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COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON HOUSING, NEIGHBORHOOD DEVELOPMENT
AND THE HOMELESS

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 16, 2010, 1:15 p.m.

- - -

RESOLUTION NO. 100379 - To examine the roles of
the RDA and the Department of Public Property
in improving housing in the City of
Philadelphia.

COMMITTEE MEMBERS PRESENT:
Jannie L. Blackwell, Chair
William K. Greenlee, Vice Chair
Darrell L. Clarke
Curtis Jones, Jr.

- - -

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

5 We will begin our resumed
6 hearing from June 7th of Resolution
7 100379, and we will ask the clerk to read
8 the entire resolution.

9 THE CLERK: Resolution 100379,
10 calling for public hearings before the
11 City Council Committee on Housing,
12 Neighborhood Development and the Homeless
13 to examine the roles of the Redevelopment
14 Authority and the Department of Public
15 Property in improving housing in the City
16 of Philadelphia.

17 Whereas, the Redevelopment
18 Authority and the Department of Public
19 Property have the responsibility to work
20 with the District Councilperson and
21 Councilpersons at large to improve the
22 City of Philadelphia; and

23 Whereas, it is vitally
24 important to have a clear, transparent
25 process to accomplish these ends; and.

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2 Whereas, the Redevelopment
3 Authority and the Department of Public
4 Property are involved in the acquisition
5 sitting and disposition of properties in
6 our city; and

7 Whereas, the Redevelopment
8 Authority has the responsibility for
9 condemnation in aid of redeveloping
10 blighted neighborhoods in our city; and

11 Whereas, there is much
12 confusion with regard to the role of the
13 Redevelopment Authority and the
14 Department of Public Property to
15 accomplish these goals;

16 Now, therefore, be it resolved
17 by the Council of the City of
18 Philadelphia that the Committee on
19 Housing, Neighborhood Development and the
20 Homeless hold public hearings to examine
21 the roles of the Redevelopment Authority
22 and the Department of Public Property in
23 improving housing in the City of
24 Philadelphia.

25 COUNCILWOMAN BLACKWELL: Thank

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2 you very much.

3 We will begin this hearing by
4 welcoming to the witness stand -- and
5 thank you, Michael Sklaroff, for
6 contacting us -- Steven Klein, Pat
7 Gillespie, and anyone else from this
8 group dealing with the Latter-Day Saints
9 Church project that you would like to
10 speak.

11 (Witnesses come forward.)

12 COUNCILWOMAN BLACKWELL: Thank
13 you very much. We thank you for being
14 here today. We thank you for your
15 commitment to this issue that is so very,
16 very important to our city and to all of
17 its citizens.

18 Please identify yourself for
19 the record and begin your testimony.
20 Thank you.

21 MR. KLEIN: Good afternoon,
22 ladies and gentlemen. My name is Steven
23 Klein, and this is my associate Clay
24 Chandler. And to my right --

25 MR. GILLESPIE: Michael

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2 Sklaroff -- oh, Pat Gillespie.

3 MR. KLEIN: I want to begin by
4 thanking Councilwoman Blackwell and the
5 members of this committee for giving us
6 the opportunity to discuss our site at
7 17th and Vine Streets and the Church of
8 Jesus Christ of the Latter-Day Saints'
9 outstanding proposal to construct a
10 temple and meeting house on the.

11 Site it's unfortunate that we
12 must take this committee's time to
13 discuss how actions taken by the RDA have
14 placed this \$70 million project at risk.
15 In the midst of this severe economic
16 downturn, with limited new construction
17 in the City, the LDS Church stands ready,
18 willing, and able to proceed.

19 Jobs will be created, tens of
20 thousands of visitors will be attracted
21 to the Parkway each year, and what is
22 currently a parking lot will be turned
23 into a magnificent and worthy addition to
24 the Logan Square Neighborhood
25 Association -- if the RDA would simply

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2 process the application for this project.

3 My organization, Logan Place
4 Associates, purchased this property many
5 years ago from Franklinton Corporation.
6 Franklinton is unique: It's a
7 privately-funded urban-renewal project;
8 not one penny of public money is
9 involved.

10 We were chosen by Franklinton
11 Corporation to be the redeveloper because
12 of our financial standing, our success in
13 residential development, and our ability
14 to develop the site in accordance with
15 the redevelopment proposal. We paid the
16 full, fair-market value have, and have
17 actively pursued development of this
18 site.

19 In May, 2009, the LDS Church
20 approached us to acquire and develop this
21 site. We concluded our negotiations with
22 the LDS and signed an agreement of sale
23 on August 10, 2009. The LDS Church then
24 took several months to do their due
25 diligence examinations, including

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2 environmental, economic, and fiscal
3 analysis, and the preparation of site
4 studies and plans.

5 Early in this process, church
6 representatives began reaching out to
7 various stakeholders in the community.
8 Among others, they met with Councilman
9 Darrell Clarke, whose district includes
10 this site; and I want to take this
11 opportunity to thank Councilman Clarke
12 for his support and leadership on this
13 project.

14 They also met with the Logan
15 Square Neighborhood Association and the
16 Parkway Council. They reached out to
17 Mayor Nutter, and a first meeting was
18 scheduled with the Mayor for January 7th
19 of this year.

20 On Monday, December 21, 2009 --
21 that's December 21, 2009 -- I and my
22 representatives met with Terry Gillen of
23 the Redevelopment Authority to make a
24 presentation about the church's temple
25 project. We informed Ms. Gillen that the

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2 church would spend approximately
3 \$70 million on construction, that it
4 would create approximately 300
5 construction jobs and 240 permanent jobs.

6 We let her know that the temple
7 would draw tens of thousands of visitors
8 to the City each year, and that many of
9 these visitors would stay in the
10 Philadelphia hotels and eat in
11 Philadelphia restaurants. The ongoing
12 benefit -- economic benefit to the City
13 of the LDS Temple is projected at \$20
14 million a year.

15 This information is contained
16 in an economic and fiscal impact analysis
17 that was prepared for the church by
18 former Commerce Director Steve Mullin of
19 the Philadelphia firm eConsult.

20 We asked Ms. Gillen to start
21 the process of allowing the church to
22 proceed with the project and to prepare
23 the necessary documentation. We also
24 informed Ms. Gillen at that meeting that
25 representatives of the church were

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2 scheduled to meet with the Mayor on
3 January 7, 2007 -- January 7, 2007 --
4 just two-and-a-half weeks later.

5 Given the obvious economic
6 benefit to the City, we expected
7 Ms. Gillen and the Redevelopment
8 Authority to embrace this project. So
9 imagine how shocked and surprised we were
10 when the Redevelopment Authority filed a
11 lawsuit attempting to take the property
12 on Monday, December 28th, December 28th.

13 The suit was filed exactly one
14 week after our meeting with Ms. Gillen
15 and ten days before the Mayor's scheduled
16 meeting with the LDS. The lawsuit was
17 filed on the first business day following
18 the Christmas holiday. We can only
19 assume that the RDA rushed to torpedo the
20 deal with the LDS Church, and, more form,
21 to tie the Mayor's hands.

22 As I stated before,
23 representatives of the church have been
24 very active in engaging various
25 neighborhood, community, and City

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2 stakeholders. The church has received
3 the support of the Parkway Council and
4 the Logan Square Neighborhood
5 Association. The neighborhood
6 association sent a letter to City Council
7 endorsing the project and testified on
8 its behalf before a City Council
9 Committee. At the same hearing,
10 representatives of the Planning
11 Commission endorsed the project.

12 Most importantly, the members
13 of City Council voted unanimously, 17 to
14 nothing, to grant relief to the LDS
15 Church that they needed for the Parkway
16 height controls to allow for its proposed
17 spirals.

18 Unfortunately, and in spite of
19 the broad support this project has
20 received from the community and City
21 Council, the RDA continues to stand in
22 the way.

23 On May 10, 2010, we attended a
24 meeting at the invitation of the RDA to
25 resolve this matter. We were informed

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2 that the RDA was working on a term sheet,
3 and they would send it to us. As further
4 evidence that the RDA's in no hurry to
5 see the LDS project move forward, the
6 term sheet didn't arrive until June the
7 4th, almost four weeks after our meeting.

8 We wonder if the letter would
9 have arrived even then, if not for a
10 front-page article that ran that morning
11 in the Inquirer about the lawsuit and how
12 it was jeopardizing the LDS Temple
13 project.

14 Timing aside, it is obvious
15 that the RDA still has no real interest
16 in resolving the lawsuit since their
17 settlement demands including paying them
18 25 percent of the proceeds of the sale to
19 the LDS.

20 Had there been any attempt at
21 settling the lawsuit on the part of the
22 RDA, they would have looked at the
23 property next door to us at 16th and Vine
24 and said that they would treat us no
25 worse than they treated Grasso. The RDA

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2 gave David Grasso and his company an
3 18-month extension for no money, with the
4 option of an additional 12-month
5 extension for \$100,000.

6 There is, however, a huge
7 difference between Mr. Grasso's project
8 and ours: We need no extensions; the LDS
9 Church is ready, willing, and able to
10 proceed now, and without one dollar of
11 public money.

12 I responded in a written letter
13 to Ms. Gillen, stating that her demand
14 was totally unacceptable. Furthermore,
15 she was attempting to win a lawsuit that
16 is without legal merit and should never
17 have been filed.

18 So here we are today, June
19 16th, in a city that desperately needs
20 capital, jobs, and tourism, with a major
21 project ready to go. The LDS Church is
22 ready to spend \$70 million, employ 300
23 construction workers, and bring in tens
24 of thousands of visitors per year.

25 Furthermore, we have the

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2 approval of the local neighborhood
3 associations and a 17-to-0 vote in City
4 Council.

5 And yet, I am forced to come
6 here today to tell this mind-boggling
7 story of how the RDA continues to
8 obstruct this project because they either
9 don't want it to happen or they only want
10 it to happen after extracting an
11 unwarranted and unprecedented monetary
12 payment.

13 I come here and humbly ask this
14 committee to please ask the RDA to step
15 aside and allow the LDS Church project to
16 proceed. As their name implies, the
17 Redevelopment Authority has an obligation
18 and a mandate to support and encourage
19 development in the City, and it's
20 unconscionable that they continue in
21 efforts clearly intended to scuttle a
22 project that would be such a positive
23 benefit to the City of Philadelphia.

24 Thank you, Councilwoman
25 Blackwell and the members of City Council

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2 for your time and attention to this
3 important issue. I am prepared to answer
4 any questions.

5 COUNCILWOMAN BLACKWELL: Thank
6 you very much.

7 I'm sure that all here have
8 heard your excellent testimony, and we're
9 going to ask, after you finish your
10 testimony, that Ms. Gillen come up to
11 respond to those issues; they're glaring.
12 \$70 million? You know, no public money,
13 the vote by Council, 300 jobs, 240
14 permanent jobs, and all that goes with
15 it, all that it would bring.

16 It is unconscionable that this
17 project -- and this is a great example, a
18 large example, of the problems we're
19 having citywide. And so, we will
20 certainly welcome the rest of the
21 testimony and then open it up for
22 questions and ask Ms. Gillen to come
23 forward and be prepared to respond.

24 MR. GILLESPIE: Thank you,
25 Councilwoman. I'll be very, very brief

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2 because I'd be interested in hearing the
3 Director of the RDA explain that.

4 It's kind of ironic in a city
5 that was founded on religious freedoms
6 and on having a decent place to worship
7 comes before us this wonderful proposal
8 to not only, quite honestly, put 300 guys
9 to work, or girls, but to have a place in
10 this city that will be another positive
11 attraction about Philadelphia and
12 consistent with the whole idea behind
13 Philadelphia. It's a wonderful program.

14 The idea that they're coming
15 in, they have their own money. No one
16 else has money; there's a paralysis in
17 our industry because of the shortness of
18 investment capital. Here comes a project
19 that could -- that could create a synergy
20 in that entire community.

21 So anything and everything that
22 you could do I know the building-trade
23 unions would be very, very appreciative
24 of.

25 Thank you very much.

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2 COUNCILWOMAN BLACKWELL: Thank
3 you very much.

4 Councilman Greenlee, question?

5 COUNCILMAN GREENLEE: Thank
6 you, Madam Chair.

7 To the gentleman, maybe you
8 could tell me -- I'm sure, with all this
9 delay, the Church of the Latter-Day
10 Saints have to be having some
11 apprehension and concern. What have they
12 expressed as far as -- I mean, is their
13 patience running thin? I guess is the way
14 I'm trying to get at it.

15 MR. KLEIN: Well, I can't speak
16 for the church, but I can speak for
17 myself.

18 COUNCILMAN GREENLEE: Mm-hmm.

19 MR. KLEIN: I have heard from
20 the church.

21 COUNCILMAN GREENLEE: Right.

22 MR. KLEIN: And they are
23 getting impatient. They don't understand
24 why this process has not moved forward.

25 The City, under Councilman

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2 Clarke's leadership, has been excellent.

3 They've received an excellent reception

4 from the neighborhood associations and

5 City Council, but they don't understand

6 why the RDA continues to oppose this

7 project, and they are getting impatient.

8 They have said to me, quote:

9 "We are starting to think about a Plan B
10 outside the City."

11 COUNCILMAN GREENLEE: Mm-hmm.

12 And that wouldn't be to anybody's

13 benefit, I would think.

14 MR. KLEIN: No, it wouldn't.

15 COUNCILMAN GREENLEE: Okay.

16 One other question. When this land,

17 during the years that it was not

18 developed, were taxes being paid on it?

19 MR. KLEIN: Oh, certainly.

20 Certainly we paid taxes on it.

21 COUNCILMAN GREENLEE: Mm-hmm.

22 I just wanted that on the record. So

23 there has been money paid -- so the

24 fiscal -- or the financial responsibility

25 has been kept up on this land.

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2 MR. KLEIN: Yes.

3 COUNCILMAN GREENLEE: Okay.

4 Thank you.

5 COUNCILWOMAN BLACKWELL: Thank
6 you. Thank you very much.

7 Councilman Clarke.

8 COUNCILMAN CLARKE: Thank you,
9 Madam Chair.

10 Good afternoon, gentlemen.

11 I just want to concur with the
12 statements made with respects to the
13 development of this site, how -- what I
14 believe to be critical that we not only
15 send a signal to the local community that
16 we're serious about creating
17 opportunities both as it relates to jobs
18 but creating opportunities that, frankly
19 speaking, will bring a significant
20 development that will fit in with what is
21 currently probably the most attractive
22 institutional row, as we like to call it,
23 the Museum Mile, along the Parkway, the
24 renderings of the facility fit in.

25 We purposely capped the height

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2 limit to match the basilica's height
3 limit 'cause we believe they're
4 essentially religious bookends, so to
5 speak.

6 And this has been a project
7 that as recent as last night we talked
8 about. I went to the Logan Square
9 Neighborhood Association meeting, and
10 they actually had a picture of it in the
11 presentation.

12 And I have to say that as a
13 result of this project, I actually know
14 more about the members of the Latter-Day
15 Saints than I ever thought I would know,
16 you know --

17 (Laughter.)

18 COUNCILMAN CLARKE: -- 'cause
19 there were certain stereotypes associated
20 with the organization early on, and those
21 people know about what people believed
22 them to be.

23 And I think the most
24 significant issue that related to the
25 elimination of some of the stereotypes is

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2 when I had my first meeting with them and
3 the person that walked in the door, who
4 was the facilitator and, I later found
5 out, very high up in the ranks was a
6 gentleman that apparently -- and I didn't
7 know him at the time -- that grew up
8 three blocks from me over in the Raymond
9 Rosen public housing.

10 And I was quite amazed to see,
11 needless to say, he was an
12 African-American. And the history
13 associated with his upbringing and for
14 him to be a member of the Latter-Day
15 Saints in an extremely high-ranking
16 position, frankly speaking, was quite
17 interesting to me.

18 And their ability and
19 willingness to meet with everybody in the
20 community and the community support for
21 what it is they talk about not only
22 having a religious facility but having a
23 museum attached that would be open and
24 available, having a job-placement center
25 that's open and available to all the

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2 citizens of the City of Philadelphia, I
3 was truly impressed with what they want
4 to do.

5 I think having such a presence
6 will clearly create an opportunity for
7 them to do more in the City, more than
8 they're already doing, 'cause,
9 apparently, they have a number of
10 churches throughout the City.

11 So I must say I'm equally as
12 perplexed as you are, Mr. Klein, why we
13 haven't put shovels in the ground. I
14 want to say, as recent as last night, in
15 a meeting with the Mayor, the Mayor told
16 me several times that this was a project
17 that was going to get done, and he gave
18 me his commitment, and I take him at his
19 word.

20 So hopefully, within the
21 foreseeable, future we will be in a
22 position to put shovels in the ground,
23 'cause I do agree that in today's
24 economic times, we need job opportunities
25 in the worst way.

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2 As it relates to those job
3 opportunities, I want to say that the
4 members of the Latter-Day Saints actually
5 submitted, as a part of the legislation
6 that authorized the construction,
7 submitted a equal opportunity plan that
8 had the most aggressive participation
9 goals for minorities and females that
10 we've ever passed in this Council. It
11 actually, I believe, surpassed the
12 Convention Center.

13 And there is no public money in
14 this document. So for that commitment to
15 be made, it shows that these people are
16 truly committed to the City.

17 So having the Mayor's word, I'm
18 hoping, and I believe, that this will get
19 done. But we really need to move this as
20 quickly as possible. So I'm assuming
21 that there will be some follow-up
22 conversations with the RDA.

23 But we need to move this. And
24 I agree with you: It has been definitely
25 too long to move this project.

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2 So thank you, Madam Chair.

3 COUNCILWOMAN BLACKWELL: Thank
4 you.

5 Obviously, from the
6 conversation we've heard today, and as
7 one who has not been involved, it's
8 obvious that this has gone on a long time
9 with the community involvement we hear
10 about and with you knowing about a museum
11 and with all the OEO, the commitment for
12 inclusion and across the board.

13 If Lucien Blackwell were alive,
14 he'd call it "a sweetheart deal," right,
15 Pat?

16 MR. GILLESPIE: It's the good
17 ol' days.

18 COUNCILWOMAN BLACKWELL: Yes,
19 yes, yes.

20 So certainly, we are prepared
21 to ask the Redevelopment Authority to
22 come up.

23 And the Mayor made his
24 commitment. I heard him make that
25 commitment; I was in the room at that

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2 time.

3 We have only one question,

4 then: When?

5 So we'll ask Ms. Gillen to come

6 forward.

7 MR. KLEIN: Thank you.

8 COUNCILWOMAN BLACKWELL: Thank

9 you.

10 So perhaps you can stay around,

11 in case she has a question for you, to

12 hear the response.

13 (Ms. Gillen comes forward.)

14 COUNCILWOMAN BLACKWELL: Good

15 afternoon.

16 MS. GILLEN: Good afternoon,

17 Councilwoman.

18 COUNCILWOMAN BLACKWELL: Please

19 identify yourself for the record.

20 MS. GILLEN: Sure. I'm Terry

21 Gillen. I'm the Executive Director of

22 the Redevelopment Authority.

23 COUNCILWOMAN BLACKWELL: Great.

24 You have heard their testimony, you've

25 heard Councilman Clarke's commitment,

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2 verbal commitment, from the Mayor last
3 evening. I was in the room when that
4 commitment was made.

5 So we'd like to know when.

6 MS. GILLEN: Councilwoman, I'm
7 more than happy to talk about this today.
8 It is a project that's under negotiation.
9 And it is the subject of a lawsuit, so
10 there is -- there are many aspects of it
11 that I'm not at liberty to discuss, but
12 --

13 COUNCILWOMAN BLACKWELL: We
14 merely asked about a timeline; we didn't
15 ask for any details. We've heard all
16 that we need to here at this point in
17 this committee. We're not asking for all
18 the -- to resolve any legal issues or the
19 specifics of the contract. We are
20 talking about a timeline as to when.

21 If it's gone on this long, my
22 goodness, who -- we can't afford to lose
23 a \$70 million project and all the jobs
24 and all else that it creates and the
25 ongoing money that it will create from

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2 people visiting this site.

3 We just need to know when.

4 That's not asking for the whole issue of
5 details of the agreement.

6 MS. GILLEN: I understand,
7 Councilwoman. And, unfortunately, I'm
8 not in a position to give you a timeline
9 today.

10 COUNCILWOMAN BLACKWELL:
11 Councilman Greenlee.

12 COUNCILMAN GREENLEE: Thank
13 you, Madam Chair.

14 Ms. Gillen, I guess my -- if
15 you heard my question, I asked about -- I
16 call it "the patience level" of the
17 Latter-Day Saints.

18 Are you concerned that this
19 project as -- and I won't get into what
20 the legal thing is 'cause I probably
21 won't understand it. Are you concerned
22 that while this is going on that this
23 project could be scuttled, that the
24 Latter-Day Saints could decide it's
25 easier to go to Montgomery County 'cause

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2 they're not going to put me all -- you
3 know, through all this.

4 Is that a concern of the
5 Redevelopment Authority or you
6 personally?

7 MS. GILLEN: I would remind
8 you, Councilman, that the Mayor is the
9 Chair of the RDA board, so I want folks
10 to understand that this is the position
11 of the Nutter Administration.

12 COUNCILMAN GREENLEE: Okay.

13 MS. GILLEN: There seems to be
14 some, maybe, lack of clarity about that.
15 So I just --

16 COUNCILWOMAN BLACKWELL: A lack
17 of clarity about what?

18 MS. GILLEN: About that --
19 this -- that the Redevelopment Authority
20 is doing this somehow on its own or --

21 COUNCILWOMAN BLACKWELL: So
22 you're saying it's not you; it's the
23 Mayor.

24 MS. GILLEN: I'm saying it is
25 the Nutter Administration.

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2 COUNCILMAN GREENLEE: Okay.

3 Well --

4 MS. GILLEN: I just wanted to
5 clarify.

6 So no, I don't have that
7 concern. And the reason, Councilman, is
8 that we have been in discussions with
9 Mr. Klein and with the Latter-Day Saints
10 throughout the process. I'm not prepared
11 to give you details about that, I'm not
12 prepared to talk about what the nature of
13 those discussions are or where I think
14 they're going to go or what the timeline
15 is.

16 But I can tell you that the
17 Mayor supports this project, he is
18 committed to figuring out a way to make
19 it happen, and we have been in pretty
20 active discussions with them over the
21 last couple of months.

22 COUNCILMAN GREENLEE: And you
23 said that -- and Councilman Clarke said
24 that the Mayor gave his commitment to get
25 this done, but -- I'm trying to phrase

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2 this.

3 So you have -- you have no
4 concern about -- that this project could
5 be lost.

6 MS. GILLEN: I would never tell
7 you on any deal -- I've done deals for 20
8 years -- that I have no concerns.

9 COUNCILMAN GREENLEE: Mm-hmm.

10 MS. GILLEN: Any deal can go
11 wrong for any variety of reasons. So no,
12 I don't want you to suggest that.

13 COUNCILMAN GREENLEE: Okay.

14 MS. GILLEN: But overall, all I
15 can tell you is that there are active
16 discussions going on. The Mayor is
17 committed to getting it done, the Chief
18 of Staff has been, you know, working on
19 this as well.

20 COUNCILMAN GREENLEE: Mm-hmm.

21 MS. GILLEN: And so, we --
22 we're -- we're working to try to get this
23 to happen.

24 COUNCILMAN GREENLEE: Okay.

25 Well, would you say if something -- if

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2 this does fall apart, that that sends a
3 really bad message? Not just at this
4 site, but in the whole city?

5 MS. GILLEN: Councilman, I
6 think there are a lot of policy
7 considerations here. So this -- this is
8 not a single action that we took with
9 regard to a single project.

10 I do want to say that back in
11 September of '08, the Redevelopment
12 Authority began to issue default letters
13 on what is now probably more than fifty
14 projects.

15 COUNCILMAN GREENLEE: Mm-hmm.

16 MS. GILLEN: And we did that
17 for two reasons that I think are really
18 important for the public to understand.

19 The one is because we wanted to
20 make sure that developers who had
21 committed to develop projects were not
22 allowing those parcels of land to sit
23 vacant. We have a serious vacancy
24 problem in the City of Philadelphia, and
25 we've got to get them moving.

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2 That policy has been hugely
3 successful. Of the 59 letters that we've
4 sent out today, we have had 16 developers
5 complete projects, we've had 12
6 developers start construction, or commit
7 to starting destruction, and we've had 24
8 developers give vacant property back that
9 we can then put out into the -- into
10 other uses.

11 So overall, this has been a
12 successful policy, number one.

13 And, number two, the reason we
14 did it was because we wanted to make sure
15 that if there were any developers out there
16 who have benefited financially present
17 speculating that the public shares in the
18 financial benefits, and that's really
19 been the reason for this policy.

20 So I -- somehow I don't want
21 people to think that we directed this at
22 a particular project or -- and, in fact,
23 we started the default process on this
24 process long before the Latter-Day Saints
25 even appeared on the scene.

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2 So it is, as I said a overall,
3 you know, successful policy that we've
4 instigated. We do not believe that it's
5 going to result in the loss of this
6 project. We're committed to trying to
7 get this project done, but we're
8 committed to doing it in a way that the
9 public gets its share of the benefits.

10 COUNCILMAN GREENLEE: I
11 understand the policy, but I guess --
12 and, you know, I know something about it;
13 I don't live real far from there.

14 It would -- it would seem that
15 with the -- all the -- I guess my
16 question would be: Are the benefits that
17 has been talked about here part of this
18 consideration -- the jobs, the minority
19 participation, just the amount of money
20 that's being spent here, and the site,
21 which is a site that you want developed
22 and the kind of development that it's
23 going to be?

24 MS. GILLEN: I'm --

25 COUNCILMAN GREENLEE: Is that

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2 all taken into account as far as when
3 you're -- you're factoring in the policy?

4 MS. GILLEN: Absolutely. And,
5 in fact, we are required -- you know, our
6 lawyers have been careful to make sure
7 that we analyze every site on a
8 case-by-case basis to show that there's
9 a, you know, good, solid reason for the
10 decision that we're making.

11 And obviously, on this site,
12 the benefits of this project are a
13 consideration, no question. We are well
14 aware of them.

15 COUNCILMAN GREENLEE: Okay.
16 Well, I -- I'm glad you have the
17 confidence. I mean I think a lot of us
18 have a lot of concern, and I think it's
19 why City Council, you know, after the due
20 diligence that was done, I think you
21 know, from your activity now and others,
22 that groups like Logan Square aren't
23 easily pleased. They're friends of mine,
24 but they have a lot of demands. And, you
25 know, this Council isn't always easily

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2 pleased.

3 But I think this development
4 answered questions of everybody. And I
5 guess it is frustrating. And, again, I
6 know you can't discuss all the -- all the
7 legal things.

8 But it's frustrating, and it
9 seems like everybody else is onboard, and
10 now we've run into this kind of -- since
11 you can't talk about it, kind of almost
12 mystery blockage. And it -- and, you
13 know, I -- you know, I just don't get,
14 and it I think a lot of don't get it.

15 And I know you said you can't
16 discuss it all, but, I mean, that's a
17 problem, I think, for a lot of us, you
18 know.

19 MS. GILLEN: Well -- and I -- I
20 understand your frustration. I think
21 that's one reason that it's never good to
22 try to negotiate these deals in public.

23 COUNCILMAN GREENLEE: Well, the
24 public wants answers from us, Terry.

25 MS. GILLEN: I understand that,

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2 I understand that.

3 COUNCILMAN GREENLEE: Okay, all
4 right.

5 Thank you.

6 COUNCILWOMAN BLACKWELL: I find
7 it unconscionable that you would sit here
8 and tell us -- hold this up and even talk
9 about the issue of vacancy, that you have
10 to pull properties back.

11 It is unconscionable that you
12 could sit here and -- and delay this
13 project who's providing \$70 million,
14 jobs, and all that the future can bring,
15 all positive things, and tell us that you
16 can't discuss it; not only that you can't
17 discuss it, but can't give us a timeline,
18 but you all are looking into it.

19 How dare you come and insult us
20 this way. It is unconscionable.

21 I have here testimony from the
22 Science Center. We know that it is the
23 largest business of this kind in the
24 country. They have a company that is the
25 fastest-growing in the company, Energy

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2 Plus, that is in their building. They
3 were just written up in the Philadelphia
4 Business Journal. We have testimony from
5 them on all that they do. It's the same
6 kind of thing. They're a 501
7 corporation, they are. From 65 to 2,014
8 buildings have been created.

9 I'll only say a few things
10 about the -- that it's the largest and
11 most successful urban research
12 organization. Some 8,000 -- their
13 programs have generated over 42,000 jobs
14 in the city and region, they've
15 contributed over 22 million to this city
16 in taxes, and so on and so on and so
17 forth.

18 I'm only giving you a few of
19 the smaller details of this project in my
20 district. At least you can say that
21 that's in court, and that maybe wasn't so
22 obvious.

23 But the unconscionable way that
24 you could say that to reduce vacancy, you
25 sent out 50-some letters. One of the

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2 considerations is vacancy, and you take
3 these back. It's just obviously
4 unconscionable, obviously doesn't make
5 sense, and obviously not true.

6 You cannot insult our
7 intelligence. We've been here too long,
8 we've been here -- we've worked with
9 these groups, we've worked with these
10 organizations. We know our districts, we
11 know what works.

12 And to try to say that there is
13 some reason -- and, you know, we're very,
14 very, very upset. This is unacceptable.
15 We will not take this as a committee.

16 We have public hearings. You
17 talk about not -- not having these
18 discussions in public. We had to; we had
19 no choice. I'm on the team.

20 But when one's back is against
21 the wall, when we have a stalemate when
22 it comes to your department and when it
23 comes -- related, it's spilled over into
24 other departments because everything is
25 stuck, projects don't move. Trying to

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2 get anything done that makes sense
3 doesn't happen, then we were forced to
4 come to public hearings to try to move
5 things forward, because we have to use
6 what is at our disposal.

7 And what we can do as
8 Councilpeople and elected officials is
9 have public hearings. We are here to
10 straighten these areas out, to field.

11 The Mayor told me last night
12 the issue was communication, but there's
13 no communication when you just say you
14 can't talk about it and that you withdraw
15 properties and pull them back from
16 agencies and individuals and companies
17 and institutions who obviously have the
18 ability to buy, as has happened with the
19 Church of the Latter-Day Saints.

20 Your comments are absolutely
21 unacceptable. This committee will not
22 accept it, and we will move forward to
23 what we have to do to change things if
24 you continue to take us there.

25 We need answers, we need

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2 answers. These people aren't here and
3 haven't taken off work in their busy
4 schedules because they just want to be
5 here, because they want to visit us.
6 They see us. We are here because we need
7 an answer to the stalemate that exists
8 with regard to the Redevelopment
9 Authority and related departments as they
10 relate to you so that we can move our
11 city forward.

12 And we need answers, we need
13 answers. I need to know why the Science
14 Center, we need to know why the Church of
15 the Latter-Day Saints, we need to know
16 why these departments, these projects,
17 these companies, these institutions
18 aren't moving.

19 I mean, the shareholders in the
20 Science Center or at Penn and Drexel and
21 University of the Sciences, Temple,
22 Thomas Jefferson University, I mean, you
23 know, they have -- they have 8,000
24 full-time workers right on their campus.

25 I don't understand why these

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2 projects are stalled and we want an
3 answer.

4 MS. GILLEN: (No verbal
5 response.)

6 COUNCILWOMAN BLACKWELL: So
7 obviously, we won't get one.

8 (Laughter.)

9 Let me say so for all those who
10 are here and who watched or were here at
11 our last hearing, that we had Damon Jones
12 from Bibleway, the reverend doctor. We
13 had the Partnership CDC. And in
14 Councilwoman Donna Miller's area, we had
15 the Rays of Hope. We had these other
16 churches, institutions, community leaders
17 who were here and people that you said
18 you would contact and work it out; all of
19 them have said they haven't been
20 contacted, they haven't been contacted.

21 We are not here because we have
22 nothing better to do. You said you would
23 contact those people, you would work
24 those things out, and we want you to
25 respond to those issues that were raised

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2 and those projects that were raised at
3 our last hearing. We'd like you to do
4 that.

5 And let me note, while we're
6 here, that we have a quorum: To my left,
7 Councilman Bill Greenlee; to my right,
8 Councilman Darrell Clarke, Councilwoman
9 Donna Reed Miller, and Councilman Curtis
10 Jones.

11 MS. GILLEN: I'm happy to
12 respond to the points that were raised in
13 the hearing on June --

14 COUNCILWOMAN BLACKWELL: Before
15 you proceed, Councilman Clarke.

16 COUNCILMAN CLARKE: Thank you,
17 Madam Chair.

18 I just want to follow up on a
19 couple of issues with respects to
20 Ms. Gillen's testimony on Latter-Day
21 Saints facility.

22 Ms. Gillen -- well, first of
23 all, let me respond to Councilman
24 Greenlee's question about whether or not
25 there's the likelihood or a possibility

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2 of the Latter-Day Saints selecting
3 another location if this continues to
4 drag on.

5 In our meeting with the Mayor,
6 that issue came up, and they told us that
7 they had actually looked at a number of
8 locations. The various locations were --
9 from a geographical standpoint in terms
10 of actual constructing a building, there
11 were a number of them.

12 They came down to two desirable
13 sites: One was in Valley Forge, and
14 that's obviously not in the City of
15 Philadelphia; and the other was the site
16 that we're referencing today.

17 And they told the Mayor at the
18 time that this was their preferred site
19 for a lot of different reasons because of
20 the City, and they wanted to make a
21 commitment to the City, and they wanted
22 to have a presence beyond what they
23 currently have in the City.

24 But understanding the level of
25 people that have been involved with this

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2 and the fact that they have put
3 themselves out on a limb -- I actually
4 almost had an opportunity to meet the --
5 I believe it's called the apostle, who
6 is, like, am I right, Mike? The apostle,
7 who's like the international person?

8 MIKE: (Inaudible, off-mic.)

9 COUNCILMAN CLARKE: Yeah.

10 Well, this was the international. So, I
11 mean, that was the level of seriousness.
12 So -- and they continue to be concerned.

13 So I say all that to say that
14 at some point, there's going to be a time
15 when they are going to just simply throw
16 up their hands and say, We have to move
17 to Valley Forge.

18 And they have not said that, to
19 their credit. They are committed, they
20 want to be here. But I'm just concerned
21 that the level -- the length of this
22 deliberation is getting beyond even their
23 patience.

24 Ms. Gillen, you indicated that
25 the policy with respects to issuing

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2 default notices, which is one I
3 actually -- and I said in a earlier
4 hearing I actually don't think it's
5 legal, but that's a discussion for
6 another time, but I don't think you have
7 the ability to take back a property that
8 has been paid for with market value.

9 In this particular case, it
10 was -- it was taken by the Redevelopment
11 Authority for another entity. So it
12 wasn't like it was originally a
13 Redevelopment Authority, but that's
14 another issue for another day.

15 You mentioned a number. Can
16 you give me those numbers again, please?

17 MS. GILLEN: Sure. Yeah. Of
18 the default letters we've issued to date,
19 which is 59 --

20 COUNCILMAN CLARKE: 69.

21 MS. GILLEN: 59, 5-9, 59.

22 COUNCILMAN CLARKE: 59, okay.

23 MS. GILLEN: We've had 16
24 people complete their projects since
25 after the default letter was --

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2 COUNCILMAN CLARKE: Can you
3 forward, through the Chair, the list of
4 those 16?

5 MS. GILLEN: Absolutely,
6 absolutely.

7 COUNCILMAN CLARKE: Indicating
8 the size and the scope; i.e., the cost of
9 the projects, please.

10 MS. GILLEN: Certainly. We've
11 had 12 begin construction or commit to
12 begin construction immediately.

13 COUNCILMAN CLARKE: Can you
14 give me similar information on those
15 also?

16 MS. GILLEN: Absolutely, yeah,
17 certainly.

18 And then, we've had 24
19 developers agree that they had no ability
20 to do the project and to revert the
21 parcel back to the Redevelopment
22 Authority.

23 COUNCILMAN CLARKE: Had they
24 paid fair market value for those?

25 MS. GILLEN: In some cases,

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2 yes; and in many cases, no, or they paid
3 nominal.

4 COUNCILMAN CLARKE: Okay. Can
5 you give me, through the Chair, the
6 specific information on the properties
7 that were reverted to the Redevelopment
8 Authority, those that were market value,
9 those that were not -- were nominal.

10 MS. GILLEN: Certainly.

11 COUNCILMAN CLARKE: And in
12 terms of the process of the
13 redistribution of those properties, the
14 24, what will be the process?

15 MS. GILLEN: It will go through
16 sort of the standard process that we will
17 follow with vacant land, which is that
18 we'll ask the Planning Commission to look
19 at the parcel and give us their sense of
20 what they think should happen with the
21 parcel.

22 So if it's on a commercial
23 corridor, should it be commercial, if
24 it's in a, you know, industrial area. So
25 whatever. So we'll ask the Planning

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2 Commission to give us some advice on what
3 we should do next; that would be the next
4 step.

5 And then, if we think that we
6 should sell it, we can try to sell it, we
7 can try to do an RFP, if we think it's
8 the type of property that lends itself to
9 an RFP.

10 So, you know, we'll make
11 decisions on a case-by-case basis.

12 COUNCILMAN CLARKE: And is that
13 solely the staff of the RDA that makes
14 those decisions? Is there public --

15 MS. GILLEN: No.

16 COUNCILMAN CLARKE: Is there,
17 like, any public process, or is there a
18 process that, like, when those properties
19 are disposed, it's done in a public way?

20 MS. GILLEN: Oh, sure --

21 COUNCILMAN CLARKE: Or is
22 it just simply --

23 MS. GILLEN: Oh, yeah. Well --

24 COUNCILMAN CLARKE: -- you guys
25 selling properties and a person buys it

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2 and --

3 MS. GILLEN: Well, it's not the
4 staff of the RDA. I mean, we'll be
5 working with the Planning Commission
6 staff, so it's not us.

7 COUNCILMAN CLARKE: But the
8 Planning Commission, is it a
9 recommendation? I'm actually talking
10 about the pure disposition of the
11 property.

12 MS. GILLEN: Well, we can't
13 dispose of property without Council being
14 involved. And so, what we said last week
15 --

16 COUNCILMAN CLARKE: That's --
17 that's not -- that's not necessarily
18 true.

19 MS. GILLEN: Well, what we said
20 last week pretty clearly was that we
21 would come to you before we would make
22 any disposition decisions. And we will
23 do that.

24 COUNCILMAN CLARKE: Well, there
25 was a commitment -- I just want to make

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2 sure 'cause I want it on the record.

3 MS. GILLEN: Yeah.

4 COUNCILMAN CLARKE: We're on
5 the record now.

6 That language is not in your
7 contract.

8 MS. GILLEN: I understand that,
9 but we will do that.

10 COUNCILMAN CLARKE: So the
11 language in the letter from the Mayor,
12 because we wanted the Mayor to send a
13 letter, 'cause he -- as you indicated
14 earlier, he is the Chairman of the RDA
15 Board.

16 It's the understanding that the
17 Redevelopment Authority on the
18 disposition of those 24 properties, or if
19 any change in plans in the other
20 properties, will come back to the
21 District Councilperson for those
22 properties.

23 MS. GILLEN: Absolutely.

24 COUNCILMAN CLARKE: Okay, okay.
25 I'm good.

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2 COUNCILWOMAN BLACKWELL: Thank
3 you.

4 COUNCILMAN CLARKE: Thank you.

5 COUNCILWOMAN BLACKWELL: Before
6 I call on Councilwoman Miller -- and I
7 gave a copy to the Mayor yesterday. We
8 had a hearing on the 7th and on the 8th
9 of property in my district move forward.
10 And when the Mayor asked me what it was
11 about, even after we had the hearing and
12 you committed to not moving forward
13 without our Councilmembers' input, as
14 it's supposed to be with projects, you
15 didn't.

16 I have the document right here,
17 where it's supposed to go to the board on
18 June 8th. We had a hearing June 7th, and
19 you were supposed to stop moving ahead on
20 projects without our knowledge, since we
21 have to be involved with zoning and so
22 forth. And nothing changed.

23 MS. GILLEN: Yes.

24 Councilwoman, the Mayor shared that
25 letter with me last night, and we both

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2 agreed -- and I think he may have said
3 that to you -- that that letter was
4 probably the result of the RDA Board
5 process running through its normal
6 schedule.

7 But rest assured that we have
8 changed the way we've addressed these
9 projects.

10 COUNCILWOMAN BLACKWELL: Well,
11 we think that you all should have cared
12 enough to review it, you know, before --
13 if you knew you were having a hearing
14 today after our hearing, could not you
15 have just picked up the phone or called,
16 or somebody could have done something.

17 But this just goes through the
18 process and we're supposed to accept it.
19 You know, I'm very disappointed.

20 And the last thing I'll say
21 before I call on Councilwoman Miller is
22 that I told the Mayor we were
23 disappointed.

24 I have a right, as a District
25 Councilperson, to be involved in the

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2 fight for development in my district;
3 that's what I'm elected to do. It's one
4 of the things I like most about my job,
5 trying to say neighborhoods change.

6 And I told the Mayor I was very
7 disappointed, or I asked him about
8 calling the federal government, HUD,
9 because I want Mill Creek Farm moved
10 about three blocks. I got a map, we got
11 a little map.

12 About three blocks from its
13 current site is another site close to
14 Sulzberger School, for people who know
15 the area. Next to it, where we can't
16 build, because there's water underneath
17 the Mill Creek, and it's much bigger than
18 the land that the Mill Creek Farm is
19 currently on.

20 And we would transfer that, do
21 a bit of a land swap, or some such
22 similar arrangement, and take the Mill
23 Creek Farm that's only weeds and dirt and
24 debris all winter long is great. I
25 support vegetables, I support feeding the

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2 homeless; it's what's closest to my
3 heart. I support all of that.

4 But if we can have a block
5 square of housing, move it three blocks
6 away, and the community agrees, you all
7 not only fought me, you go to HUD, and it
8 put PHA in the position of saying that --
9 and it made it look like I'm on PHA Board
10 and we are in some collusion. I'm trying
11 to figure out anybody can be in collusion
12 to help poor people get housing in a area
13 that needs it.

14 And, I mean, it's just
15 unconscionable. And it put PHA in a
16 position to say maybe I can't interact
17 with Councilpeople if I'm -- if HUD is
18 called and PHA is put in a position to
19 say they're trying to do something that
20 is against their mandate.

21 It's unfair, it's wrong. I
22 have to right to fight for housing in my
23 area. I have a right, when I can have
24 housing and a garden within three blocks
25 I have a right to be able to say that, to

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2 advocate for that, to fight for that,
3 without somebody calling HUD to say we're
4 doing something wrong.

5 How can you -- and not just you
6 and the Mayor, I don't understand how you
7 can act as executive director and head of
8 the board, I don't understand how you can
9 fight the very arm that you need to help
10 make everything move forward. It's
11 absolutely unconscionable to me.

12 Councilwoman Miller, who I'm
13 calling on next, also had an issue where
14 we -- we have to work with all agencies
15 we can -- public, private, and otherwise,
16 labor -- to get things to move forward,
17 and why somebody would call HUD and say
18 there's some issue involved when we're
19 trying to do housing is unconscionable to
20 me.

21 Maybe you know why.

22 MS. GILLEN: I'll just -- I
23 know that you had a conversation with the
24 Mayor and I think I'll just --

25 COUNCILWOMAN BLACKWELL: I sure

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2 did.

3 MS. GILLEN: And I'll just let
4 that stand.

5 COUNCILWOMAN BLACKWELL: Yeah,
6 yeah. Obviously, I didn't get any answer
7 then. There's some policy as to farms.
8 You know, I mean, it's just ridiculous.

9 Councilwoman Miller.

10 COUNCILWOMAN MILLER: Okay,
11 thank you. Thank you, Madam Chair.

12 I just want to get clarity for
13 the record.

14 Earlier you made a statement
15 that said these decisions are the
16 Administration's decisions, and I think
17 you meant not yours singularly; is that
18 correct?

19 MS. GILLEN: Yes, ma'am.

20 COUNCILWOMAN MILLER: Okay.

21 But -- and I assume that you're talking
22 about the RDA Board.

23 MS. GILLEN: Yes.

24 COUNCILWOMAN MILLER: Correct?

25 Okay.

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2 So -- but isn't it the role of
3 staff to do whatever needs to be done and
4 do the work and then make recommendations
5 for the board to make decisions before
6 they take action?

7 MS. GILLEN: Sure.

8 COUNCILWOMAN MILLER: So when
9 you say "Administration," you mean the
10 RDA Board and the staff at RDA.

11 MS. GILLEN: It depends on the
12 specific issue you're discussing.

13 COUNCILWOMAN MILLER: Well,
14 then who makes the -- who does the work
15 and gives the recommendations to the
16 board for action; is it you?

17 MS. GILLEN: In some cases.
18 And in some cases, it's other members of
19 the senior staff.

20 COUNCILWOMAN MILLER: Okay.
21 But my point -- I guess for the record
22 what I want the answer to is, when the
23 RDA Board takes action -- 'cause they
24 don't work for RDA; they're just board
25 members. And I don't know that they're

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2 there actually doing the work completing
3 any tasks that helps them make decisions.

4 I believe, as in other boards,
5 the staff does all the work, and they
6 make the decision to the board or the
7 executive committee normally, and then
8 decisions are made to take action, to
9 take votes, et cetera.

10 Who gives the board the
11 information to make a decision?

12 MS. GILLEN: Um --

13 COUNCILWOMAN MILLER: Is it you
14 only, or sometimes you and other staff
15 members?

16 MS. GILLEN: Sometimes it's me
17 and sometimes it's other staff members.

18 COUNCILWOMAN MILLER: Okay. So
19 when you say "Administration," the
20 Administration makes the decision, then
21 you're including yourself.

22 MS. GILLEN: Certainly, yes.

23 COUNCILWOMAN MILLER: Okay, all
24 right. That's all I wanted to know.

25 MS. GILLEN: Okay.

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2 COUNCILWOMAN MILLER: Thank
3 you.

4 Thank you, Madam Chair.

5 COUNCILWOMAN BLACKWELL:
6 Councilman Jones.

7 COUNCILMAN JONES: Good
8 afternoon, Ms. Gillen.

9 MS. GILLEN: Good afternoon.

10 COUNCILMAN JONES: A while
11 back, you started a process by which your
12 staff and others were starting to put
13 their arms around property acquisition
14 and disposition in the City of
15 Philadelphia.

16 Please tell us where you are
17 with that kind of study, because a lot of
18 this frustration I'm hearing and heard at
19 the prior hearing both from developers,
20 both from Councilpeople, and both from
21 people that are just trying to get
22 housing, is that there is something wrong
23 with this.

24 And I don't want to believe
25 that what is broken is sent from the

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2 Mayor. I don't want to believe that we
3 are not getting the kind of cooperation
4 that -- I mean, all my life, I ran for
5 office so that I could make a difference.
6 And then to be told that we can't do some
7 of the things by way of property
8 acquisition.

9 I have a street called Market
10 Street. And on Market Street, from 46th
11 Street to 63rd Street, because of the el
12 construction, we have 40 percent
13 abandonment. We lost 50-plus
14 family-owned businesses.

15 And the only hope that we were
16 telling the community and the Chairwoman
17 long before I got there was that at the
18 end of the day, we were going to
19 transform this neighborhood based on this
20 new infrastructure -- the City, the
21 private sector, the community working
22 together to do that.

23 And it's been three years since
24 I've been here. And I am equally
25 frustrated with the lack of

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2 ribbon-cutting, progress, job creation
3 development.

4 So if there is a study and if
5 there is a master plan, please tell me
6 where it is.

7 MS. GILLEN: There is no master
8 plan. But, as you know, we have been --
9 the Redevelopment Authority has been
10 working with our sister agencies -- I
11 would say there are seven or eight --
12 related City agencies that we have been
13 working with to try to figure out how we
14 can fix the broken system that we all
15 knows exists.

16 We have started to brief
17 members of City Council. We've gotten in
18 to some of you; in other cases, we were
19 waiting until we -- until the budget's
20 done. I think we did get in to you and
21 gave you a little preview of how we're
22 approaching the thinking on this.

23 We have several working
24 committees, some of which include members
25 of City Council. We want to get more

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2 City Council members involved in that
3 process and to try to figure out how we
4 might fix the system.

5 It's going to require, I think,
6 a lot of dialogue this summer because in
7 order to fix the system, we'll have to
8 really rethink a lot of the way we -- we
9 do business in certain City agencies.
10 And it's a very complicated process.

11 COUNCILMAN JONES: Well --

12 MS. GILLEN: So I don't want to
13 suggest that this is going to be simple
14 or that we're going to roll out a magic
15 plan this summer that's going to make
16 everybody happy. I think what we've got
17 is the beginning of a dialogue. And
18 that's really -- you know, it's -- we're
19 committed to keeping the dialogue going.

20 COUNCILMAN JONES: All right.

21 Here's the thing we have to have two
22 tracks. We have to have a track that --
23 I don't mind getting down the road on a
24 donut tire to the gas station to know
25 that I'm going to put a fixed tire on,

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2 but we still have to make progress. And
3 paralysis analysis is sometimes what the
4 City and governments in general get.

5 The people out in the business
6 community, in the community are not
7 working. They're not -- there's a job
8 not happening on Market Street because
9 there's not a construction project
10 because we couldn't get acquisition
11 dollars to get site control to do what we
12 needed to do to get financing in a
13 difficult, difficult banking, financing
14 environment.

15 The confidence -- I had a
16 developer say to me the confidence to
17 have faith that site acquisition would
18 happen made him say it's so much easier
19 to do it down the road.

20 And that frustration, as we
21 start to bring people to Philadelphia, to
22 our respective districts and say there is
23 a opportunity here. Yeah, there's a
24 recession; yeah, you should take a risk
25 and invest your capital here. They look

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2 at us and say, You have a system that
3 doesn't give my investors any belief that
4 we can start on time and on time and
5 build within budget because of that
6 uncertainty.

7 And so, the frustration that
8 you hear often is because -- I just know
9 there are other districts that have had,
10 you know, other administrations where
11 they've actually been able to point to
12 projects that they helped bring online
13 and bring to fruition. And it's
14 difficult.

15 There's a joke that I have all
16 the Councilpeople sign a piece of pipe
17 saying you have to get in line in the
18 pipeline. And at first, it was funny. I
19 mean, and I said, you know, I'm going to
20 figure this system out. I've been in
21 development, I've been on that side of
22 the table.

23 But this is getting
24 increasingly frustrating. And I really
25 don't want to believe that it is the

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2 policy of this administration to analyze
3 to a point where we are ineffective. And
4 that's borderline where we are.

5 And whatever it takes to fix
6 this -- I don't want this hostile kind of
7 interrogation. I'd rather build
8 something, I'd rather cut a ribbon. But
9 at the point where a Councilperson
10 doesn't get answers, I mean, what's left
11 to them but to have a hearing to bring
12 this to a public forum.

13 And I just get -- I just get
14 saddened by the fact that we can't figure
15 a way to move properties, to move
16 projects, to put people to work.

17 MS. GILLEN: Yeah. I -- I
18 sense your frustration. I certainly
19 share it. It's a -- you know, it's a
20 tough time. And I just will make two
21 points.

22 One is, at the hearing last
23 week, you did ask us to bring a list of
24 the projects that the Redevelopment
25 Authority has done in all Council

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2 Districts.

3 COUNCILMAN JONES: Mm-hmm.

4 MS. GILLEN: I think you wanted
5 to see your district.

6 COUNCILMAN JONES: Yes.

7 MS. GILLEN: I shared that with
8 the Chair. And so, I just want you to
9 know that we did give that you
10 information.

11 And there are some projects
12 getting done. There's no question it's
13 not as many as any of us would like,
14 but -- and you'll have to decide whether
15 your district is getting as many as other
16 districts, and I'll leave it up to you.

17 I do want to make the point
18 that I think we're all feeling that the
19 NTI audit slowed everything down. And
20 that is, again, as I said last week, not
21 the fault of anyone in this room.

22 But there's no question that
23 the Controller's audit, which put NTI
24 acquisitions on hold, meant that a lot of
25 deals didn't get done while the audit was

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2 going. I mean, as you know, that process
3 has restarted. I think you're going to
4 see us jump-starting a lot of
5 acquisitions this summer. And I'm
6 cautiously optimistic that things are
7 going to improve the second half of this
8 year.

9 COUNCILMAN JONES: Well, I'd
10 like to share that optimism, but when we
11 walked from 63rd and Market to 57th and
12 Market, the community wasn't as
13 optimistic. And if we don't start to
14 show them some progress, I mean, I think
15 their optimism will turn to pessimism;
16 and from there, just throw their hands
17 up.

18 And I really think we have to
19 do something. I understand audits, but
20 this is the longest audit in the history
21 of audits. And we have to, at some
22 point, come to a conclusion that there
23 was a financial defalcation or there
24 wasn't. And if there wasn't, let's move
25 on; if there was, let's deal with it.

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2 MS. GILLEN: Yep.

3 COUNCILMAN JONES: But analysis
4 paralysis is not where we need to be.

5 Thank you, Madam Chair.

6 COUNCILWOMAN BLACKWELL: Thank
7 you very much.

8 And let me know, 'cause I
9 started working for the late Lucien
10 Blackwell January 3, 1976. This is the
11 worst I've seen it. Talk about -- we've
12 had glitches in the system, we've had
13 hearings. Generally our hearings -- I
14 mean, we -- I had eight hearings at the
15 close of the administration of former
16 Mayor Street; that was to protect
17 employees when they reorganized, but it
18 wasn't at this level.

19 We were trying to protect
20 workers. It wasn't that we felt that
21 everything stopped, to not -- to charge a
22 senior citizen fair market value for a
23 lot next door that she cleans and tries
24 to keep neat for a block, to take a
25 little plot of ground that somebody

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2 plants flowers on and say you have to
3 provide fair market value, and to make
4 fair market value totally different,
5 using different standards for different
6 areas such that we all admit they're not
7 fair, it's just -- it's just
8 unconscionable. I've never seen it this
9 bad.

10 And as I said, we go public
11 when are -- when we have no recourse. So
12 we're not at all satisfied.

13 We're going to -- we have one
14 or two people left to testify; we'll ask
15 you to stand by. And then we will finish
16 our line of questioning, and that is
17 after -- so after Councilwoman Miller
18 speaks, we're going to ask Reverend
19 Christian Buggs, who's in for Reverend
20 Kenneth Porter, who's out of town, and
21 Community Bible Deliverance Kingdom
22 Ministries to come forward.

23 Councilwoman Miller.

24 COUNCILWOMAN MILLER: Okay.

25 Two quick questions as follow-up from

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2 last week.

3 We need to get together and
4 have a meeting, a follow-up meeting,
5 regarding the Rays of Hope project, with
6 all of the parties, with all of the
7 parties that are involved. So I don't
8 expect you to give me any dates and times
9 today, but I need you to make that
10 commitment to do --

11 COUNCILWOMAN BLACKWELL: And if
12 she doesn't, we'll have another hearing
13 just on getting a date.

14 COUNCILWOMAN MILLER: Right.
15 Okay, great.

16 And, yeah, I just want to make
17 a comment about the broken system.

18 I guess the system's broke. I
19 guess it depends on who's looking at it.
20 I know that we were always able to
21 acquire land and get projects moving.

22 And I wasn't paying full
23 attention to your response to Councilman
24 Jones, and I do think you said something
25 about we'll do something over the summer,

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2 but I'd like to know -- you've looked at
3 that system now for two years in terms of
4 our acquisition NTI dollars, and we need
5 to begin to wrap that up so that we can
6 move forward with acquisitions and
7 disposal of land.

8 So how soon -- is that what you
9 were making reference to when saying
10 you'll be doing some work over the
11 summer?

12 MS. GILLEN: No. I was
13 making -- I think Deborah McColloch's
14 prepared to talk to you about the NTI
15 schedule if you want that.

16 No, I was referring to our
17 looking at the overall vacant land system
18 in the City and briefing Councilmembers
19 over the summer and talking about ways
20 that we can tweak the system.

21 COUNCILWOMAN MILLER: Okay,
22 okay. So Deborah is going to be the one
23 to deal with the NTI acquisition dollars?

24 MS. GILLEN: (Nods head.)

25 COUNCILWOMAN MILLER: You know,

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2 I think Councilmembers have been pretty
3 patient and, you know, sat back and
4 waited with the audit of audits to be
5 completed so we could move forward with
6 our projects.

7 (Deborah McCulloch comes
8 forward.)

9 MS. MCCOLLOCH: Good afternoon.
10 I'm Deborah McCulloch, the Director of
11 Housing.

12 I'm not sure, Councilwoman, if
13 you received a copy of the letter that
14 the Mayor signed last week providing the
15 acquisition timelines. I have another
16 copy of it here for you today if you'd
17 like to that.

18 COUNCILWOMAN MILLER: I'd like
19 to have that.

20 MS. MCCOLLOCH: Okay.

21 COUNCILWOMAN MILLER: I think
22 you gave that out at a hearing.

23 MS. MCCOLLOCH: Yes.

24 COUNCILWOMAN MILLER: I think
25 the Finance Committee hearing?

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2 MS. McCOLLOCH: Yes.

3 COUNCILWOMAN MILLER: Right.

4 I'm not a member of that so I did not get
5 a copy of that letter.

6 MS. McCOLLOCH: Okay.

7 COUNCILWOMAN MILLER: Thank
8 you.

9 MS. McCOLLOCH: Here's a
10 copy -- another copy of the same letter,
11 and it outlines -- there are three
12 different acquisition timelines listed in
13 this letter:

14 One is for properties that I'm
15 calling "the old properties," which would
16 be the previously-submitted list of
17 acquisitions.

18 A second is a timeline for
19 properties that would be required for
20 low-income housing tax-credit deals for
21 which developers would want to submit in
22 the next tax credit round.

23 And the third is the timeline
24 for what I'm calling "new properties,"
25 which are properties that are not needed

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2 for the low-income housing tax credit
3 round but are priorities that you would
4 want to have submitted from your
5 district.

6 So in that paper that I just
7 handed out, it lists the timeline for
8 each of those three sets.

9 And what I will be providing --
10 my commitment is to provide to you the
11 follow-up to our meeting of last fall
12 that follows up on some issues that were
13 raised when we met last fall to discuss
14 NTI and gives you again the list of
15 property that we're calling the "old
16 properties."

17 My commitment is to submit that
18 to you by the end of this week, by June
19 18th, and then for you to respond which
20 properties from the old list you want us
21 to pursue; if you have tax-credit
22 properties, what those are; and then what
23 the new properties are.

24 So this -- the letter that was
25 just distributed -- that was handed out

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2 last week outlines the timeline for that.

3 COUNCILWOMAN MILLER: Okay. So
4 once we review the list and review what's
5 the old, whether it still remains a
6 priority or active, when will we begin to
7 move --

8 MS. McCOLLOCH: Over the
9 summer. Then once we get that list, you
10 can see, if you look, for example, on the
11 page for previously-submitted NTI
12 acquisitions, that's what we're calling
13 "the old ones."

14 You would return the list to me
15 by the end -- in two weeks' time, and
16 that would authorize the RDA to then
17 begin ordering appraisals, which is sort
18 of the next step so that we can match
19 budget resources with properties.

20 And then the Interagency Review
21 Team -- that's called IART -- will review
22 all of the lists, make a set of
23 recommendations to the Chief of Staff
24 with the -- again, with the appraisals.
25 Once we get the appraisals, we review the

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2 budgets, we review them with you.

3 I view this as an iterative
4 process, where we get the budget, we come
5 back to you and say, Here's the budget,
6 this is what it's going to cost to
7 acquire these properties.

8 If there's enough money for
9 what you want, we would move it forward;
10 if not, we would talk to you about which
11 ones do we want to drop, are these the
12 ones we still want to do.

13 We get that approval. Then
14 we -- the steps are, it has to be back to
15 the Redevelopment Authority Board, it has
16 to go to the Planning Commission, and
17 then it comes back to City Council.

18 So our goal is to try to get
19 the list back to Council in the fall --

20 COUNCILWOMAN MILLER: Okay.

21 MS. McCOLLOCH: -- when Council
22 reconvenes in the fall.

23 COUNCILWOMAN MILLER: Okay.

24 And we'll do the new -- the old versus --

25 MS. McCOLLOCH: Right.

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2 COUNCILWOMAN MILLER: -- the
3 new in two weeks, correct?

4 MS. McCOLLOCH: Yes, mm-hmm,
5 mm-hmm.

6 COUNCILWOMAN MILLER: Okay,
7 thank you.

8 MS. McCOLLOCH: Okay.

9 COUNCILWOMAN MILLER: Thank
10 you, Madam Chair.

11 COUNCILWOMAN BLACKWELL: Thank
12 you very much.

13 Again, we appreciate Reverend
14 Christian Buggs for Rev. Dr. Kenneth
15 Porter and Community Bible Kingdom
16 Ministries, would you come forward.

17 (Witness comes forward.)

18 COUNCILWOMAN BLACKWELL: Thank
19 you all for coming.

20 Would the members of this fine
21 church in the 3rd District stand, those
22 who are here.

23 (Church members stand.)

24 Thank you all for coming.

25 (Applause.)

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2 COUNCILWOMAN BLACKWELL: Thank
3 you very much for taking time from your
4 schedule. We appreciate your time.

5 Reverend Buggs.

6 REV. BUGGS: First of all, I'd
7 like to take this time to express our
8 appreciation for the time to Councilwoman
9 Jannie Blackwell and the entire
10 Councilmembers today for this opportunity
11 for us to come before you to express our
12 need as to what we want to accomplish
13 here at Community Bible Deliverance
14 Kingdom Ministries.

15 Once again, my name is
16 Christian Buggs. I am the head trustee
17 and minister for Community Bible
18 Deliverance, and I am here on behalf the
19 Dr. Kenneth Porter, who is the founder
20 and pastor of this particular church.
21 This church has been located at 3951
22 Haverford Avenue for over 20 years.

23 I have here, in this binder,
24 over 43 pictures of the alleyway that is
25 directly located behind our church. And

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2 these are pictures that were not taken by
3 a photographer outside of the ministry;
4 they were taken by myself.

5 And I can honestly say that
6 when I stepped back there to take these
7 pictures, it was as if I had walked into
8 a third-world country.

9 We also have here 169 petitions
10 from the residents of the Mantua
11 community and the surrounding
12 neighborhood asking the City of
13 Philadelphia to help us to proceed with
14 the condemning process of these
15 properties on Mt. Vernon Street and to
16 make these mentioned properties available
17 for redevelopment.

18 Condemnation of these abandoned
19 properties was requested over two years
20 ago; and to no available. And since then
21 have been used to the detriment of the
22 community and to the detriment of the
23 livelihood and the morale of this
24 particular community.

25 When I went into this, what I

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2 have found, we have members here today
3 and members also who have witnessed
4 prostitution, drug abuse, alcohol abuse
5 on a daily basis. And we're talking all
6 day, every day, all night, every night.

7 When I took these particular
8 pictures that are located here -- and if
9 any of the Councilmembers would like to
10 see them, I would ask that you would look
11 at those. I took these pictures on last
12 Friday, between 12 noon and 12:45. And,
13 honestly, I was appalled at the
14 condition.

15 These pictures only tell a
16 partial story as to what is transpiring
17 in this particular alleyway behind our
18 church. During the time that I was
19 there, I was in there for, like I said,
20 between 12 and 12:45, two Philadelphia
21 officers on foot patrol came into the
22 alleyway, and they stayed for a few
23 moments, and we were able to look at a
24 few things, and they pretty much asked me
25 what I was doing, and I told them I was

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2 taking pictures for the church.

3 And after they left, within
4 five minutes after they left, a man and a
5 woman arrived in broad daylight to
6 only -- to do what I can only leave to
7 your imagination.

8 This has been a two-year
9 process that we started -- like I say, we
10 started this over two years ago, and we
11 are now back to square one, and nothing
12 has been done.

13 What Dr. Porter, the church
14 hierarchy, the members of Community Bible
15 Deliverance and the Mantua community,
16 what we want to do is, we want to build a
17 building that will add to the community.

18 Dr. Porter and the particular
19 church has not made a five-year
20 commitment, it has been not been a
21 ten-year, it has not been a fifteen-year;
22 it has been over a twenty-year
23 condominium.

24 We want to feed -- we have fed,
25 we have clothed, and with the facility

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2 that we would like to build, we will
3 continue to feed and clothe people in
4 this particular community.

5 There are boarded-up houses
6 that you can see in those pictures that
7 have been broken into. And what we want
8 to be done is that we want this credited
9 to the community, and the community came
10 together to stop the blight at this
11 particular location.

12 Once again, I also have the 169
13 signatures from the members of the
14 particular community. And all we want
15 done is that something be started
16 immediately that will allow us to bring
17 something positive to this area. As
18 Councilwoman Blackwell aptly stated
19 earlier, what we want to do is, we want
20 to add to the community.

21 What is going on at these
22 particular properties, even as we speak,
23 is daily taking away from this community.

24 Once again, we have members
25 here. To my right, I have Lisa Bowers,

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2 who is the secretary for the church, who
3 has an office that backs up to this
4 particular area, and she'll be able to
5 testify to some of the things that she's
6 heard and dealt with out there.

7 And at this point, I can
8 promise you that if this process is
9 expedited, we will build an edifice that
10 will add to the community for years to
11 come. But at this point, that cannot go
12 forward until these particular properties
13 are condemned.

14 And those pictures that I
15 showed you were not taken three weeks
16 ago, they were not taken a year ago; they
17 were just taken this Friday, in broad
18 daylight.

19 And even as we speak, there are
20 illicit sex acts, drug abuse, alcohol
21 abuse going on as children play -- not 20
22 to 30 feet away, yards away. Even as
23 we're having church on Tuesdays and
24 Thursdays and every day that we church,
25 we have to deal with this particular

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2 thing.

3 And what we want to do is --
4 Dr. Porter does not want to leave this
5 area, but he wants to actually do all
6 that he can to add to this. But we need
7 the help of this particular committee to
8 help us go forward.

9 COUNCILWOMAN BLACKWELL: Thank
10 you, Reverend Buggs.

11 We learned -- we've been out
12 there with your church, doing cleanup
13 activities, so we know about that area
14 behind there.

15 As of yesterday, Licenses and
16 Inspections tells us that they're going
17 to demolish them. So that's a start.

18 And to -- on the third aspect
19 of it, we will ask Ms. Gillen with regard
20 to this too. We sent a letter two years
21 ago regarding condemnation, but we
22 haven't received a response with regard
23 to condemnation of these properties for
24 the church.

25 Ms. Gillen is coming forward.

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2 Councilman Jones.

3 COUNCILMAN JONES: Just a quick
4 question. Are there any occupied
5 properties on this block?

6 COUNCILWOMAN BLACKWELL: One.

7 REV. BUGGS: One.

8 COUNCILMAN JONES: One?

9 MS. BOWERS: To our knowledge.

10 REV. BUGGS: To our knowledge,
11 it's one. But those pictures are coming
12 behind four unoccupied properties.

13 COUNCILWOMAN BLACKWELL: And
14 that one is a PHA house, so these are one
15 of the kind of blocks that Councilwoman
16 Miller fights for, where you try to get
17 more PHA housing. But then, if we get in
18 a position where we ask PHA to work with
19 us and then they get approached by HUD,
20 like PHA is in collusion. We're trying
21 to find some entity who's able to move,
22 because when we depend on the City, we're
23 just stuck.

24 Councilman Greenlee.

25 COUNCILMAN GREENLEE: I'm

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2 sorry. You partially answered my
3 question, Madam Chair.

4 I was just wondering who are
5 the owners. Are these private owners? I
6 understand one is PHA. Are the rest
7 privately owned?

8 COUNCILWOMAN BLACKWELL:
9 They're all privately owned.

10 COUNCILMAN GREENLEE: They're
11 all privately owned, okay, they're all
12 private owned.

13 REV. BUGGS: I just have a
14 follow-up question.

15 Now, I did hear that Licenses
16 and Inspections is going to be coming out
17 to do the cleanup in the back alleyway.
18 When will that commence?

19 COUNCILWOMAN BLACKWELL: No,
20 we've done that, we've done that.

21 REV. BUGGS: Okay.

22 COUNCILWOMAN BLACKWELL: And
23 the church has done that with you.

24 REV. BUGGS: Okay.

25 COUNCILWOMAN BLACKWELL: L&I is

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2 not going to seal it; they're going to
3 demolish them.

4 REV. BUGGS: They're going to
5 demolish them.

6 COUNCILWOMAN BLACKWELL:
7 They'll demolish them.

8 REV. BUGGS: Okay. And do we
9 know when that --

10 COUNCILWOMAN BLACKWELL: And we
11 learned that as of yesterday. So they --
12 Sandy?

13 (Councilwoman Blackwell confers
14 with staffperson off the record.)

15 So the order is in, the order
16 is in to get them done, so we'll stay in
17 touch with you 'cause L&I said they will
18 tear them down.

19 And so they're not -- so we
20 won't look for them to be sealed; they
21 said they're past that.

22 REV. BUGGS: Okay.

23 COUNCILWOMAN BLACKWELL: They
24 don't want to invest -- as old folks say,
25 "spend good money after bad." They just

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2 want -- they want them torn down.

3 So we'll let Ms. Gillen comment
4 with regard to our request for
5 condemnation as of two years ago. We
6 didn't get a response.

7 REV. BUGGS: Okay.

8 (Ms. Gillen comes forward.)

9 REV. BUGGS: Thank you.

10 COUNCILWOMAN BLACKWELL: Thank
11 you.

12 MS. GILLEN: Hi. Terry Gillen.

13 So I want to make sure I
14 understand what you're asking,
15 Councilwoman.

16 So this -- can you tell me the
17 name of this church again?

18 COUNCILWOMAN BLACKWELL: Yes.

19 The name of this church is Community
20 Bible Deliverance Kingdom Ministries.

21 MS. GILLEN: Okay.

22 COUNCILWOMAN BLACKWELL: And
23 they're, like, near 40th and Haverford,
24 that area.

25 MS. GILLEN: Okay. Did you

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2 send a letter to the Redevelopment

3 Authority two years ago asking --

4 COUNCILWOMAN BLACKWELL: Yes.

5 MS. GILLEN: Okay. Do you know

6 the date of that letter?

7 COUNCILWOMAN BLACKWELL: I

8 didn't bring it, but we have it.

9 MS. GILLEN: Okay. We'll dig

10 it out, we'll find it, we'll get it.

11 COUNCILWOMAN BLACKWELL: Well,

12 we can reissue it. Sandy has the file.

13 MS. GILLEN: Yeah. And so,

14 obviously, I'm not familiar with the

15 details, but was it is your intention

16 that we would use NTI money for this?

17 COUNCILWOMAN BLACKWELL: We

18 didn't specify which funds.

19 MS. GILLEN: Okay, all right.

20 Well, all I can tell you is that we'll

21 look into it.

22 My assumption is that it was

23 going to be paid for out of NTI and that

24 that's been on hold, but now that NTI's

25 back up and running --

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2 COUNCILWOMAN BLACKWELL: All
3 right. We'll send you another copy.

4 MS. GILLEN: -- we'll take a
5 look at it.

6 COUNCILWOMAN BLACKWELL:
7 Councilman Jones.

8 COUNCILMAN JONES: Yes.
9 Ms. Gillen, in prior testimony in another
10 hearing, you had made mention -- it might
11 have been actually during the budget
12 process -- that there is a demonstration
13 program on marketable properties. Which
14 districts were they in?

15 MS. GILLEN: I'm sorry?

16 COUNCILMAN JONES: You made
17 mention that there was a disposition
18 demonstration project. And I may be
19 characterizing it differently.

20 MS. GILLEN: Right.

21 COUNCILMAN JONES: But I
22 believe, if memory serves me correctly --
23 and I'll find out from transcripts, but
24 it was in Councilman DiCicco's district
25 and, I believe, maybe President Verna's

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2 district; is that right?

3 MS. GILLEN: Yeah. Well, I
4 think there are two things going. One is
5 that we did a broker's sale program,
6 pilot program last year --

7 COUNCILMAN JONES: A pilot
8 program; that's what it was.

9 MS. GILLEN: -- in those two
10 districts to see how the documents might
11 work, how the system might work.

12 We are interested in expanding
13 that this year and taking that to a
14 broader scale and including other Council
15 Districts, so --

16 COUNCILMAN JONES: Terry, my
17 issue with that is that we found a way to
18 create what was necessary to move
19 properties in those areas, which are --
20 without question, Center City, higher
21 demographic, higher ability for
22 marketable projects.

23 But where government works best
24 is to assist areas that don't have the
25 private-sector spark --

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2 MS. GILLEN: Right.

3 COUNCILMAN JONES: -- to be
4 able to have that investment there.

5 MS. GILLEN: Yep.

6 COUNCILMAN JONES: That is the
7 truly appropriate place --

8 MS. GILLEN: Yep.

9 COUNCILMAN JONES: -- to spend
10 CDBG dollars and/or dollars for -- by
11 this government and quasi-publics to kind
12 of create markets through private --
13 public investments to attract private
14 investment.

15 MS. GILLEN: Right.

16 COUNCILMAN JONES: And it seems
17 to me that if we can find ways to be
18 innovative and Center City and in South
19 Philly and in parts of -- marketable
20 parts of the City, that we should be just
21 as creative in places like this, where --
22 when I looked at those pictures -- I
23 don't know if you've seen them, but I've
24 never seen anything like that.

25 And if we can't figure a better

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2 use for publicly-owned land than that, I
3 just don't understand the rationale as
4 how we can be innovative in one area but
5 we can't figure out things in poor areas.

6 MS. GILLEN: Well --

7 COUNCILMAN JONES: I just don't
8 understand that.

9 MS. GILLEN: Yeah. Well, let
10 me just say we did ten properties just to
11 test the system, so it was really a
12 pretty small pilot program.

13 I would love to pull your
14 district into this, so I'm happy to hear
15 you say that because, in fact, we would
16 love to include the 4th going forward.

17 And I would say the other thing
18 that was the biggest surprise to us, we
19 actually didn't focus on kind of Center
20 City properties because they kind of sell
21 anyway, but what we did -- what was a
22 surprise to us was that people were
23 willing to buy parcels that we didn't
24 think would sell and that real estate
25 brokers were able to sell parcels that we

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2 thought were in very weak markets. And
3 that was the pleasant surprise for us.

4 So we're kind of excited about
5 the possibility of expanding it. So I'm
6 happy to work with you going forward.

7 COUNCILWOMAN BLACKWELL: I
8 think that most District Councilwomen
9 want in. We understand the 1st, the 2nd
10 and the 5th were chosen because of
11 their -- they're adjacent to Center City,
12 and that was the issue, but I'm sure --

13 MS. GILLEN: Well,
14 Councilwoman, we did not have the 5th in
15 our program. Now, there was a project
16 that Public Property did, the Department
17 of Public Property did, where they had
18 the 5th in theirs. But in ours, we did
19 not have the 5th. And I just want to
20 clarify that.

21 COUNCILWOMAN BLACKWELL: So the
22 1st and 2nd got a double bubble, and 5th
23 was included, and the rest of us, we just
24 sit and go, Maybe, maybe, maybe, you
25 know.

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2 But we really would like to be
3 -- we really would like inclusion.

4 Councilwoman Miller.

5 COUNCILWOMAN MILLER: Yes.

6 Since your back up at the table, I'd also
7 like to get some information or a date on
8 when the RFP for NSP2 Nicetown will be --
9 you know, will be implemented.

10 I know that NSP2's Grays Ferry
11 was already out, so I'd like to know
12 what's going on with Nicetown and I'd
13 like to receive a written response to
14 that.

15 MS. GILLEN: Okay, we'll get
16 you something.

17 COUNCILWOMAN MILLER: Okay.

18 Thank you.

19 COUNCILWOMAN BLACKWELL: We
20 have placed that loose-leaf book with the
21 photos in it and the petitions in it for
22 you to see it. And then it's Reverend
23 Buggs'.

24 MS. GILLEN: Okay.

25 COUNCILWOMAN BLACKWELL: But

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2 you'll at least get a chance to see that
3 while you're here.

4 MS. GILLEN: Okay.

5 COUNCILWOMAN BLACKWELL: And we
6 thank the church for coming.

7 Councilman Greenlee.

8 COUNCILMAN GREENLEE: Thank
9 you, Madam Chair.

10 Ms. Gillen, quickly. And this
11 is kind of a general question, although
12 it's based on Reverend Buggs' testimony.

13 Is there a usual, like what you
14 would say, sort of target time that you
15 would have? And I know every
16 development, every issue is a little
17 different.

18 But, you know, the church has a
19 plan for this land. Now, whatever
20 happened -- the communication with
21 Councilwoman Blackwell, you know,
22 whatever happened there. But now it's --
23 the request is coming in.

24 Do you have, like, sort of a
25 target time where you think reasonably

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2 the land should be turned over and
3 development can start? Again, given that
4 this plan meets certain requirements.
5 You know, I'm just assuming that.

6 But, again, not just on this
7 one, but just generally. Because,
8 obviously, we've heard the question of
9 when a lot today.

10 MS. GILLEN: Yeah.

11 COUNCILMAN GREENLEE: And I'm
12 just trying to think, is there a policy
13 that we'd like to see this get started in
14 such a time?

15 MS. GILLEN: Councilman, when I
16 came to the Redevelopment Authority,
17 people -- outsiders complained to me a
18 lot that the process was slow, and I
19 spent a lot of time looking at it.

20 COUNCILMAN GREENLEE: Mm-hmm.

21 MS. GILLEN: And what I found
22 is that the acquisition, disposition
23 process within the Redevelopment
24 Authority works relatively quickly. And
25 by that, I'll say things can move within

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2 six to twelve months as a rule -- with
3 one exception.

4 What I have found in many,
5 many, many cases, I would say in the
6 overwhelming majority of cases, when
7 things don't move, it's because there's a
8 financing issue.

9 COUNCILMAN GREENLEE: Mm-hmm.

10 MS. GILLEN: It's because
11 there's either not enough money or the
12 proper source of financing hasn't been
13 identified for the project. So that
14 would be the best answer I could give
15 you.

16 COUNCILMAN GREENLEE: So you're
17 saying given everything sort of in place,
18 six to twelve months; is that what
19 you're --

20 MS. GILLEN: That is correct.

21 COUNCILMAN GREENLEE: Is that
22 generally what you're saying?

23 MS. GILLEN: That is correct.

24 And I know that statement is going to
25 come back and bite me someday, but I will

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2 say that --

3 COUNCILMAN GREENLEE: We don't
4 remember all that stuff.

5 MS. GILLEN: -- with lots of
6 caveats, yes.

7 COUNCILMAN GREENLEE: All
8 right. Thank you.

9 Thank you, Madam Chair.

10 COUNCILWOMAN BLACKWELL: Any
11 more questions on this particular issue
12 or project?

13 (No further questions.)

14 COUNCILWOMAN BLACKWELL: Thank
15 you very much.

16 We would like to ask Brian
17 Kelly, Net CDC, if you are still here?
18 Brian Kelly?

19 (Brian Kelly comes forward).

20 COUNCILWOMAN BLACKWELL: Thank
21 you. Thank you very much and thank you
22 for presenting your proposal. Thanks.

23 Feel free to identify yourself
24 for the record and continue with your
25 testimony.

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2 MR. KELLY: Yes. My name is
3 Brian Kelly, with Net CDC. I have
4 submitted a few copies of testimony so
5 you all have it. But if it please the
6 Council, I will read it into the record.

7 COUNCILWOMAN BLACKWELL: Yes.

8 MR. KELLY: Well, hello. And
9 thank you to the panel for receiving my
10 testimony.

11 The issue of Public Property
12 disposition is of great concern to the
13 community development community and us in
14 particular, as Community Development
15 Corporation operating in north central
16 Philadelphia, between Temple University
17 and Temple Hospital.

18 We're greatly concerned about
19 the process undertaken by the Department
20 of Public Property, which operates
21 outside of the Vacant Parcel Review
22 Committee process. Without a built-in
23 right of reversion clause, if a buyer
24 fails to make intended improvements
25 within a specified time frame, the

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2 process will further contribute to land
3 speculation and negatively impact our
4 communities.

5 Although we understand the need
6 to get properties off of the public books
7 and back onto the tax rolls, it is
8 equally important that these properties
9 actually be developed.

10 With the extraordinarily low
11 cost of holding speculated land, in our
12 community, for example, absentee
13 landlords pay \$13.22 annually for the
14 right to keep a lot vacant, trash-strewn,
15 and blighted; and \$450 annually to keep
16 strategic commercial buildings abandoned
17 and awaiting City infrastructure
18 investments so that they can cash in on
19 increased property values.

20 The small increase in revenue
21 by getting these properties off the
22 public books is more than offset by
23 long-term costs to the City of large
24 tracts of blighted land and buildings.

25 The City Council, by

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2 implementing recommendation 8 of the
3 Philadelphia Tax Reform -- oh, wait,
4 wait, wait. I apologize. I'm reading...

5 This will exponentially
6 increase the cost of implementing
7 strategic neighborhood plans in the
8 future since, instead of working with the
9 City to put vacant land to productive
10 use, community development corporations
11 like ours will be forced to pay large
12 costs on speculated land.

13 It would seem reasonable that
14 when public property is sold, there would
15 be some guarantee that the public good is
16 achieved beyond just collecting the cash.

17 Furthermore, since four
18 different agencies principally control
19 the public land in the City -- PHDC, PHA,
20 RDA, and the Department of Public
21 Property -- there are many cases in our
22 target service area alone where adjacent
23 properties are both publicly-owned but by
24 different agencies. Without a
25 coordinated disposition process, the City

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2 runs risk of one agency selling a
3 property that lies adjacent to other
4 publicly-owned land. The sale of these
5 properties in isolation ruins the
6 opportunity to gain greater benefit from
7 offering to sell all of these
8 publicly-owned parcels in one single
9 package.

10 There's also limited public
11 information about how the Department of
12 Public Property's new disposition program
13 operates. We recommend that Council
14 receive and make public any written
15 information regarding the process whereby
16 citizens may compete for these
17 properties.

18 And then I would be remiss in
19 my testimony if I did not mention the
20 largest slumlord, absentee landlord in
21 our community is the Philadelphia Housing
22 Authority.

23 I know that this Council
24 hearing doesn't particularly pertain this
25 to them, but it seems related that this

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2 entity operates in a vacuum and with what
3 I consider reckless abandon and utter
4 disregard to the impact it has on the
5 surrounding communities where its
6 properties are located.

7 I recognize that they have
8 initiated several projects of a larger
9 scale; however, with the scattered-site
10 units, specifically the vacant lots and
11 abandoned structures that plague our
12 community, there does not seem to be any
13 comprehensive plan or leverage over the
14 agency to work within the City. They
15 fail to engage community stakeholders in
16 their development disposition plans and
17 leave properties vacant for decades.

18 Anytime we have approached our
19 Council representative or our City public
20 officials and mention our problem with
21 PHA, they shrug their shoulders and say,
22 "That's a whole separate animal, and we
23 can't do anything about it."

24 For an institution that
25 controls so much City land and fails to

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2 pay taxes to the City, I would expect
3 that the local city government would
4 exert more control over the agency or, at
5 a minimum, that PHA make itself more
6 transparent.

7 Along with our partner agency,
8 Village of Arts and Humanities, we have
9 identified several problem PHA properties
10 that have been vacant since the
11 mid-1990s, addresses: 2514 and 2516
12 North Alder Street.

13 And despite approaching PHA for
14 purchase over ten years ago, the request
15 has been continuously refused.

16 Meanwhile, our partner agency has borne
17 the cost of sealing this property, and it
18 has further deteriorated with several
19 break-ins and fires over the years.

20 Neighborhood residents are
21 suffering due to PHA's bloated property
22 rolls. However, if PHA simply packages
23 up groups of its scattered-site
24 properties for disposition, small
25 organizations like our own, who have

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2 shouldered the cost of PHA's negligence,
3 would be shut out of the process by land
4 speculators and developers who have
5 deeper pockets and can scoop of up the
6 larger packages.

7 Once again, the average
8 Philadelphian citizens will lose out as
9 the bureaucracy mismanages assets for
10 years and rashly makes decisions in the
11 midst of crisis that work in
12 contradiction to the best practices of
13 community economic development.

14 Additionally, the issue of side
15 yards is important, which I know you
16 mentioned earlier in previous testimony.
17 Many residents have stepped in and taken
18 responsibility for adjacent properties
19 due to historic failure of the City to
20 address vacancy problems.

21 Under the guise of the \$1 lot
22 program, many residents were given verbal
23 assurances that they would be able to
24 purchase the lot for \$1 as long as they
25 maintained it. Now they're being told

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2 everything will be at market-rate sales.

3 I don't understand how the
4 Council can penalize its proactive
5 citizens that took the effort to maintain
6 their communities at a time when the City
7 was unable to.

8 So we support Councilwoman
9 Blackwell's request that the City
10 Administration prepare and submit a
11 written disposition policy for the
12 Committee on Housing's review and, if
13 necessary, a public hearing.

14 Urban gardening agreements are
15 also an important way that citizens
16 without large financial resources help
17 maintain large tracts of vacant land, add
18 to the domestic economy, and promote food
19 security. Community groups and senior
20 citizens needs their agreements to
21 legally enter the land because they do
22 not have the funds to purchase the
23 properties.

24 Could not a review be conducted
25 in the middle of winter, when there's no

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2 gardening instead of a suspension
3 beginning the start of this past growing
4 season.

5 I guess, lastly, in a community
6 that is plagued by large tracts of vacant
7 land such as our own, we recognize that
8 this is a complicated process. We
9 testify today to make sure that the
10 disposition process by the Department of
11 Public Property does not simply transfer
12 publicly-vacant land from the City only
13 to be added to the 25,000-plus vacant
14 privately-held parcels that lie
15 undeveloped and continue to burden our
16 communities.

17 We find this large volume of
18 privately-held land to be the primary
19 destabilizing factor in our communities,
20 not to mention the large accrued real
21 estate tax bills on the majority of these
22 properties.

23 We support a process that gives
24 the City possibly through the RDA -- but,
25 I guess, apparently through the testimony

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2 today, maybe not -- the ability to put a
3 maximum term of tack delinquency on real
4 estate -- three years, for example --
5 before granting the ability to seize that
6 property and put it under a developer
7 development with someone else. This will
8 also help to serve the same purpose of
9 increasing public revenues.

10 We applaud Council's recent
11 efforts to go after absentee holders of
12 vacant property and feel that the
13 repossession of property can begin with
14 the over 25,000 privately-held vacant
15 properties. This would help to make sure
16 that our low-income and elderly
17 populations are not an unsuspecting
18 negative (indiscernible) of the
19 legislation or action.

20 Furthermore, since the entire
21 discussion is couched within the rubric
22 of raising City revenues, it seems
23 worthwhile to mention the recommendations
24 of the Tax Reform Commissions, whose
25 final report was published in November of

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2 2003. Recommendation 8 suggests that the
3 City shift toward land value taxation.
4 According to the commission, land value
5 taxation encourages maximizing land's
6 potential, will encourage private
7 investment in the City, and help reduce
8 blight and abandonment. That's a quote
9 from their report.

10 This would appropriately shift
11 the burden of taxation to the vacant
12 property holders and off of homeowners,
13 maximizing the benefit to the cornerstone
14 of our stable communities -- the families
15 of Philadelphia.

16 Thank you for your time and
17 attention to this matter.

18 COUNCILWOMAN BLACKWELL: Thank
19 you very much. Certainly we appreciate
20 your testimony.

21 I will talk to Councilman
22 Clarke -- you can as well -- with regard
23 to properties in North Philadelphia. I
24 see that 2512, 14, and 16, we noted
25 those.

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2 And as a member of Council and
3 the PHA Board, we're happy to -- the PHA
4 Board meets, and you can testify there,
5 or you can do it all through your
6 Councilman, who will certainly let you
7 know whether or not there are plans for
8 that or just what the situation is or
9 given the streets or property names --
10 property addresses, that is, to try to
11 deal with this issue.

12 MR. KELLY: That would be
13 great.

14 COUNCILWOMAN BLACKWELL: Thank
15 you very much.

16 MR. KELLY: Thank you for your
17 time.

18 COUNCILWOMAN BLACKWELL: All
19 right. I believe Ms. Gillen, we're back
20 to the issues from this hearing and the
21 last hearing that affect you, Public
22 Property, and OHCD.

23 We have a memo from
24 Councilwoman Maria Quiñones-Sanchez,
25 who's ill today and unable to be here.

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2 And some of the issues she raises -- I
3 won't read it. We did make a copy for
4 the record, and we were asked that a copy
5 of her memo be put on the record.

6 But I will generally try to
7 summarize a few questions and ask them,
8 and they are as follows:

9 What is the source of the
10 policy to sell City properties at fair
11 market value unless for City-funded
12 affordable housing project? Is this in
13 writing anywhere?

14 She want to know if the fair
15 market value issue is in writing
16 anyplace.

17 MS. GILLEN: I have to check.
18 I think it is, but I will have to
19 double-check that.

20 COUNCILWOMAN BLACKWELL: And
21 she wants to know what happens in issues
22 without strong market activity,
23 low-income areas, do they get credit for
24 sweat equity? And what happens to allow
25 that to transfer properties? And who has

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2 the authority to make those decisions?

3 MS. GILLEN: And that is a
4 conversation that we've been having with
5 Councilwoman Quiñones-Sanchez.

6 We're certainly aware that she
7 wants to make that City policy. And I
8 think we're -- not only we, but the
9 Office of Housing and the Department of
10 Public Property are talking to her and
11 her staff about how such a policy might
12 be implemented.

13 COUNCILWOMAN BLACKWELL: Well,
14 certainly it affects us all. We all have
15 low-income areas. Every district has
16 well-to-do and those who are very, very
17 low-income. And so, that affects us all,
18 and we would like you to contact the
19 Chair about that.

20 Also, this is an issue that
21 came up at the last hearing too, about
22 allowing parcels that are in City -- that
23 could belong to PHDC, RDA, Public
24 Property, PHA, not selling off one in a
25 bunch so that development can be

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2 coordinated. And that is one of her
3 issues.

4 Is this being considered?

5 MS. GILLEN: Yes, it is. It's
6 one of the issues that we're working on.

7 COUNCILWOMAN BLACKWELL: And is
8 NTI committed to bringing on more
9 appraisers if we need them?

10 MS. GILLEN: Yes.

11 COUNCILWOMAN BLACKWELL: 'Cause
12 that process has been so very, very slow.

13 She asks questions with regard
14 to Vacant Land Task Force, about internal
15 policies from all of the agencies,
16 including disposition procedures by April
17 of 2010, according to the statements made
18 by RDA at the February Vacant Property
19 Task Force meeting.

20 She wants to know the status of
21 this database that was supposed to be
22 produced.

23 MS. GILLEN: She wants to know,
24 I'm sorry, what, Councilwoman?

25 COUNCILWOMAN BLACKWELL: The

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2 RDA testified that a list of available
3 properties across all agencies would be
4 publicly available online by the end of
5 the year.

6 However, there was already a
7 commitment to not just list properties
8 which should be available in a day or two
9 but to create a compilation of internal
10 policies from all agencies, including
11 disposition procedures by last April,
12 according to the statements made by RDA
13 at the February task force meeting.

14 What is the status of this
15 database?

16 MS. GILLEN: We do have an
17 internal database. It's not up online,
18 but we -- we have it available. So we
19 have succeeded in getting that together.

20 And I think what we're trying
21 to do is work with Public Property and
22 PHDC to figure out what the next step is,
23 because we do have different procedures,
24 as the Councilwoman notes, and we've got
25 to get those procedures to work together

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2 before we put a single list up online.

3 COUNCILWOMAN BLACKWELL: I've
4 heard them talk for years about a land
5 base, but we they ever seem to get any
6 further with this coordination; we never
7 get there.

8 MS. GILLEN: Right.

9 COUNCILWOMAN BLACKWELL: And I
10 don't understand why we can't. I mean,
11 we're one city, you know.

12 MS. GILLEN: Right.

13 COUNCILWOMAN BLACKWELL: I
14 mean, we were at meetings all weekend
15 with Africans and Caribbeans and with
16 this Europa tribe at Odunde, where they
17 represent 250 million people. Nigeria
18 alone has 150 million people, and we
19 can't deal with 1.4 to coordinate these
20 activities. We don't understand that.

21 She asks: Will the ultimate
22 product of a working group repropose
23 legislation or administrative policy
24 changes to deal with disposition for
25 specific uses and in neighborhoods if,

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2 they could be assigned cost structures
3 and a continuum to deal with this use of
4 fair market value?

5 She's asking, will ultimately
6 the product of a working group be
7 proposed legislation or administrative
8 policy changes?

9 MS. GILLEN: I don't know, we
10 don't know that yet. It's likely to be
11 one or the other, but I just don't know
12 yet. We haven't done enough research.

13 COUNCILWOMAN BLACKWELL: Yeah.
14 I have no idea. I don't understand any
15 of these, for the most part, non-answers.

16 What is the timeline for the
17 issuance of a new written policy on urban
18 garden agreements? Will this be
19 submitted to Council for comment in
20 advance?

21 MS. GILLEN: I don't know; that
22 would not be a question for the
23 Redevelopment Authority.

24 COUNCILWOMAN BLACKWELL: It's
25 okay. We're just going to introduce

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2 legislation to deal with it. If we can't
3 get it one way, we have a responsibility
4 try to get it another.

5 And that's just some of her
6 concerns, but they're all being made a
7 part of the record.

8 Now, we would like to go back
9 -- we made available to you some of the
10 issues that came out of the transcript
11 from last week's hearing.

12 I already mentioned the 1300
13 block of North 52nd Street and Rev.
14 Dr. Damon Jones, where you said you'll be
15 happy -- "I'll be happy to look into it
16 and get back to you quickly about it."

17 So since none of these people
18 were contacted, we ask you now, what is
19 the resolve on that issue? And we did
20 make this -- these questions to you
21 available last evening.

22 MS. GILLEN: Yes. We got them
23 last evening, thanks.

24 COUNCILWOMAN BLACKWELL: Thank
25 you.

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2 MS. GILLEN: We would like to
3 pursue the suggestion that Councilman
4 O'Neill made at the hearing; we think it
5 has a lot of merit.

6 And so, we would like to work
7 with you and with Bibleway to try to
8 think about how we might do a long-term
9 lease that would get them the site
10 control that they need so that they can
11 move ahead with their project.

12 And we'd like to move ahead
13 with that.

14 COUNCILWOMAN BLACKWELL: So I
15 assume immediately means immediately
16 'cause they haven't heard anything since
17 our last hearing, and you said you'd get
18 back to them.

19 MS. GILLEN: I believe at our
20 last hearing, we said we'd get back to
21 you; and so, that's what we're doing
22 today. But if you agree, we'll get back
23 to them in the next week.

24 COUNCILWOMAN BLACKWELL: Okay.
25 Now Partnership CDC.

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2 MS. GILLEN: Mm-hmm.

3 COUNCILWOMAN BLACKWELL: You
4 said you would check on it to see where
5 it is; and if it was ready to go, grant
6 an extension.

7 Can you tell me where we are
8 with the Partnership CDC?

9 MS. GILLEN: Yes, Councilwoman.
10 We would like to pursue the avenue that
11 we discussed with you. And Mike Koonce
12 and I met with you last March.

13 We'd like to move forward with
14 the default but then to do a request for
15 a proposal that Partnership could apply
16 for. We think that would have two
17 advantages: It would give Partnership
18 the opportunity to engage in another
19 partner, if they need, for capacity; but
20 also, if we do our underwriting and we
21 determine that there's not sufficient
22 financing for the project, we can then go
23 -- the Redevelopment Authority would then
24 go to OHCD and see if we can identify
25 other sources of funding to do this

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2 project.

3 COUNCILWOMAN BLACKWELL: This
4 was one of those projects where they had
5 financing. And after they -- they were
6 getting their licenses together. They
7 had PHFA financing and then were told to
8 get a partner.

9 They got Walter Lomax. They
10 did everything they were supposed to do,
11 and then they were still told that --
12 they were threatened with the properties
13 being taken back.

14 This is another one of those --
15 it's small; it's not big like Latter-Day
16 Saints or like the Science Center, but
17 it's a small CDC, who was similarly
18 treated poorly for only God knows why.

19 MS. GILLEN: Well, we would --
20 we think there may not be sufficient
21 financing, so we'd like to sit down and
22 talk to them about the project.

23 COUNCILWOMAN BLACKWELL: Now,
24 Ivan Supply Company. You said you
25 weren't familiar with it and you were

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2 going to look into that?

3 MS. GILLEN: Yes, Councilwoman.

4 The last contact that we had from them
5 was in 2008, when they had contacted the
6 Redevelopment Authority. We asked them
7 for some information, and they did not
8 supply the information that we asked them
9 for back in 2008.

10 So we're more than happy to go
11 back to them and ask for that again. I'm
12 not sure why they think the ball's in our
13 court; we believe the ball's in their
14 court. But we'd be happy to try to get
15 the process moving.

16 COUNCILWOMAN BLACKWELL: We can
17 follow up on that.

18 Now, Councilwoman Miller, who
19 just went to a meeting with one of the
20 judges that we were invited to, a
21 community meeting, mentioned a meeting
22 date with regard to Rays of Hope.

23 MS. GILLEN: I think Deb may
24 want to provide information on that.

25 COUNCILWOMAN BLACKWELL: Thank

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2 you.

3 (Deborah McColloch returns to
4 witness table.)

5 MS. MCCOLLOCH: Deborah
6 McColloch, Director of Housing.

7 I believe, Councilwoman, that
8 you received my response, the written
9 response that I provided.

10 Just to briefly summarize,
11 there was a question about the City's
12 condominium to this project, and I
13 just -- I stated on the record and I have
14 restated here in writing that the City
15 remains committed to the Belfield Avenue
16 development.

17 Rays of Hope is planning to
18 bring in a new developer to create some
19 partnership or joint venture relationship
20 that they're going to work through a
21 company called Onion Flats to try to move
22 the project forward.

23 Rays of Hopes and Onion Flats
24 need to work out a agreement which would
25 spell out the responsibilities of each

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2 entity. And then I believe that Onion
3 Flats will be assuming the primary
4 responsibility for acting as a developer.
5 And as such, Onion Flats will have to
6 submit all of the necessary documentation
7 to the Redevelopment Authority to move
8 the project to loan closing.

9 There was also an issue raised
10 at the last meeting about the question
11 about the continuation of the HUD funding
12 that's being provided through the Office
13 of Supportive Housing, OSH. And I spoke
14 with representatives there, and they
15 confirmed that the HUD timeline, as it
16 exists, allows HUD to de-obligate the
17 funds, which means HUD could take the
18 funds back but is not required to.

19 Rays of Hope did not meet the
20 benchmark requirements of the funding
21 being awarded, so that HUD could take the
22 funding back.

23 But OSH is committed to this
24 development and is prepared to make the
25 case, if necessary, to HUD why the

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2 commitment should stand.

3 The real drop-dead date, which
4 was discussed at the last hearing, is not
5 this fall, but it is September 25, 2012.

6 Statutorily, HUD will recapture
7 the funds, by statute. There is no way
8 to massage that date by September 25,
9 2012.

10 So that is the drop-dead date
11 that I believe Councilwoman Reed Miller
12 was referring to. It's not September of
13 this year; it's September a year from
14 now. So we have the ability to get the
15 funds under contract.

16 But, as Ms. Gillen committed,
17 we will meet with Miss Ali and her
18 development partners and talk to them
19 about what they need to do to move
20 forward on the Rays of Hope development.

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

23 The next issue is RDA hiring.
24 As you well know, Ms. Gillen, we
25 mentioned Wayne King, and we talked about

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2 the issue we have, many of us who've
3 known him some 20 years. We were told he
4 was demoted, taken his title, put in a
5 cubby, salary taken away, all of these
6 things, as one person we happen to hear
7 about, and Donna Miller mentioned him and
8 the larger issue on recruitment
9 process -- how many jobs you have, how
10 many positions have become available, and
11 how many folks have applied, and how
12 diverse that group is.

13 MS. GILLEN: And we -- I did
14 hear Councilwoman's concerns about that.
15 I spoke to the Mayor about it yesterday,
16 and I know she raised it with the Mayor.
17 And we are going to need a few weeks to
18 get that data together because we've got
19 to go back into the HR files to try to
20 pull that information together.

21 But we're committed to do that,
22 so we will get that information to you.

23 COUNCILWOMAN BLACKWELL: Well,
24 you know how diverse you are now and you
25 know what your current numbers are,

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2 correct? in terms of the --

3 MS. GILLEN: I can tell you
4 that. I don't know off the top of my
5 head, but I can certainly get that to you
6 immediately.

7 COUNCILWOMAN BLACKWELL: With
8 regard to your own staff, your own
9 agency, you have that information, I
10 assume.

11 MS. GILLEN: I do have it. I
12 don't have it right with me, but I can
13 get it.

14 COUNCILWOMAN BLACKWELL: Yes.
15 I think you knew that we were going to
16 ask that question today, and I don't
17 think it's a big -- it's a shock. On
18 every hearing, we ask about diversity, we
19 ask about who works, how many people
20 work, how diverse they are.

21 And that is another issue that
22 we don't understand why you didn't want
23 to -- why you choose not to respond. It
24 is another answer that is not -- that we
25 don't accept. It's not acceptable that

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2 you can't tell us your diversity in your
3 department.

4 It obviously means -- it
5 indicates to us there's some issue there,
6 because we don't know why you couldn't
7 come prepared to answer it at this
8 hearing, given a notice from the 7th to
9 the 16th.

10 Another issue was with regard
11 to the garden agreements. Maybe we
12 talked about that, about Councilwoman
13 Sanchez raising the issue of who would
14 monitor these agreements to make sure
15 that they were maintained. And you said
16 that this would be done by the Office of
17 Sustainability. I don't know what
18 they -- who they are and what they do, no
19 disrespect intended.

20 MS. GILLEN: Councilwoman, that
21 was the Public Property Commissioner who
22 said that, not me.

23 COUNCILWOMAN BLACKWELL: Yes,
24 it was.

25 MS. GILLEN: Yeah.

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2 COUNCILWOMAN BLACKWELL: So
3 we'll let her respond to that.

4 (Public Property Commissioner
5 Joan Schlotterbeck comes forward.)

6 COMM. SCHLOTTERBECK: The
7 original idea was for --

8 COUNCILWOMAN BLACKWELL:
9 Identify yourself for the record.

10 COMM. SCHLOTTERBECK: Oh, I'm
11 sorry. Public Property Commissioner Joan
12 Schlotterbeck.

13 Was to assist with making one
14 process shorter by making the urban
15 garden agreements not necessarily have to
16 go through the VPRC process but have a
17 direct license and partner up with
18 Sustainability.

19 It's safe to say that it's a
20 better way of doing business if we
21 coordinate every property issue,
22 acquisition, and disposition into the
23 policy that we've been taking about
24 today.

25 So I'm withdrawing any attempt

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2 to, you know, do anything outside of the
3 existing practice, which is through VPRC.

4 COUNCILWOMAN BLACKWELL: Thank
5 you.

6 COMM. SCHLOTTERBECK: You're
7 very welcome.

8 COUNCILWOMAN BLACKWELL: Are
9 there any questions from members of the
10 committee about things I've left out?
11 We've only kind of scratched the surface.

12 All right. I'll make a
13 statement now. As we plan as to what
14 we're going to do moving forward, I'll
15 make this statement. This goes to
16 Ms. Gillen and my memo to my colleagues
17 on this committee.

18 The first item was a discussion
19 of the redeveloper selection process.
20 I'm sure you're familiar with Section
21 1709 of the Pennsylvania urban
22 redevelopment law, which deals with the
23 powers of the Redevelopment Authority. I
24 will quote part of it, part K, that
25 pertains to the matter in question:

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2 "To sell, lease, or otherwise
3 transfer any real property located
4 outside a redevelopment area and subject
5 to the approval by the local governing
6 body, any real property located in a
7 redevelopment area."

8 The intent of the state
9 legislature, when it created this section
10 of the law, was that the local governing
11 bodies were to provide actual oversight
12 of the disposition of the properties
13 acquired by RDAs in redevelopment areas.
14 It was not incidental oversight.

15 In Philadelphia, the local
16 legislative body is the City Council.
17 And under the Charter, City Council has
18 two forms of approval: ordinance and
19 resolution.

20 For many years, City Council
21 approved redevelopment agreements by
22 ordinance. Public hearings were held on
23 each agreement. Developers like RDA and
24 the community in which the project was
25 located were invited to testify. Over

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2 time, a strong working relationship
3 developed between RDA and City Council.
4 And based on a City Solicitor's opinion,
5 City Council moved from ordinance
6 approval to approval by resolution.

7 However, such a working
8 relationship does not now exist, and we
9 are not engaged in the process at the
10 outset, and are projects moved to the RDA
11 approval stage without our input or
12 support.

13 Under the state statute, we
14 have an obligation to perform a certain
15 level of due diligence before we cast a
16 vote to approve a redeveloper's
17 agreement. We can only perform this duty
18 if we have an opportunity to meet the
19 developer, understand what the developer
20 is proposing, understand what impact the
21 project might have on the community, and
22 ask other questions that are pertinent to
23 the project.

24 Until this administration --
25 this is how we must be engaged with the

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2 Redevelopment Authority.

3 You have a choice. You can
4 engage us early in the process and move
5 forward, knowing you have our support; or
6 we can go back to approving redevelopment
7 agreements by ordinance, which would
8 compel the Redevelopment Authority and
9 the developer to come before Council and
10 testify on record regarding this project.

11 The former is preferable to the
12 latter, but if approval by ordinance is
13 what it takes for us to allow this body
14 to perform its duty under Pennsylvania
15 redevelopment law, then that is what we
16 are prepared to do.

17 That concludes all that I have
18 to say.

19 Is there anyone else who would
20 like to testify, make a statement, ask a
21 question for the good and welfare of us
22 all?

23 (No response.)

24 COUNCILWOMAN BLACKWELL: Seeing
25 none, we will recess this hearing subject

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2 to the call of the Chair. That's because
3 our time is up in this session.

4 I'd love to come back and have
5 this wonderful engagement with you next
6 week, but since we recess tomorrow,
7 unfortunately, we have to let it go.

8 Thank you all very much.

9 (Proceedings end at 3:20 p.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the proceedings of the City of Philadelphia Council Committee Housing, Neighborhood Development and the Homeless are contained fully and accurately in the stenographic notes taken by me on Wednesday, June 16, 2010, and that this is a true and correct statement of same.

JOSEPHINE CARDILLO
Registered Professional Reporter

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