

FISCAL YEAR 2017 OPERATING BUDGET TESTIMONY

PLANNING AND DEVELOPMENT

Testimony of Anne Fadullon, Director

April 12, 2016

Good morning, President Clarke and Members of City Council. I am Anne Fadullon, Director of Planning and Development. Joining me today are Catherine Califano, Deputy Director, Planning and Development, Jonathan E. Farnham, Executive Director of the Philadelphia Historical Commission, and Nick Scafidi, Esquire, Interim Executive Director of the Land Bank. I am pleased to provide testimony on Planning and Development's Fiscal Year 2017 operating budget and our overall goals for FY2017. Within my portfolio are the City's various planning and redevelopment entities, including the Office of Housing and Community Development, the Philadelphia Redevelopment Authority, the Philadelphia Housing Development Corporation, and the Land Bank as well as the Philadelphia City Planning and Historic Commissions. Combined these entities employ 195 full time staff and fifteen executive level staff. We represent a diverse city workforce. Of our full time employees, 57% are female and 43% are male; racially 46% are African-American, 39% are white, 12% are Hispanic and 3% are Asian. The combined executive team, which I am still in process of assembling, is currently 71% white and 29% African-American, 65% male and 35% female. Currently the Office of Planning and Development only has three staff positions in FY17: Director of Planning and Development, Deputy Director of Planning and Development and the Deputy Director of Development Services.

DEPARTMENT MISSION/PLANS

The new Office of Planning and Development's mission is to coordinate the City's planning, zoning, housing and development functions to promote the economic health of all of Philadelphia's neighborhoods and the city as a whole.

Plans for Fiscal Year 2017

The objectives for the Office as a whole in FY 2017 are: to develop an organizational structure for the creation of the Department of Planning and Development to launch in FY 2018; to complete the City's first Five Year Strategic Housing and Community Development Plan ensuring public

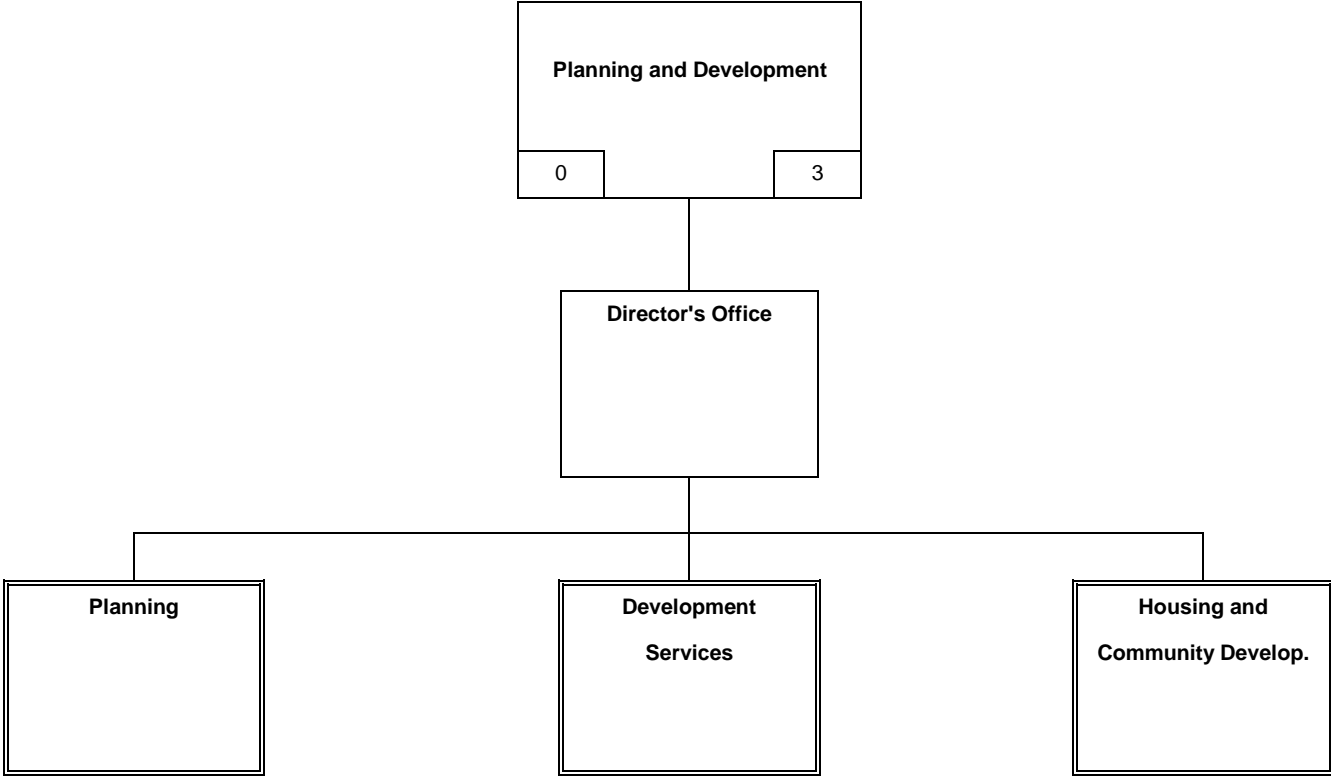
investment in all market sectors respond to current conditions; to continue to increase coordination between, and approvals by, City agencies for private development projects; to continue to increase the functionality of the land bank to streamline the assembly and disposition of blighted properties; and to provide more opportunities for affordable housing by working with advocates to extend the reach of the Housing Trust Fund and the projects it supports.

The proposed strategic plan will set forth development strategies that address barriers to improving neighborhood and resident health, creating additional housing opportunities for households at various income levels and improve market stability. Working with City Council, leadership from the existing departments and through a collaborative process of engaging diverse constituent groups, we seek to produce a blueprint that defines core values, assesses existing conditions, applies best practices, evaluates current programs and garners public and philanthropic support for new initiatives. As required by the Charter and Council, the planning process has an aggressive timeline to meet- we will look to ensure that information drives the assignment of the housing and planning resources in the FY18 budget.

While we plan, our offices will continue to engage, improve and expand services to our residents and development community. In FY17, our Development Services team will continue to increase public awareness of our services and respond to development entities seeking coordinated reviews by city departments. We anticipate facilitating public approvals of 6-12 large scale projects, conducting 25 developer services meetings and participating in four public education sessions to associations including the Building Industry Association and the Philadelphia Association of Community Development Corporations. Not all projects require development services meetings, but we anticipate that a developer's checklist can help smaller and newer development entities navigate through public approvals. Our goal is to produce an updated Developer's Checklist Guidebook before the end of the calendar year. Lastly, we recognize that with a city of this age and size, some of our processes are antiquated or not operational, we will work in FY17 on cross-department initiatives to improve government efficiency related to spurring and sustaining development.

In the fall of 2013, Philadelphia launched the creation of the Land Bank. Since that time it has achieved numerous milestones that improve access to blighted properties for redevelopment purposes. Namely, it is nearing completion of an effort to research and correct the legal descriptions of

more than 6,000 deeds. Approximately, 1,800 properties have moved or are moving from other public agencies into the Land Bank inventory and another 500 properties are expected to do so by the end of FY 2016. The Land Bank is also starting to acquire vacant, tax delinquent properties at tax foreclosure sale. We anticipate acquiring 60-70 parcels through tax foreclosures in the next six months. While we note our accomplishments, we also recognize that our processing of expressions of interests has been slow. Our goal is to clear the current backlog by July 1, 2016 and improve the business processes to increase response times. Lastly, the Land Bank has added more features to the website regarding Philadelphia's real estate market and its property inventory and will continue to streamline the express interest submission process. In FY17, the Land Bank will align its goals to the goals of the Department of Planning and Development strategic plan, ensuring that acquisition and disposition actions support the need for affordable, workforce and market rate housing in Philadelphia. Below is a diagram of the department as structured today:



PLANNING and DEVELOPMENT

BUDGET SUMMARY AND OTHER BUDGET DRIVERS

Staff Demographics Summary (as of January 2016)

| | Total | Minority | White | Female |
|----------------------|-----------|----------|-----------|-----------|
| Full-Time Staff | 0 | 0 | 0 | 0 |
| Executive Staff | 3 | 0 | 3 | 2 |
| Average Salary - FTE | \$0 | \$0 | \$0 | \$0 |
| Average Salary - ES | \$138,667 | \$0 | \$138,667 | \$157,500 |
| Median Salary - FTE | \$0 | \$0 | \$0 | \$0 |
| Median Salary - ES | \$145,000 | \$0 | \$145,000 | \$157,500 |

Employment Levels (as of January 2016)

| | Budgeted | Approved | Filled |
|-------------------------------|-----------|-----------|-----------|
| Full-Time Positions | 0 | 0 | 0 |
| Part-Time Positions | 0 | 0 | 0 |
| Executive Positions | 3 | 3 | 3 |
| <i>Overall Average Salary</i> | \$138,667 | \$138,667 | \$138,667 |
| <i>Overall Median Salary</i> | \$145,000 | \$145,000 | \$145,000 |

Financial Summary by Class - General Fund

| | Fiscal 2015 Actual Obligations | Fiscal 2016 Original Appropriations | Fiscal 2016 Estimated Obligations | Fiscal 2017 Proposed Appropriations | Difference FY17-FY16 |
|------------------------------------|-----------------------------------|--|--------------------------------------|--|-------------------------|
| Class 100 - Employee Compensation | \$0 | \$0 | \$0 | \$416,000 | \$416,000 |
| Class 200 - Purchase of Services | \$0 | \$0 | \$0 | \$40,000 | \$40,000 |
| Class 300 - Materials and Supplies | \$0 | \$0 | \$0 | \$15,000 | \$15,000 |
| Class 400 - Equipment | \$0 | \$0 | \$0 | \$45,000 | \$45,000 |
| Class 500 - Contributions | \$0 | \$0 | \$0 | \$500,000 | \$500,000 |
| Class 700 - Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 |
| Class 800 - Payment to Other Funds | \$0 | \$0 | \$0 | \$0 | \$0 |
| Class 900 - Advances/Misc. Payment | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL | \$0 | \$0 | \$0 | \$1,016,000 | \$1,016,000 |

Contract Summary

There are no active contracts at this time.

PLANNING and DEVELOPMENT
PROPOSED BUDGET OVERVIEW

PROPOSED FUNDING REQUEST

The proposed Fiscal Year 2017 budget totals \$1,016,000 from the general fund, an increase of \$1,016,000 over Fiscal Year 2016 estimated obligation levels. This increase is primary due to the fact that the Office of Planning and Development was established in January 2016, but does not have any budget authority in FY 2016.

The proposed budget includes:

- \$416,000 in Class 100, a \$416,000 increase over FY16. This funding will cover the costs of three staff positions. In FY16, these staff costs were covered by the Office of the Managing Director budget.
- \$40,000 in Class 200, a \$40,000 increase over FY16. This funding will be used to cover telephone, postal, transportation, and software licenses as related to attracting and maintaining development within the city.
- \$15,000 in Class 300, a \$15,000 increase over FY16. This funding will be used to purchase industry-related books and publications, materials and supplies and printing costs associated with the Office.
- \$45,000 in Class 400, a \$45,000 increase over FY16. This funding will be used to provide computer equipment and furniture for the new Office.
- \$500,000 in Class 500, a \$500,000 increase over FY 16. These funds will be moved from the Finance Department in FY17 and will be used to fund the operations of the land bank.

Thank you for the opportunity to testify today, I am happy to answer any questions from City Council on our proposed budget and goals.

STAFFING LEVELS

The Office of Planning and Development will have three staff positions in FY 17:

- Director of Planning and Development
- Deputy Director of Planning and Development
- Deputy Director of Development Services

All three positions are filled with English speaking Caucasians. Two of the three positions are filled by women.

**PLANNING and DEVELOPMENT
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

No performance measures (where available, measures will be provided for the departments reporting into the Office of Planning and Development).

PLANNING and DEVELOPMENT

OTHER BUDGETARY IMPACTS

FEDERAL AND STATE (WHERE APPLICABLE)

- THESE FUNDS HAVE NO IMPACT ON THE OFFICE OF PLANNING and DEVELOPMENT AT THIS TIME.

PLANNING and DEVELOPMENT – CONTRACTING EXPERIENCE

There are no active contracts at this time.

PLANNING and DEVELOPMENT – EMPLOYEE DATA

| <i>Full-Time Staff</i> | | | | <i>Executive Staff</i> | | | |
|------------------------|--|------------------|--------|------------------------|--|------------------|-----------|
| | | Male | Female | | | Male | Female |
| | | African-American | | | | African-American | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0 | 0 | <i>% of Total</i> | | 0 | 0 |
| <i>Average Salary</i> | | 0 | 0 | <i>Average Salary</i> | | 0 | 0 |
| <i>Median Salary</i> | | 0 | 0 | <i>Median Salary</i> | | 0 | 0 |
| | | White | | | | White | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 1 | 2 |
| <i>% of Total</i> | | 0 | 0 | <i>% of Total</i> | | 33.3% | 66.7% |
| <i>Average Salary</i> | | 0 | 0 | <i>Average Salary</i> | | \$101,000 | \$157,500 |
| <i>Median Salary</i> | | 0 | 0 | <i>Median Salary</i> | | \$101,000 | \$157,500 |
| | | Hispanic | | | | Hispanic | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0 | 0 | <i>% of Total</i> | | 0 | 0 |
| <i>Average Salary</i> | | 0 | 0 | <i>Average Salary</i> | | 0 | 0 |
| <i>Median Salary</i> | | 0 | 0 | <i>Median Salary</i> | | 0 | 0 |
| | | Asian | | | | Asian | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0 | 0 | <i>% of Total</i> | | 0 | 0 |
| <i>Average Salary</i> | | 0 | 0 | <i>Average Salary</i> | | 0 | 0 |
| <i>Median Salary</i> | | 0 | 0 | <i>Median Salary</i> | | 0 | 0 |
| | | Other | | | | Other | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0 | 0 | <i>% of Total</i> | | 0 | 0 |
| <i>Average Salary</i> | | 0 | 0 | <i>Average Salary</i> | | 0 | 0 |
| <i>Median Salary</i> | | 0 | 0 | <i>Median Salary</i> | | 0 | 0 |
| | | Bi-lingual | | | | Bi-lingual | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0 | 0 | <i>% of Total</i> | | 0 | 0 |
| <i>Average Salary</i> | | 0 | 0 | <i>Average Salary</i> | | 0 | 0 |
| <i>Median Salary</i> | | 0 | 0 | <i>Median Salary</i> | | 0 | 0 |
| | | Male | Female | | | Male | Female |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 1 | 2 |
| <i>% of Total</i> | | 0 | 0 | <i>% of Total</i> | | 33.3% | 66.7% |
| <i>Average Salary</i> | | 0 | 0 | <i>Average Salary</i> | | \$101,000 | \$157,500 |
| <i>Median Salary</i> | | 0 | 0 | <i>Median Salary</i> | | \$101,000 | \$157,500 |

PLANNING and DEVELOPMENT

APPENDIX (Other Relevant Data and Charts)

There are no bilingual employees at this time.