I have some criteria I'd like to see included or deleted or added, what do I do? Help me. Do I contact Councilwoman Blackwell, who is the Council rep on the Board? Do I contact you? How do we have input?

MS. McCOLLOCH: I'm sorry. I just want to make sure I understand the question. How would you have input on what the budget category should be?

COUNCILWOMAN MILLER: Well, that could be one.

MS. McCOLLOCH: Okay. I would say you could contact any member of the Oversight Board. You could attend an Oversight Board meeting. You could participate in those sets of discussions.

If you had an idea about a specific development, that would have to come in through the request for

proposals. An organization would have to submit a proposal for whatever the development is for which you have an idea. So that would come in through the organization that's responding to the RFP.

COUNCILWOMAN MILLER: I haven't read line by line the Executive Order or the State enabling legislation. Is it clear in any of those documents how Councilmembers will be included in this, in the State enabling legislation or the Mayor's Executive Order, the ordinance that Council passed to create the Housing Trust Fund?

MR. DIAZ: I believe that basically the State enabling legislation addresses how the governing body, in this case City Council of Philadelphia, is involved both in establishing the Housing Trust Fund and affordable housing programs. It also indicates in connection with the types of monies to be spent for affordable housing what the

criteria are. It indicates, for example, that a City of the first class may by ordinance dedicate a portion of the funds allocated to benefit certain households related to income levels, that a City of the first class may by ordinance dedicate a portion of the funds allocated to certain other kinds of programs described in the legislation. It describes programs related to visitability and accessibility that by ordinance Council may direct its attention, and it also talks about restrictions as to certain kinds of monies that may be raised related to these programs.

There are numerous additional areas where the State enabling legislation indicates that on a programmatic basis; that is, not on a project-specific basis, but on a larger programmatic approach on how the program of affordable housing is to be delivered, there is a voice, if you will, for City Council. It also indicates the criteria

by which affordable housing projects are to be decided.

So there are, I would say, substantial numbers of references to City Council and how its authority may be felt as part of the affordable housing programs of the City of Philadelphia. And I'll stop there in case -- I just want to make sure I'm addressing your question, if you have any follow-up.

COUNCILWOMAN MILLER: Well, you are, because I kind of think that this is a governance issue, the issue of inclusion or non-inclusion. And I guess at some point we have to resolve that issue, because Council is not going to create -- everybody on Council was very excited about creating a Housing Trust Fund. I mean, that got strong support, and people still support it, but there has to be -- if inclusion is an issue, then we have to deal with it.

So you did answer my question, but I guess at some point we all have to

review that and figure out a way to make sure that Councilmembers have input. Because when there's problems, people are going to call us. They're not going to call you. They're going to call us. We're the ones that have to go out in the community and arrange the meetings and deal with the issues. So it's important that Council is a part of the entire process and not the end of the process, and have input.

(Applause.)

COUNCILWOMAN MILLER: Thank you.

COUNCILMAN DiCICCO: Madam Chair.

COUNCILWOMAN BLACKWELL: Yes. Councilman DiCicco.

COUNCILMAN DiCICCO: Thank you, Madam Chair, and good afternoon.

Refresh my memory. Educate me, if you will. The legislation gave us the authority to set up the Trust Fund. When it came to City Council, what role did

City Council play in designing the process by which the Trust Fund operates? We were involved in that process as Council, I believe, and the Chair referenced, I believe, the Chair is a member of that Committee or Oversight Committee. How did that happen?

MS. McCOLLOCH: There was a committee of people that worked together for a long time before the ordinance came to Council that included representatives of OHCD. I sat on that committee, representatives of PACDC, Philadelphia Association of CDCs, representatives of the Affordable Housing Coalition, a staff member of Mrs. Blackwell's Council staff was at every meeting. There were other representatives from the Administration, from the NTI office and so forth.

COUNCILWOMAN BLACKWELL: Little did we know it would turn out this way.

COUNCILMAN DiCICCO: Who designed that governance or that formula? Who designed the -- I'm looking for the

right word. Who designed the makeup of that Oversight Board? How did that come about?

MS. McCOLLOCH: That was agreed to by that group of people that worked together to craft an ordinance that would be accepted by Council and an Executive Order that would be acceptable to the Administration and the other people involved. So both the Executive Order and the ordinance were reviewed, revised, negotiated and changed many times before the final ordinance that was presented to this body and then before the Executive Order was written that the Mayor finally signed.

COUNCILMAN DiCICCO: And that final document that came to Council, the ordinance, only included one member of City Council.

MS. McCOLLOCH: In the Oversight Board.

COUNCILMAN DiCICCO: In the Oversight Board.

MS. McCOLLOCH: Yes.

COUNCILMAN DiCICCO: And that was passed unanimously.

MS. McCOLLOCH: Yes.

COUNCILMAN DiCICCO: And that person is the Chair, Councilwoman Blackwell.

MS. McCOLLOCH: Yes.

COUNCILMAN DiCICCO: Thank you.

I don't have any further questions.

COUNCILWOMAN BLACKWELL: Thank you very much.

I hope my colleague isn't happy that his district was left out. And albeit, we were at the beginning of the discussions, and Alisa Sneed, who is now Chair of the Partnership CDC in West Philadelphia in my district, was included for 150,000 of the choices, while other areas, of course, they get a million dollars.

We're going to try to stand up for what's right. If my district suffers

so that it's all shared, we agree with that.

There is a letter dated June 1st addressed to President Verna. I'll only read a few sentences. It says, quote, from John MacDonald, Board President of Philadelphia Association of Community Development Corporations. Now note -- and I will tell you, for all the e-mails and faxes and notices that are sent out and called every day, none were sent to me, albeit I'm on the Board.

It says, quote, Thus, we have serious concerns about the proposed language in City Council Ordinance No. 060466 that would require that Housing Trust resources be appropriated and expended equally between each Councilmanic District with the City of Philadelphia." The last line in that paragraph says, "We have been strong advocates for the accountability of how Housing Trust resources are spent and that they should be fairly distributed

across the City. That is why we successfully advocated for an annual reporting process that details how resources have been spent, including a geographical basis."

Now, that's their letter, not mine. So they have decided what the geographical basis is. They have decided how these monies should be spent, and I disagree. This is their document, not mine.

(Applause.)

COUNCILMAN DiCICCO: Madam Chair --

COUNCILWOMAN BLACKWELL: Yes. Councilman DiCicco.

COUNCILMAN DiCICCO: If I may, since you made reference to whether I was happy that my district did not get any funds --

COUNCILWOMAN BLACKWELL: Maybe you have all wealthy people.

COUNCILMAN DiCICCO: I do not have all wealthy people.

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COUNCILWOMAN BLACKWELL: I know, Councilman. None of us does. All of us have some low income and some high income. We all do.

COUNCILMAN DiCICCO: I'm not arguing that point. I just want to respond.

I don't know if I'm happy, nor do I know if I'm sad about that. I believe that fairness is the appropriate word. I do not necessarily interpret fairness as equal distribution, because when I look at my district, and I represent some of the most affluent neighborhoods in the City and I represent some of the poorest, on par with other districts, I don't know if I have disproportionately the amount of people that are in poverty as some of the other districts.

So I don't want to be a -- I don't think I should be the policymaker when it comes to housing. I think we should help the Housing Trust Fund to

make sure that the money continues to go in and see if we can maybe at some point even increase those funds, if that's permissible, but I don't necessarily believe that as a politician that I want to get into the debate with my colleagues in other districts fighting over money that may necessarily mean that $2 million is appropriate for my district. Another district may need 3 million. So that means if we all get two a piece out of the ten and someone needs $2.5 million for basic services, what does that District Councilperson tell their constituents? We're out of money because the First Councilmanic District has 2 million, of which they don't --

(Applause.)

COUNCILMAN DiCICCO: The First Council District has 2 million, of which they only need half a million for.

So I don't know if I want to go down that road. I think the politics could really muddy up this whole issue

entirely. That's just my opinion.

(Applause.)

COUNCILWOMAN BLACKWELL: Well, let me say to my colleague that we're talking about who determines the geographical basis. If we all saw those documents -- I represent University of Pennsylvania and Drexel and USP, but I also represent Mantua and Southwest and other areas. Most of us do. I've also talked to colleagues who have said if I don't meet the criteria, I'm willing to turn the money in. That's not the issue.

(Applause.)

COUNCILWOMAN BLACKWELL: The issue is, what is the basis for the decisions about who got funded and where is the criteria they use. I'm on the Housing Trust Board. Nobody showed me.

(Applause.)

COUNCILMAN DiCICCO: Well, I --

COUNCILWOMAN BLACKWELL: So let's be fair and let's be honest. If people want to make decisions about

funding in our districts, they should run for office. That's what I do. And God willing, I'm going to run next year.

(Applause.)

COUNCILWOMAN BLACKWELL: But nobody, nobody, nobody has the right to make decisions for me. That's what I'm fighting for, the right for City Council to make decisions, not only involving the right for people to be laid off and housing to be reorganized such that we don't have a clue, but certainly the right for us to make decisions about monies spent in our district.

If you take this and the CDBG funding, that would be more than 2.6 a district. I'll take anybody's if they don't want theirs, but having said that, it is what criteria is used, who made it. And in this letter he specifically states that they made the decisions, they chose to make the decisions as housing advocates. I know a whole lot of people who are housing advocates, neighbors and

friends and people. What criteria, what qualifies them to decide that they make the decisions for my district? I make the decisions for my district. I'm elected to do so. And that's what I'm fighting for here.

(Applause.)

COUNCILMAN DiCICCO: Councilwoman --

COUNCILWOMAN BLACKWELL: That's what it's all about.

COUNCILMAN DiCICCO: Councilwoman --

COUNCILWOMAN BLACKWELL: And the meaning of this -- and then I'll be finished this moment.

This hearing was advertised. Mr. Hanna knew why we were coming, and in the spirit of cooperation, if the Administration wanted to work out something, you could have come with some kind of compromise, but as in housing reorganization, as in everything, you come to defend a point of view that's

unfair, wrong and immoral. You all are wrong when it comes to this.

(Applause.)

COUNCILWOMAN BLACKWELL: And that's just what it is, just like the sign says, it's union busting on one end and it's making decisions, not only who gets the land -- I'm real clear on these issues. It's about who gets the land and who controls the dollars that go there. That's wrong. I won't stand for that. The only thing we can do is lose. We're going to stand up for what's right, and we believe. I'm hopeful that my colleagues will agree with me that two or three people do not have a right to make decisions about $26 million, where it goes, who gets it.

(Applause.)

COUNCILWOMAN BLACKWELL: And not only geographically, they make a decision on who is poor and who isn't. Everybody is poor if you're two weeks without a check. That's everybody. They

decide on the working poor, poor people, who qualifies and who doesn't. That's wrong, and that's what I'm here to speak about.

(Applause.)

COUNCILWOMAN BLACKWELL: Councilman DiCicco.

COUNCILMAN DiCICCO: I appreciate what you're saying, but if transparency in how this process works is the issue, I don't think -- and I'm not suggesting that it is. I don't think that's such a difficult decision for us to make and to figure out a way in which we can make it more transparent. And with all due respect, Madam Chair -- and I know where your heart is and I know how passionate you feel about this reorganization, although I don't really know what that has to do with this hearing, but --

COUNCILWOMAN BLACKWELL: Everything.

COUNCILMAN DiCICCO: But let

me --

(Applause.)

COUNCILWOMAN BLACKWELL: It has to do with CDBG, our Finance hearing and this, because you can't reorganize -- how can you say you don't know when --

COUNCILMAN DiCICCO: Madam Chair.

COUNCILWOMAN BLACKWELL: -- when OHCD is supposed to become OHNP? It's written into the Community Development Block Grant application "OHNP." They don't have OHCD. They have OHNP.

Everything is affected by reorganization. No matter how much people try to separate it, you know and everybody here knows, it's the same battle.

(Applause.)

COUNCILWOMAN BLACKWELL: I will not justify 50 percent of the housing agencies being fired. We don't know what programs will exist on our end. We don't

know who will administer them. Nobody knows what's going on, and yet we're supposed to say, Okay, it's fine, the Administration can just change agencies, that's okay. The Administration can spend $26 million, we have no input. We're just supposed to say, Okay, we're happy to review whatever you do. And we're supposed to review what people who are not elected decide in our neighborhoods. Not me. Not without a fight.

(Applause.)

COUNCILWOMAN BLACKWELL: And I'm sorry that this is an uncomfortable situation to be in for some of you. It isn't for me, because I'm more afraid to do the wrong thing than I'm afraid to do the right thing and not be successful.

(Applause.)

COUNCILWOMAN BLACKWELL: I didn't start this. The Administration did.

COUNCILMAN DiCICCO: Well,

again, with all due respect, I don't know why you were not included in any of these discussions --

COUNCILWOMAN BLACKWELL: I've been at every meeting. I've been at every meeting. That's not where the decisions are being made. They're being made in some back room, and when we go to the meeting, the people who are on the Housing Trust Fund have made the decisions before the meeting even begins. I'm there. I'm telling you the truth.

(Applause.)

COUNCILWOMAN BLACKWELL: I haven't missed one meeting, not one.

COUNCILMAN DiCICCO: I'm not suggesting that you missed a meeting, but I can't believe that for a year, that decisions were being made and you were not aware of them.

COUNCILWOMAN BLACKWELL: They're being made in back rooms, Mr. DiCicco. If they were being made in the front room, I'd know I'm being left

out. They make decisions in back rooms and then come to the meetings with the decisions made, and I defy anybody to say that's not true. Don't tell me.

(Applause.)

COUNCILWOMAN BLACKWELL: Why do you think I'm here? Why do you think I'm here? If we could have worked it out at those meetings, do you think we would have called for inclusion by everybody? That's why we're here. I don't have any more time to waste than anybody else, but you can't do wrong by employees and you can't do wrong by $26 million you hope to have at the end of this year and decide that you're going to pick in my district who gets funded. Not without a fight you won't.

(Applause.)

COUNCILWOMAN BLACKWELL: Check your documents. They tell on themselves. I just read you a paragraph. They said they make the geographical decisions about who gets funded. They make the

decisions. Then it goes to OHCD, and we're all supposed to sit down and smile after they go in our districts and they tell the people there who is funded and who isn't. Are they going to come when the problems come? I don't think so. The problems will be yours. The decisions to fund will be theirs. That's wrong.

(Applause.)

COUNCILWOMAN BLACKWELL: This Administration knew. We properly advertised. They knew when they came here that we would be talking about inclusion in the process. You think I want to fight about it? But you didn't come ready to say, Oh, we want Council to have some way. Mr. Diaz did. But we want Council to have some way that they have some review, that they can be included in some process. No. You didn't come here to say, Councilmembers can meet and even then on some basis low-income people within the districts,

that we're sure that they're going to get funding. No. You came in to tell us what has happened from the beginning, that the Administration makes all the decisions. You have the right to lay people off. You have a right to spend the money, and we have no rights. Well, just because -- I know they changed the Charter in 1951 and we got a strong Mayor, weak Council from a government, but it's not that weak, and we have rights, too. We're elected.

(Applause.)

COUNCILWOMAN BLACKWELL: Do we have questions from members of my Committee?

(No response.)

COUNCILWOMAN BLACKWELL: We are really, really concerned. We do not agree that elected people don't have the right to make decisions about funding in their districts. I take issue with that. I will continue to take issue with that. Nor do we know from our viewpoint as

elected officials and legislators how anything is going to get processed or funded with half of the people in the City laid off. What happens there?

(Applause.)

COUNCILWOMAN BLACKWELL: We have real concerns about this immoral process that you're trying to ram down our throats. We don't like it. The Housing Trust Fund Board is not -- it does not work to the interest of the public that we're elected to represent. The Housing Trust Board does not have the right to decide who is poor and who isn't, which people are chosen within those categories and which districts are chosen within those categories. It is supposed to consider everyone, and that's not what the Housing Trust Fund is doing, and I bear witness to it.

(Applause.)

COUNCILMAN RAMOS: Madam Chair, can I suggest, unless we have any other questions, to move on and listen to some

of the other people that are scheduled to testify?

COUNCILWOMAN BLACKWELL: We're happy to do that. We're getting ready to do that.

COUNCILMAN RAMOS: I actually take offense to some of the things that you have said, with all due respect. I love you dearly and --

COUNCILWOMAN BLACKWELL: Well, I assumed you love these labor people in here, too, Councilman.

COUNCILMAN RAMOS: I sure do.

(Applause.)

COUNCILMAN RAMOS: I sure do, because since the age of 20, I've been a labor person. I'll continue to be a labor person, but I sure don't appreciate some of the comments that you have made, because I see someone in my neighborhood, like Pat DeCarlo is a hard-working person, and I want to hear from the CDCs to see what is their position and what is it that they do. Because in no way do I

know that someone like Pat DeCarlo, John MacDonald or Manny Delgado go behind closed doors to make deals with anybody. So I'd like to --

COUNCILWOMAN BLACKWELL: Councilman, if you've been here listening --

COUNCILMAN RAMOS: I've been --

COUNCILWOMAN BLACKWELL: Ms. DeCarlo, I never referenced her. I talked about people on the committee. She's not on the Housing Trust Fund. Why would you enter her into this discussion? Let me be chair of this committee. Okay? I'm chair of this one.

(Applause.)

COUNCILWOMAN BLACKWELL: Like Lou used to say, if I'm chair one day, I'm gonna chair that.

Council, I have never mentioned Ms. DeCarlo. She is not a member of the Housing Trust Fund.

COUNCILMAN RAMOS: She's one of the people that --

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COUNCILWOMAN BLACKWELL: She's not part of CDC. Don't use her to get her into this debate. That's not fair to her or to this Committee. She's a fine person. I've never said a word about her. There's no reason for you to enter her into this discussion.

But I'm going to run my -- I'm going to run this hearing. Okay?

(Applause.)

COUNCILWOMAN BLACKWELL: My colleague knows we were at the end of our statement. If you don't have patience to listen to it, you don't have to.

COUNCILMAN RAMOS: I've had plenty of patience. I would be there with you like I have. The only thing I requested of you was that we have no more questions for this panel, let's move on to the other panel.

COUNCILWOMAN BLACKWELL: But you said that to me privately. Couldn't you wait until I was finished my statement? I was getting ready to do

that. You know that, Councilman Ramos. You know that.

(Applause.)

COUNCILWOMAN BLACKWELL: I'm real clear on the list. I typed the list and had it passed out. Give me a break. We know who is here and we know who is on the Trust Fund and we know who isn't on the Trust Fund. We have not criticized every CDC in this City. In fact, I have letters that I'll make part of the Committee from the Resident Advisory Board and the Tenant Support Services. I will make part of the record. These are two Philadelphia Housing Authority groups that have wanted in and haven't been able to be included. They want to be included in this process as well and included in any decisions about funding.

We love CDCs. I have People's Emergency Center, who supports me a thousand percent. I have that in writing. We love CDCs. There are only about five of them Citywide, though, who

deal with all the funding. We're saying that other people have a right, that this Council in fact has a right to decide what goes on in their districts.

We love our CDCs. I love my community organizations. This Council passed in fact a resolution dealing with that very issue that other groups, block associations and community organizations, should also have a right in the decision-making. We love our City. That's not the issue. That's not the fight.

(Applause.)

COUNCILWOMAN BLACKWELL: The issue is being fair. The issue is that we have ten Council Districts, five of those who have been left out, and that two or three people who make decisions about $26 million. That's a legitimate issue. And that is why we're here today and that is what it's all about.

(Applause.)

COUNCILWOMAN BLACKWELL: That's

all it's about. It's about doing the right thing and the moral thing. Sure it's about laying off 50 percent of the housing force. That's wrong. But that's all tied up in reorganization, all tied up in the Housing Trust Fund, the Community Development Block Grant, as well as the housing reorganization, because these are the people who have to administer the program. How can we not talk about labor as an issue as well? It's all interrelated.

(Applause.)

COUNCILWOMAN BLACKWELL: And I bear no apologies to speaking out for labor, to speaking out for honesty and who gets funds and for speaking up and out about our right as elected officials to make decisions about funding that happens in our district. I won't apologize about that to anyone.

(Applause.)

COUNCILWOMAN BLACKWELL: It is my pleasure to now call on Mr. Marc

Stier.

We'll ask you if you would remain, please. Not to leave, but to remain. We're happy to have you sit on the side. Thank you.

Next is Jamar Marsh. After him is Mr. Rick Sauer.

MR. STIER: Thank you, Councilwoman Blackwell. I'm Marc Stier. I'm speaking on behalf of the --

COUNCILWOMAN BLACKWELL: Stier. Excuse me.

MR. STIER: It's okay. I'm here speaking on behalf of Neighborhood Networks.

I'm here to talk about the Housing Trust Fund, not housing reorganization, but I understand that the debate about the Housing Trust Fund that we're having today has been motivated in part by concerns on the part of the labor movement, on the part of advocates of good housing policy and on your part about the Mayor's housing reorganization

proposal, and I just want to say I very much share those concerns. I think it's important that we hear the details of that proposal, and I think Council -- you've been talking very much about the role of Council in the political process, and I'd say that the role of Council should be very strong in deciding how reorganization takes place, and the concerns of the labor movement in the housing reorganization certainly should be recognized in this Council.

Turning to the Housing Trust Fund, however, I want to specifically address this bill, this ordinance. I think there's a superficial plausibility to the plan to distribute the money from the Housing Trust Fund equally among Council Districts. One of the most important goals for Neighborhood Networks in housing policy is to encourage racially and economically integrated communities, and if we want to do that, then certainly affordable housing has to

be built throughout the City. But for a couple of reasons, I think the superficial plausibility of this ordinance fails when you look at it a little more closely.

First, just distributing money equally in all districts does not guarantee that the money will be spent in the right places in the right way. We should instead insist that good projects are chosen, ones that create more housing units per dollar, that are designed properly, that are respectful to existing communities and that help to create racially and economically integrated communities.

My guess would be that over the years, most of the money from the Housing Trust Fund would be spent roughly equally in all the districts, but I don't see any reason to assume that in any one year the projects that are put forward by the organizations that are going to carry out the responsibilities of housing

redevelopment and new construction are all going to come equally from every part in the City.

Now, as it turned out that over time some districts were unfairly getting more support than others, I would think Council would want to come back and look at this policy again. But I would suggest that we let the policy go into effect and see what happens over a couple of years, see if there really is a concern about unequal spending from one district to the other.

Second, I want to say that the need for affordable housing is not found equally in all districts. More than in most cities, Philadelphians care about continuing to live in their own communities. We are, as everyone always says, a city of neighborhoods, and people want to stay in their neighborhoods. To satisfy the need for affordable housing, most of our affordable housing has to be built where the people who need it now

live, and that means the reasonable thing to do is to spend the money where the need is, not necessarily equally in all districts.

Now, there are a lot of tensions about the different goals we have for affordable housing. None of those tensions seem to be resolved, however, if we use a single abstract metric by dollars spent per district as a means of distributing housing dollars.

Finally, I want to say one thing about the process used in distributing these monies. I'm not an expert on housing matters or the Consolidated Plan and so forth, but it strikes me that there's really no difference between the procedures set up under the Housing Trust Fund and the procedures used in spending lots of housing dollars, lots of CDBG funds. There were requests for proposals. The Councilmembers and District Councilmembers have a major role to play

in those requests for proposals. I'm in Councilman Nutter's district. My community organization is mostly in Councilwoman Miller's district. When there's a request for proposals, our District Councilpeople let the community organizations, let the CDCs know about them. So they play a very important role in encouraging CDCs and other agencies to come forward and request funds.

And then when those requests goes forward, Councilmembers play an enormously important role in influencing the Administration formally and informally in deciding which of those proposals are accepted by the Administration.

I think anyone who has paid attention to housing policy, development policy generally in the City over the last 10 or 15 years would see that District Councilpeople are incredibly important in this process. They should be important, and I don't see anything in

this whole legislation that changes the role they play right now.

So I respectfully suggest that there's no good reason to be concerned about the role of District Councilpeople, and I don't see any reason for this ordinance.

I think if you start saying that every dollar spent in a district should be determined by a District Councilperson, first of all, it would seem to me that would leave five Councilpeople without much to do. I don't know what our at-large people would be doing then in any cases.

And second of all --

COUNCILWOMAN BROWN: The record should reflect that at-large Councilmembers observe the process and respect the process. District Councilpersons have enormous and I believe rightfully enormous decision-making as to how dollars are spent in their Councilmanic District.

MR. STIER: I'm being somewhat facetious. At-large people have an enormous role to play. I just wanted to suggest that they have to oversee the whole process, and if all the money is distributed equally, there's no role for the at-large people in oversight of the process.

My question is, how far are we going to go? They're doing a sewer on Wissahickon Avenue in front of my house. Councilman Nutter played a major role in getting money for that sewer, but it was ultimately the Administration's decision. Do you want to distribute sewer money equally per district and have Councilpeople decide where we're going to replace a sewer, where we're going to replace a sidewalk, where our roads are going to be resurfaced, where a traffic light is going to be? If you start distributing money this way, I think that's the road we're going down, and it, frankly, doesn't make much sense to me.

Thanks very much.

COUNCILWOMAN BROWN: So do you support this measure or not?

MR. STIER: No. I oppose this measure. I think there's plenty of room for District Councilpeople to influence the decisions without this measure, and I think we should distribute the money according to need, not according to some mathematical formula.

COUNCILWOMAN BROWN: Do you have a copy of your testimony?

MR. STIER: I'm afraid I don't. I did this at the last minute. I can try to get it to you by first thing in the morning, though.

COUNCILWOMAN BROWN: That would be sincerely appreciated.

MR. STIER: Thanks.

COUNCILWOMAN BLACKWELL: Thank you very much.

The legislation does say how the money has to be spent. So that's in the legislature, Mr. Stier.

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Councilwoman Tasco.

COUNCILWOMAN TASCO: Yeah. I've been in my office and I've watched this on television, and I ask the question. One of the current concerns that I have is whether the money is equitably distributed or not. I think the question for me is, how is the determination made to appropriate the money for projects? I don't know what the RFP said for this round of information. I do know that -- I assume, as I've been told, that some of the money can go for housing preservation.

I represent a district that does not have a lot of blighted housing, but what I have are people who are on fixed income, who are low income, who can't fix the step, who can't fix the garage door. And ever since I've been on Council I have asked for dollars to go into a pool so those people could access some of their tax dollars for their neighborhood.

So it doesn't seem that the proposal looked at what else might be needed other than housing. I understand the need for additional units, but also there's a need for other things too in neighborhoods. And when is that consideration going to be given? Because in this proposal, there's nothing coming out of my area, the Ninth Councilmanic District, that would benefit those people whose tax dollars we're using. Where is the fairness for them? And that is the question I have about how the dollars will be spent and when and what point will they come to my district to help those people that need that help.

MR. STIER: Well, I think the Administration might be better off speaking on that issue in part, but let me just point out that this RFP was for a certain part of the project. As I understand it, money in the Housing Trust Fund can be spent on rehab projects. And the decision to do that is, if I

understand it correctly, part of the Consolidated Plan, which is voted on by Council. So that's under your control. That's under your control now.

COUNCILWOMAN BLACKWELL: When Mr. Stier is finished his testimony, perhaps Kevin Hanna and Deb McColloch can come back and describe the areas of funding that the Housing Trust Fund is supposed to cover, and maybe that might help to answer my colleague's question about the criteria, about the areas that you fund.

COUNCILWOMAN TASCO: One, the categories that can be funded, what is the planning for that funding, when will that money reach the communities, is there an overall plan. So who decided that we should just go out and issue this RFP? What is the plan for dealing with some of the issues that I care about, those policy issues?

COUNCILWOMAN BLACKWELL: Thank you. Excellent questions, and when

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Mr. Stier is finished, we'll ask them to come back and respond to those.

MR. STIER: Anything else?

COUNCILWOMAN BLACKWELL: Thank you very much.

MR. STIER: Thank you.

COUNCILWOMAN BLACKWELL: Mr. Hanna, Ms. McColloch.

Thank you. Please identify yourself again and then you can begin to respond to the question.

Mr. Hanna?

MS. McCOLLOCH: I'm Deborah McColloch. I am the Director of Housing.

I think he's in the hallway and they're bringing him in.

COUNCILWOMAN BLACKWELL: Thank you.

MS. McCOLLOCH: I wanted to make sure that I understood the question. The question was the categories of expenditures for the Housing Trust Fund?

COUNCILWOMAN TASCO: Right.

MS. McCOLLOCH: Okay. Those

are listed in the Consolidated Plan. I have them on another piece of paper here --

COUNCILWOMAN BLACKWELL: She said they're listed in the Consolidated Plan for those of you who say it's not united.

COUNCILWOMAN TASCO: We have Housing Trust Fund Proposed 32 Year Budget Allocation.

MS. McCOLLOCH: Yes.

COUNCILWOMAN TASCO: It does mention neighborhood-based rental, targeted neighborhood preservation, Basic Systems Repair.

MS. McCOLLOCH: Right.

COUNCILWOMAN TASCO: Adaptive Modification, homeless prevention. All of those are part of the Ninth Councilmanic District?

COUNCILWOMAN BLACKWELL: Councilwoman, talk into you're mike. We can't hear you.

COUNCILWOMAN TASCO: All those

conditions or this allocation could apply to my district?

MS. McCOLLOCH: Yes.

COUNCILWOMAN TASCO: So in the process of developing the RFP, were you only concentrating on houses, and at what point will my community be able to access some of the Basic Systems, the targeted preservation? And if you have targeted neighborhood preservation, what is the targeted neighborhood?

MS. McCOLLOCH: Okay. Let me try to take one question at a time.

The first three categories on this list, neighborhood-based homeownership, new construction homeownership and neighborhood-based rental, those are the three categories for which the request for proposals was issued. Those were the only three categories for which the RFP --

COUNCILWOMAN BLACKWELL: Repeat that, please.

MS. McCOLLOCH:

Neighborhood-based homeownership, neighborhood -- excuse me; new construction homeownership and neighborhood-based rental. Those were the categories of funds for which the request for proposals was issued. The request for proposals was issued for the '06 money, so that was $6 million.

COUNCILWOMAN BLACKWELL: And who made that decision?

MS. McCOLLOCH: Those are the three categories that are not Citywide categories that are project-specific, development-specific categories of funding.

COUNCILWOMAN TASCO: So at what point do you get around to the other categories?

MS. McCOLLOCH: Then HRP stands for Homeownership Rehab Program. That's a program that's currently being carried out by the Redevelopment Authority, and that program is open now. Anyone can apply to it now. That's a Citywide

program. It's a single-family rehab program that combines a grant with a loan. Someone could apply for it today.

I'm going to just skip for one moment the targeted neighborhood preservation and come back to it.

The Basic Systems Repair Program is a Citywide program that's carried out by PHDC today. That has its own application process. That's a Citywide program. So that you don't need an RFP for that. This funding is supplementing the funding that PHDC already has.

Adaptive Modifications Program is also a program that's carried out by PHDC. It has its own application procedure. It's a Citywide program.

Homeless Prevention Program is a program that's carried out by OESS. OESS issued its own request for proposals, and this funding would be added to the funding that OESS already has committed for Homeless Prevention

Programs. So it was simply adding this Housing Trust Fund money into the City money that was already committed for Homeless Prevention Programs.

So out of this list, the only new program is the Targeted Neighborhood Preservation Program, and that's a program that hasn't yet been figured out. It's a program designed to provide basic systems repair on a targeted basis, but the general criteria for that and what was imagined was that it would also be a request for proposals. But that has not yet been figured out to issue an RFP yet. So out of this list, that's the only one that I would say is still unclear.

COUNCILWOMAN TASCO: So the process for distributing under this RFP, where does the Board come in and the decision process for all of the programs, or are they just going to deal with the first three categories of homeownership, new construction and rental?

MS. McCOLLOCH: The Oversight

Board only made a set of recommendations to provide funding for this set of programs. The Oversight Board didn't make any recommendations for who should get funded under neighborhood-based homeownership, only that $500,000 of Housing Trust Fund money should be committed to that program, that $2.5 million of Housing Trust Fund money should be committed to that program. This set of programs is already in the Consolidated Plan, and so this is supplementing programs that OHCD already funds either through the Redevelopment Authority or PHDC.

COUNCILWOMAN TASCO: So the Oversight Board, what responsibility do they have for Redevelopment Authority, PHDC, the Basic Systems, the Adaptive Modification and the homeless? Do they have any input into the expenditure of those funds --

MS. McCOLLOCH: No.

COUNCILWOMAN TASCO: -- of

those agencies?

MS. McCOLLOCH: No. Only insofar as to make a recommendation that for Basic Systems Repair, $1,517,250 of Housing Trust Found money be allocated for the Basic Systems Repair Program that's being carried out by PHDC. The Oversight Board doesn't have any other role.

COUNCILWOMAN TASCO: And in the neighborhood-based homeownership, new construction homeownership and neighborhood-based rental in the RFP process, was it Citywide or was it targeted?

MS. McCOLLOCH: It was Citywide.

COUNCILWOMAN TASCO: Thank you, Madam Chair.

COUNCILWOMAN BROWN: Madam Chair.

COUNCILWOMAN BLACKWELL: Yes. Councilwoman Reynolds Brown.

COUNCILWOMAN BROWN: I had a

follow-up, if I may.

COUNCILWOMAN BLACKWELL: Please.

COUNCILWOMAN BROWN: Back to Councilwoman Tasco's original question, though, which was given and recognizing the fact that her district is not as needy as others, but recognizing also that there are residents -- appears not to be as needy as others. She has senior citizens who have special needs and predatory lending, I believe, was the highest in your district, is that not so, Councilwoman?

So what kind of accommodations, considerations, provisions are put in place in any of these categories that give her the dollars she needs to address her particular circumstances?

MS. McCOLLOCH: For predatory lending? For anti-predatory lending activity?

COUNCILWOMAN BROWN: Let me try to phrase it differently.

MS. McCOLLOCH: I'm sorry.

COUNCILWOMAN BROWN: It's okay. Would any of these programs as presented here allow for, provide for the circumstances specific to her district, like predatory lending, special housing needs for seniors, et cetera? I guess what I'm trying to get to is, if spending the dollars equally is not acceptable, then sharing the dollars commensurate with the need of each individual district, is that not or can that not be a consideration?

MR. HANNA: Yes, that could be a consideration.

COUNCILWOMAN BROWN: And --

MR. HANNA: As to that specific question.

COUNCILWOMAN BROWN: Has that been -- well, we've heard today, according to the City Solicitor, that Councilmembers cannot get into the allocation process.

MR. HANNA: Councilwoman, can I

make a point?

COUNCILWOMAN BROWN: Please.

MR. HANNA: In the past, I remember the year I got here, the first budget cycle through which I went, there was a big debate over NTI dollars, the extent to which NTI dollars would be used for demolition versus Adaptive Modification or Basic Systems Repair or other of these types of line items. The Administration made its recommendation, its proposal, to City Council via the Proposed Consolidated Plan. City Council took action to move money around. In fact, what happened was, money was taken out of demolition and distributed among two, three, four other line items contained in the Consolidated Plan.

City Council could just as easily do the same thing here to these recommended amounts provided in these recommended line items. City Council could just as soon also add line items to this list, if it pleases City Council.

That's why we've always represented that Council always has, I'd say, the next-to-last bite at the apple, in that you can amend a Proposed Consolidated Plan as you deem appropriate, as you see fit, at least as far as the line items and the amount of money that's allocated to line items. You've done that before. You've done that in fact every year that I've been here as we've gone through this budgetary cycle.

COUNCILWOMAN BLACKWELL: But, Mr. Hanna, when we talked about distributing money and we talked about dealing with -- see, you all flip the rules as it suits you. We were having Community Development Block Grant hearings and we said, Go to projects that are near ready, which is what you're saying today. You all went around to every Council office and said, Jannie wants all the money and you should divide it up in the districts, and we all got

one point something million more. Now today you flipped the rules. You don't want it in districts like you did then. Now you want it in the projects that are near ready, unless you don't agree with the recommendations of the Philadelphia Association of CDC and the documents they wrote.

So it's not right. You're not supposed to flip the rules at any given time and the way you feel at any given moment. It's not right.

(Applause.)

COUNCILWOMAN BROWN: I'm finished, Madam Chair. Sorry.

COUNCILWOMAN BLACKWELL: Thank you.

Rick Sauer.

Thank you. We'll ask that you still remain.

MR. HANNA: I apologize, Madam Chair. I actually stepped out for a bathroom break, but I never made it.

COUNCILWOMAN BLACKWELL: Thank

you.

Pat Baltimore is next after Rick Sauer. Thank you.

MR. SAUER: Good evening, Chairman Blackwell, members of Council. My name is Rick Sauer and I'm the Executive Director of the Philadelphia Association of Community Development Corporations. I'm also a member of the Housing Trust Fund Oversight Board. I'm one of the four community representatives on the Oversight Board.

PACDC is the umbrella organization of over 80 CDCs and other organizations working to revitalize neighborhoods and address resident needs throughout the City. And as you mentioned in the letter that we sent to every Councilmember and including one we sent to your office, we stated --

COUNCILWOMAN BLACKWELL: I've been left out daily from the e-mails and letters you all send. You don't send me any. I get them, but you don't send them

to me. Every day you send them, but you don't send them to me, and I'm on the Board. And I said that at the last meeting.

(Applause.)

MR. SAUER: We have been strong advocates throughout the process for accountability and how the Housing Trust Fund --

COUNCILWOMAN BLACKWELL: And, Mr. Sauer, you sent them all through my district and you don't send them to me.

(Applause.)

MR. SAUER: Can I proceed with my testimony, please? Thank you.

Through the whole process of initially back before the City Council ordinance was introduced, before State legislation was introduced, we believed in the importance of having accountability around how the funds are expended. We believe in the importance of having transparency and an open and competitive process for how the funds are

awarded, and we've consistently stuck by that and pushed for that throughout the process of both the legislation being drafted and on the Oversight Board for how the Housing Trust Fund is implemented, and I think I've been consistent in that position.

I know you referenced one of the paragraphs in the letter that we did send around to Council about the annual report. That's something we pushed for. In the ordinance that City Council unanimously passed, there is a requirement that every year the Oversight Board has to produce a report that details how all of the funds have been spent, saying total number of housing units produced, homes preserved, households assisted from becoming homeless, list of projects that are funded, reports on the amount of dollars that are leveraged, and in Section D, report in aggregate form the number of households benefiting from the Trust Fund

by income level, geographic distribution, family size and other criteria. That reference to geographic distribution, which was in the letter that you referenced earlier, that's what we're saying. It's important to look at what the track record of the Trust Fund is so that informed decisions could be made. If things aren't working right, let's go back and correct it.

We want to make sure -- but even though we've collected $10 million so far, not a single dime has been committed to a single project or to repair a single home yet. We haven't gotten to the point where the money is actually on the street.

We think it's important, though, to track how every dollar is spent so there is information. We know how much is going to each Council District. We know that the requirement in the Trust Fund that half the money has to benefit people below earning less than

30 percent of median income is being met. We need to know that the requirement that half the money at least has to go towards housing production being met.

I think that's the responsibility of the Oversight Board that we made to City Council when you passed this ordinance, that we need to monitor the Trust Fund and track and report back on how those dollars are being spent. And I think that's an important role for us to play.

COUNCILWOMAN BLACKWELL: Mr. Sauer, that's our issue. You mention transparency, but you mean transparency among yourselves. You mention the track record. This is the first opportunity, this is the first time Housing Trust dollars would be spent. That's why we want to make sure we do it right.

You don't work for the City. The housing agencies on -- there are four people from the City. I'm elected. The other three are housing agencies. At

least they have some responsibility to somebody. But you don't. If you decide that nobody can get you and you want to close your door, you don't work for the City, nor are you elected by the people. So, therefore, you don't have the responsibility that we do.

(Applause.)

COUNCILWOMAN BLACKWELL: So we want to make sure -- a track record at the end isn't good enough. Council wants to be included at the beginning so we make sure that there's input that we agree with in our districts, because we're on the front line and we're in our districts every day. We know who is there and we know who wants inclusion and who deserves inclusion. That's not your decision to make. I have no idea where you live, but I know that that's not your decision to make for my district.

MR. SAUER: I agree, it is not my decision to make for your district, and I've been consistent in that as well.

I have always stated that the Oversight Board should not be making any decisions on which individual housing development projects get funded. I don't think that's the appropriate role for the Oversight Board, and I have said that throughout. That's why we pushed for an RFP process that would be broadly advertised, an open, competitive process that whoever felt they met the criteria for the RFP could respond. That's how the City -- and OHCD issued that RFP after the Trust Fund Advisory Board reviewed the draft RFP. We made changes, recommended changes. Everyone unanimously on the Trust Fund Oversight Board said that was the appropriate RFP to send out, which was done.

We also did not want the Oversight Board to review those 20 applications that came in in response to the RFP. The City has set up a separate process to do that, with representatives from the various housing and other

community development agencies, which is my understanding at how they make decisions around how HOME funds are spent, how Community Development Block funds are allocated to housing projects as well.

I agree with you 100 percent. I'm not an elected official. I should not be deciding how those funds are spent. I don't think that's the appropriate role of the Oversight Board. So I concur with you 100 percent on that.

(Applause.)

COUNCILWOMAN BLACKWELL: Mr. Sauer, we asked that there be an RFP process. At our first meeting, it was already spelled out who got what. Believe me, I tell my colleagues, decisions were made.

Councilwoman Tasco.

COUNCILMAN DiCICCO: Are you saying that you requested an RFP and it was awarded?

COUNCILWOMAN BLACKWELL: I did.

I am saying that I requested an RFP. When we went in, decisions were made about who was getting funded. I said to the group that we have to have a process that includes everybody or my colleagues wouldn't be satisfied. I'm there to represent you.

COUNCILMAN DiCICCO: My question is, you requested an RFP. Was an RFP issued or was it ignored?

COUNCILWOMAN BLACKWELL: An RFP apparently, they say, was issued, but only five districts were included. Yours is one of them left out.

COUNCILMAN DiCICCO: I understand that. I'm just curious about your statement that the RFP was ignored. At least I think that's what you said.

COUNCILWOMAN BLACKWELL: No, that's not what I'm saying. I'm saying there was no RFP process until I insisted there be a process so that my colleagues would understand that there's inclusion. That's what I'm saying.

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COUNCILMAN RIZZO: Point of information.

COUNCILMAN DiCICCO: I didn't hear it that way. The way I heard it was, there was an RFP, but you made -- but the decision had already been made as to where the projects were going to be.

COUNCILWOMAN BLACKWELL: I will repeat. I went into a Housing Trust Fund meeting. Decisions were made. I insisted that we had to have a process, an RFP process or some process where everybody had the right to apply. There was not an RFP process until I insisted there be one.

COUNCILMAN DiCICCO: But there eventually was.

COUNCILWOMAN BLACKWELL: Of course there eventually was. That included half of our districts and not the other half.

COUNCILMAN DiCICCO: But there was an RFP. You made a statement, if I heard you correctly, that decisions were

already made.

COUNCILWOMAN BLACKWELL: Yes, they were.

COUNCILMAN DiCICCO: Before the RFP was issued?

COUNCILWOMAN BLACKWELL: Yes, sir. I said that.

COUNCILMAN DiCICCO: But subsequent to that, there was an RFP.

COUNCILWOMAN BLACKWELL: Yes, there was.

COUNCILMAN DiCICCO: What was the response to the RFP?

COUNCILWOMAN BLACKWELL: You'll have to ask Deb McColloch and Kevin Hanna. We didn't see that. I just got this list after I started arguing.

COUNCILMAN DiCICCO: I mean, if you have an RFP, it's a public --

COUNCILWOMAN BLACKWELL: Would you like them to respond?

COUNCILMAN DiCICCO: I'm curious, if you're saying you got an RFP but decisions had already been made,

that's to suggest to me that there was no RFP or it was just ignored.

COUNCILWOMAN BLACKWELL: That's not what I'm saying. You heard exactly what I said.

Did we have a point of information, Councilman?

COUNCILMAN RIZZO: Madam Chair, I think my question was satisfied.

COUNCILWOMAN BLACKWELL: Thank you.

COUNCILWOMAN TASCO: I have a question.

COUNCILWOMAN BLACKWELL: Councilwoman Tasco.

MS. McCOLLOCH: Did you want me to answer his question?

An RFP was issued by the Office of Housing and Community Development for $6 million. In response to that RFP, we received 20 proposals. That's the list that Mrs. Blackwell and everyone else has. The request came in for approximately $8.1 million. No decisions

have been made in response to that RFP yet. The proposals are being reviewed by that interagency proposal review committee that we've discussed. That committee will make recommendations to Kevin Hanna. Kevin has committed he's going to review those recommendations with District Councilmembers and the Mayor, and then funds will be awarded.

COUNCILMAN DiCICCO: Would you happen to know if an RFP was responded to that would have covered every Councilmanic District, or were there any Councilmanic Districts that an RFP did not reflect?

MS. McCOLLOCH: The RFP was issued Citywide. So proposals --

COUNCILMAN DiCICCO: Came in from all over.

MS. McCOLLOCH: -- could come in from any Council District. It's true that proposals did not come from every Council District, but they were eligible to come in.

COUNCILMAN DiCICCO: But they were not responded to from every Councilmanic District.

So, theoretically, it could be that my district, no RFP was responded to from my Councilmanic District.

MS. McCOLLOCH: Correct.

COUNCILMAN DiCICCO: Thank you.

COUNCILWOMAN TASCO: Could I ask a question?

COUNCILWOMAN BROWN: Certainly. Could you please provide to the Chair the breakdown of where those RFPs came from?

MR. HANNA: Sure.

MS. McCOLLOCH: You have the list. You have that list.

COUNCILWOMAN BROWN: This list? Okay.

MS. McCOLLOCH: That's the list. Twenty proposals were submitted in response to the RFP, and the list that you have is the list of the 20 that were submitted.

COUNCILWOMAN BROWN: So would

it be fair to say to use the expression "left out," a better description would be this list of five districts reflects where the RFPs came from, the list of the five Councilmanic Districts?

MS. McCOLLOCH: Yes. The proposals were eligible to come from any place in the City. We happened to receive 20 from the five districts that are represented on that list.

COUNCILMAN DiCICCO: So the reason the First District has zero is, there's no RFP?

MS. McCOLLOCH: No one responded.

COUNCILMAN DiCICCO: Not because the Oversight Board or the Administration made a decision to cut Councilman DiCicco's out of the process.

MR. HANNA: No, Councilman. In fact, that's not unusual. Whenever --

COUNCILMAN DiCICCO: I'm not complaining about it. I'm concerned because there has been a number of

comments and statements made that decisions are being made elsewhere and that may, in the minds of some District Councilperson, they may feel as though, for political reasons or other reasons, they were cut out of that process. That's not the case. An RFP was issued Citywide and in some cases certain District Council folks did not have an RFP as related to their district.

MR. HANNA: That's correct.

COUNCILMAN DiCICCO: And I'm one. That's why I have zero. No one responded from my district.

MS. McCOLLOCH: Correct. No one responded.

MR. HANNA: The point I was going to make is relative to PHFA. A couple times a year PHFA, Pennsylvania Housing Finance Agency, issues RFPs for low-income housing tax credits. It's not at all unusual for responses to come in or come back to PHFA which do not represent all of the City Council

districts.

COUNCILMAN DiCICCO: Hypothetically, if the equal appropriation process that is being explored here were to be implemented, $2 million a district, and no RFP was responded to from my district, the $2 million would be just sitting there; is that correct?

MR. HANNA: In your hypothetical, that's correct.

COUNCILMAN DiCICCO: And the other districts who have responded and have greater needs would be less the money that would help them because it's sitting in my district and there is no RFP responded to.

MR. HANNA: That's correct.

COUNCILMAN DiCICCO: Thank you.

COUNCILWOMAN BROWN: Councilwoman Tasco.

COUNCILWOMAN TASCO: You talk about the criteria. The RFPs are developed with a basis for what you

really want to cover, and you write the RFP to meet the criteria. Well, to meet your goals of what you're looking for. Could we get a copy of the RFP that was sent out?

MS. McCOLLOCH: Yes, of course.

MR. SAUER: I would actually suggest that in the future whenever the Housing Trust Fund releases an RFP -- I assume this is done -- that every Councilmember should get a copy of that, not just Councilwoman Blackwell as being on the Oversight Board. Maybe that happened. I don't know.

MS. McCOLLOCH: It was sent to every district.

COUNCILWOMAN TASCO: Did we get one?

MS. McCOLLOCH: Yes, but I'll provide another one.

COUNCILWOMAN TASCO: Could you get it to me tomorrow?

MS. McCOLLOCH: Yes.

COUNCILWOMAN TASCO: Thank you.

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COUNCILWOMAN BLACKWELL: I'm sorry I missed the discussion on PHFA financing, but that is being discussed by this Committee as well, who should get PHFA financing as well. So even though it's a City-funded project, they want to deal with State funding as well and control that as well. So that's just another aside.

Thank you very much.

Patricia Baltimore. Unless you're not finished. I'm sorry, Mr. Sauer.

MR. SAUER: I wasn't quite done yet, actually.

COUNCILWOMAN BLACKWELL: I'm sorry.

MR. SAUER: I think this is an important issue, because each year there are going to be projects in different neighborhoods around the City, affordable housing development projects that are going to be ready to proceed that are going to be ready to go apply to PHFA or

to HUD or other sources that could bring in millions of dollars to Philadelphia to build affordable housing that we desperately need. We can't address the housing problem in Philadelphia with just our own local resources. The Trust Fund -- one of the whole large goals of the Trust Fund was to expand the pie of resources to enable us to leverage lots of other dollars from the public and private sector. And so while this year there may have been projects that responded from five particular districts to the RFP, next year I'm sure there will be projects that respond from different Council Districts that didn't apply this year. Matter of fact, I know several members of ours who have made a conscious decision not to apply to the Trust Fund in response to this RFP, but to wait for the next RFP that we expect is going to be issued later this year. And the RFP that was issued is for about half the money from the Trust Fund for FY06. As

pointed out earlier, the other half of the money is for various Citywide programs, whether it's PSRP, Adaptive Modification, HRP, et cetera, that based on where there's demand, those dollars should flow to meet those needs, and I assume that money will be going all over the City, not just in five Council Districts.

Just in closing, I'd like to say that there was a long process of negotiations between CDCs and advocates, between those folks in the Administration and representatives from Councilwoman Blackwell's office and Councilwoman Reynolds Brown's office. It was not easy to get to a point where we all agreed on what the structure of the Trust Fund should look like and how it should be implemented. Lots of folks made compromises, but I think the model we ended up with makes a lot of sense for Philadelphia. And I don't think it makes sense to tinker with the Trust Fund at

this point. Let's give it a chance to be implemented, see how it works, see how the money is allocated. Sure, there's probably going to need to be things that are going to need to be changed as we go forward, but we haven't spent a dollar yet. Until we have a chance to see how the Trust Fund works, how can we make informed decisions about how we should change it?

So I certainly encourage Council to move forward and not modify the structure of the Trust Fund or how the dollars are allocated at this point in time. That's an important issue we need to be looking at as we go forward, but let's give the Trust Fund an opportunity to work to provide funding to create more affordable housing opportunities in the City of Philadelphia for the folks that need it the most.

Thanks.

COUNCILWOMAN BLACKWELL: Thank you very much.

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Patricia Baltimore.

We'll say Mr. Sauer makes my case.

Thank you. Good afternoon.

MS. BALTIMORE: Good afternoon. I rise first to give honor to God, as always.

COUNCILWOMAN BLACKWELL: Amen.

MS. BALTIMORE: My name is Patricia Baltimore and I'm 49 years old. I was raised in Philadelphia. I am a mental health ex-homeless consumer and I am a child of 18 children -- my mother had 18 children. And if there's one thing I learned in here today was something my mother said a long time ago, you cannot catch the north and southbound train at the same time. Either you're going north or you're going south.

What I've learned here and I saw here was that we are all from the same place, unknown territory, earth, and I would have never thought that people would go through what they're going

through here, like little me that they want to call. You're not the only one who suffered from people doing things behind your back, but that's not really what I came here to say.

I've come here to say that I was homeless in the City for seven years. And in the City, I have been on drugs. I have been without -- I've been unemployed, different things like that, and I've been a part of many of the different programs that's been in this courtroom today. And like I said, when you are under different things, disability or whatever, people tend to try to curve you to a certain way.

But I sat here and learned today that there are a lot of people who are really not into collaboration, which should be a part of some things up in here, you know. And really, you know. And so what I've learned also is that to get the story for yourself. And I've learned so much about politics today that

I am really amazed. I might run for it myself.

But I just want to say that through this whole thing, by the grace of God, Jannie L. Blackwell saved my life. And this courtroom, it wasn't as full as it's been for the years with me with people that were not really understanding where she's coming from, because one thing I know is for certain, two things for sure. She got me and a lot of people in this City I know housing. She led them to a sense of direction for a job and for treatment and whatever case it might be.

And what happens is, I just wanted to say that I wanted to honor her and thank her, and I wanted people that know her to see and know what she's done here.

We're going to talk about a track record. A track record is every year what she does for this City, even with coming up when she celebrates her

birthday with everybody, even the homeless. She dig down and get people who need the help.

And I just wanted to say that I know money is a big issue here, but I know for her the bigger issue is the people. The people. And I'm one of the persons -- and this courtroom would have been filled up if it had been all of her supporters, because one thing is for certain, two things for sure, she's stated her case here today and she made a lot of us know that there was some stuff going on that we don't know. Because a lot of us don't even know what ordinance mean. I'm not a follower. I'm a person who lives in North Philly, like I said.

And I want to thank you, Ms. Jannie Blackwell, for relieving me from homelessness, along with a lot of my friends who have also asked me to come and say thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank

you, Ms. Baltimore. Thank you very much.

Any questions?

(No response.)

COUNCILWOMAN BLACKWELL: Thank you.

Nora Lichtash, is she still here?

(No response.)

COUNCILWOMAN BLACKWELL: Staci Moore?

Is David Koppisch still here?

(No response.)

COUNCILWOMAN BLACKWELL: What about Mark Edwards? You're next.

MS. MOORE: Hello. My name is Staci Moore and I'm here representing Women's Community Revitalization Project, which develops affordable housing for low-income and working-class women and their families in the eastern North Philadelphia area.

We're here to urge City Council to vote against Bill 060466 and to testify about the Housing Trust Fund and

what that money for affordable housing means to people like me and organizations like WCRP.

I'm going to cut to the chase, because I became rather incensed at the latest article in the Daily News on Page 8 concerning the Housing Trust Fund and in big bold letters how the Councilwoman is upset on housing. Well, I'm good and upset, too.

I live in Northern Liberties and I am a Section 8 tenant. Just saying those two things together in the same sentence feels almost like an oxymoron, with all the market-rate development going on as we speak. I feel like if you stand for too long, you'll get a condo built right around you.

Before the Housing Trust Fund was established, I felt as if it was going to be an even greater uphill battle for working-class folks like me who might get pushed out of their rapidly developing neighborhood due to landlords

who wish to reap the benefits of the housing boom or rising property taxes or eminent domain issues.

With the creation of the Housing Trust Fund, I felt that at least City Council and the Administration was making good on its claim to create true mixed-income neighborhoods with this pot of money that would allow for good, decent, affordable housing to be developed in communities along with all the market-rate developments, giving a sense of balance.

I remember what it was like to be homeless, and I, nor any other working-class person, is asking for a handout. What I am asking is, with my level of income, where will I be able to move to when most of the recently built housing in my area starts at at least $200,000, which is not affordable for me.

I urge City Council to vote against Bill 060466 and to vote on getting the money in the Housing Trust

Fund out to the organizations and communities who need it most.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much.

(Applause.)

COUNCILWOMAN BLACKWELL: Mr. Mark Edwards.

Is Farah Jimenez here?

(No response.)

COUNCILWOMAN BLACKWELL: John MacDonald. Is John MacDonald still here? Okay. You're next. And then Pat DeCarlo.

Is Manuel Delgado here? Yes. And then is Phil Lord still here?

(No response.)

COUNCILWOMAN BLACKWELL: And Fran Hazam?

(No response.)

COUNCILWOMAN BLACKWELL: All right. So we have after this three or four more people and then we're there.

Thank you, Mr. Edwards. Thank

you for your patience. Sorry to hold you up.

MR. EDWARDS: Thank you. Good afternoon, members of Council. My name is Mark Edwards. I'm the Program Director for the Philadelphia Local Initiative Support Corporation. We are a national corporation that combines corporate government and philanthropic resources to help community-based organizations revitalize underserved neighborhoods.

Since our inception in 1980, LISC has raised more than $7.2 billion to build or rehab more than 196,000 affordable homes, developed 27 million square feet of retail, community and educational space nationwide. Within the City of Philadelphia, LISC has a $206,000,000 investment and $670.8 million leveraged through our work.

We continue to make investments today and are committed to future investments. We consider ourselves

partner stakeholders in the development of our neighborhoods, the City and our region. We are testifying today because we applaud the efforts of this Council and State legislators for its timely leadership in passing the Housing Trust Fund a year ago and we now believe those efforts are threatened.

These resources are badly needed in markets in our City where real estate values continue to climb in many of our neighborhoods where low-income housing tax credit projects are expiring and the demolition resulting from NTI has prepared land now ready for development in an environment where market forces are demonstrating record interest.

We do not support the City Council Bill 060466. We believe that Trust Fund dollars need to be flexible enough to support development, the development efforts of CDCs, non-profit developers and producers of affordable housing in our City's communities that

are ready to go and in areas most in need.

We believe that dividing Trust Fund dollars among districts will hinder such flexibility, and we ask and urge this Committee to support the implementation of your unanimous leadership taken last year by allowing Trust Fund dollars to be applied Citywide.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much. Any questions?

(No response.)

(Applause.)

COUNCILWOMAN BLACKWELL: Mr. John MacDonald, you're next. After Mr. MacDonald, Ms. Pat DeCarlo.

Thank you for your patience.

MR. MacDONALD: Hello, Councilwoman. I am John MacDonald. I am the President of the Philadelphia Association of Community Development Corporations, as well as the President of

Impact Services Corporation.

As a group, I'd like to begin by just saying that anyone connected with PACDC feels for anyone that is in jeopardy of losing their job and their ability to provide for their families, regardless of the reason.

I'd also like to state that the intention of my letter on June the 1st that was put together by the Board on my signature was to express the concerns of our members to the passage of Council Bill 060466, as we understood the meaning of equal distribution for all ten Councilmanic Districts. At the conclusion of the letter, we ask that Council not support restricting the distribution of funds as proposed by this bill.

I'd also like to say at this time if you did not receive a copy of that letter directly, I would definitely guarantee you that in the future any correspondence that we send to all

Councilmanic Districts certainly would include you on that list, as I believe we did.

I'd also like to say that when the Trust Fund was passed many months ago, I thought that it was a win for the City of Philadelphia. Housing for low-income individuals would have a steady source of funds to ensure additional housing units each year. The Trust Funds dollars would leverage significant additional dollars into the City for this purpose, and numerous construction jobs would be created, the majority of which, if not all, would be union jobs.

On a personal note, if my organization, Impact, was lucky enough to be selected as a recipient of any of these funds, all the jobs created would be union jobs.

Additionally, clearly, it was not my intention to suggest that the Advisory Trust Board makes any decision

in that letter of June 1st. I thought my letter clearly stated this position when I wrote the Oversight Board does not decide which individual housing development projects should receive funding.

Again, I'm embarrassed to say at this time that we are all sitting here discussing this topic. I thought we were all on the same page many, many months ago, and I only hope we can get back there again.

COUNCILWOMAN BLACKWELL: Thank you very much. Thank you.

Ms. Pat DeCarlo.

And, remember, our question was not about the groups listed to be funded. They're all great groups. It's about the process and how that takes place.

Thank you for your patience. Thank you.

MS. DeCARLO: My name is Patricia DeCarlo and I have the unenviable position of being the

Executive Director of Norris Square Civic Association and a Board member of the RDA. But I am here today speaking on behalf of the thousands of people who live in the Norris Square neighborhood who need housing that is affordable to them.

Last night, we had a presentation for our Hunter School Homeownership that's been on the works for several years now across from the new Hunter School, where dead bodies have been found because of vacant housing. We want to build 50 houses, homeownership. There were over 80 families and we haven't even finished demolition, and they all need housing. They're the children of long-term residents of that neighborhood who want to stay in that neighborhood, who struggled hard to clean up the neighborhood and don't want to have to move because of gentrification. And this project, the Hunter School Homeownership, would afford them that.

We're one of the people that applied under the Housing Trust Fund. You know why? Because even though we've already committed and gotten most of the funding for the project, we did not look at Katrina, the Iraq War, the gas shortage and the increase in price, and now there is a funding gap. And that's what stops the business of being able to fund this project.

So when it comes to City Council distributing equally among districts, we would need to take a position that says no, that's not fair, because we know that in our Councilmanic District, currently without a representative, there are more poor people and more housing affordability need than in some other districts, and there needs to be a pot of money allocated to be able to move projects, particularly when the federal government has cut the funding as it has.

And so to answer some of the

questions that I've heard you ask throughout the thing, because I really do respect you, Councilwoman Blackwell, but I'll be damned if I understand where this is all coming from.

Numero uno, I think yes, Council Districts need to figure out a process by which you invite folks in your neighborhood to talk about the housing needs and elaborate and propose some kind of projects that you're aware of that you're going to support so that you don't get blindsided or you don't get -- don't know about it until the last minute but that in fact are proponents of it.

You've been one who has been very effective at representing your district and proposing and moving projects, much more so than a lot of other District Councilmen. But that should be something that Council figures out how do you -- but you start at the beginning, not when the project is three-quarters funded and then you want

to decide, because it's like the three-quarter funded needs to get funded so we can build it.

So I would agree. Often at the RDA when we're at the Board, I ask, Do we know if the neighborhood supports this? Do we know if they're going to like this? But that should be your task at the get-go, at the beginning. Get your community's input about that and get the CDCs to support that kind of thing. Not at the tail end or not distributing equally among District Council, because you know that we don't have the same needs. Does Councilwoman Tasco have a need because there's poor people in her -- absolutely. So develop programs that meet those needs and that people then can access Citywide because they can apply for those programs. And keep an eye on how those programs are working and whether they really are helping people in your neighborhood and in your district.

As to the RFP, why people

didn't respond, I'll tell you why. It's happened to me a hundred times. I missed out. I didn't hit the deadline. If I'm on vacation, oh, well, tough luck. Next year is another year. That's a reality that non-profits, we all meet every year. So sometimes you get it, sometimes you don't. Sometimes you get to apply. They have the commercial corridor. We blew the deadline. We were involved in some other things and we just couldn't do that. That's something that happens. It's not something that people get excluded.

The political process, last time I looked, you all have an incredible and I think undue influence into what happens, from getting a building demolished, land acquired, to the zoning. I mean, you got the power to decide all these things in your district. I don't think you don't have power. You've got a lot of power. So I find it hard to believe that there's this discussion here

about Council not having the power to decide and influence for their district. I just don't understand and don't get it, because my experience has been that if I didn't have the support of my Councilperson, I wasn't moving any place.

So that's a reality check in terms of where I come from and what I expect from my Council representative and the kind of advocate that you have been. And you're a great advocate, but I don't think we should be mixing apples and oranges, because you're upsetting the apple cart. And I wasn't raised in this country, so forgive me if my slang is all mixed up, but it's sort of like appropriate to what I'm trying to say and it may not be appropriate.

That's it. The reorganization of the Office of Housing, I understand. It's a difficult subject. I understand that Mayors have done it every single time. I understand that in this particular instance, it's even more

difficult because the President chose to cut the budget, and that means something has to give.

Hopefully we have reasonable people across the board, on the union side, the employees, the Administration, City Council. And reasonable people can sit down and negotiate stuff that is fair for everybody. But the fact is, there is less money now to do the work, and so we've got to figure out how we do that.

I thank you.

COUNCILWOMAN BLACKWELL: Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Mr. Manuel Delgado.

Is there anyone else here to testify?

(No response.)

COUNCILWOMAN BLACKWELL: Thank you. Thank you for your patience, Mr. Delgado.

MR. DELGADO: Thank you. Good

afternoon, Councilmembers. My name is Manuel Delgado. I'm the Deputy Director of Community and Economic Development for APM. I am here today to state my opposition to Bill 060466, which states that funds appropriated from the Housing Trust Fund shall be appropriated and expended equally between each Councilmanic District within the City of Philadelphia.

Given the timing of this bill relative to an already issued OHCD request for proposal, which has received 20 responses and is currently under review, I believe at this point to restrict the amount of dollars going into any one district would not be prudent. Expending the dollars equally in each district at this time would lessen the City's ability to leverage already committed funding in projects needing gap financing, as you've already heard from Pat, and she has almost all the funding for her project there, specifically a lot

of money from the State at PHFA level, and there are a lot of groups that have those. We also have Prodera, which has PHFA dollars, and we are in a current gap situation with our project and have applied for Trust Fund dollars.

Additionally, this appropriation of funds longitudinally would also prove to be unsuccessful in creating the overall impact in communities and resolving many of the housing issues diverse communities and neighborhoods face. With each district required to expend dollars as specified through the ordinance, only limited impact would be possible. Low-wealth communities with high neighborhood decline will be slow to gain any economic momentum, and those communities experiencing a marked increase in housing values, the possibility for retaining and protecting existing long-tenured homeowners and of affordability within those communities through multiple

strategies would be thoroughly weakened.

The correct and meaningful use of the Philadelphia Housing Trust Fund is as the current ordinance passed unanimously by this Council in July of last year is established. In this manner, with the participation of City Council members, developments across the City would maximally leverage outside dollars and strategic investments and meaningful ways can be made within each district.

For those reasons, I respectfully request that Bill No. 060466 be opposed.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much, Mr. Delgado.

We will recess this Committee on the Housing Trust Fund until tomorrow morning at 8 o'clock with Appropriations.

Thank you all. Sorry to hold you.

(Committee on Housing,

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Neighborhood Development and the Homeless adjourned at 7:00 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on June 7, 2006, and that this is a true and correct transcript of same.

_____

MICHELE L. MURPHY

RPR-Notary Public

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