



CITY OF PHILADELPHIA

DEPARTMENT OF PLANNING AND DEVELOPMENT

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ANNE FADULLON
Director

June 7, 2018

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the April 10, 2018 hearing before the Committee of the Whole on the Fiscal Year 2019 proposed budget for the Department of Planning and Development. At this hearing, the following questions were asked:

Question I. Council President Clarke: *Please provide any meeting minutes or summaries of the Housing Advisory Board.*

Response: Below is a list of the Housing Advisory Board members, scheduled meetings and summary of meeting discussions.

HOUSING ADVISORY BOARD (membership and category):

Designated category: **Planning and Development**
Anne Fadullon, Director, Office of Planning and Director

Designated category: **Department of Commerce**
Duane Bumb, Senior Deputy Director of Commerce

Designated category: **Philadelphia Housing Development Corporation**
David Thomas, Executive Vice President Philadelphia Housing Development Corporation

Designated category: **Philadelphia Redevelopment Authority**
Gregory Heller, Executive Director, Philadelphia Redevelopment Authority

Designated category: **Office of the President Council President**
Herbert Wetzel, Executive Director, Housing and Community Development City Council

Designated category: **Mortgage Lending Sector**
Monica Burch, Vice President, Community Development Market, Citizens Bank

Designated category: **Real Estate Brokerage Sector**
Barbara Capozzi, Esq., Attorney at Law, Capozzi Real Estate/Insurance, Ltd.

Designated category: **Citywide Affordable Housing Advocacy Organization**
Thomas Earle, CEO, Liberty Resources, Inc.

Designated category: **For Profit Housing Sector**
Greg Hill, Founder and Managing Partner, D3 Development

Designated category: **Nonprofit Housing Sector**
Daniel Cortes, Executive Vice President, Esperanza

Designated category: **Philadelphia Housing Authority**
Kelvin Jeremiah, President & CEO, Philadelphia Housing Authority

Designated category: **Chair - Council Committee on Housing**
Diane Lucidi, Chief of Staff, City Councilman Allan Domb

Meetings Dates:

All meetings are held in the Philadelphia City Planning Commission Hearing Room and open to the public.

Prior meetings of the Housing Advisory Board:	Proposed Meeting Dates for 2018
10/13/2016	4/14/2018- cancelled
3/22/2017	6/13/2018
9/6/2017	8/8/2018
1/10/2018	12/12/2018

Summary of Prior Meetings *Below we summarized the meeting agendas and discussions. Additional information regarding these presentations or discussions can be provided.*

10/13/16

At this initial meeting the Board reviewed the charter change and executive order, discussed the purpose of the Housing Advisory Board, and reviewed the role of each commission and department being combined into the new Department of Planning and Development. The Board discussed goals and timeline for aligning functional areas of the department. Affirmed the purpose of HAB to develop a range of policies, strategies and programs to support housing and community development investments at various price points into all markets and neighborhoods.

3/22/17

At this meeting the board reviewed accomplishments of the Department since the prior meetings. Notably: 1. Producing the HUD Fair Housing Plan, the Goals and Learnings from the process as well as next steps to implement the plan. 2. Received an update on the Land Bank setup and 5 Year Goals. 3. Launch of the Historic Preservation Task Force. The HAB also discussed establishing working committees related to AFFH goals to meet between HAB meetings. The Board agreed to start with a housing preservation working group as a response to the fair housing plan's highlighting the need to preserve affordable housing tax credit projects. Next Steps: HAB establish committees to further this work. Anne Fadullon introduced staff from LISC and ULI as resources for HAB committees.

9/6/2017

LISC presented a ppt on the workings of the Preservation Subcommittee and reviewed of the research conducted by University of Pennsylvania on best practices for Philadelphia. They sought input from the group on the strategies to prioritize moving ahead. The HAB members from the private sector helped to secure additional developer input into the process to ensure that affordable, nonprofit and for-profit developers as well as market rate developers are at the table. LISC solicited ideas on additional parties that should be invited to the subcommittees and ways to connect this working group with other citywide strategies focused on neighborhoods and housing challenges. ULI committed to assisting the group to understand strategies for addressing naturally occurring affordable housing units in the city.

1/10/2018

PRA reported they released an RFP to select a lender(s) to underwrite and service a citywide home repair loan program. LISC reported on the preservation working group and presented a draft set of high level recommendations endorsed by the working group. LISC also reported the participants are committed to continuing to meet to further refine the ideas, ways to align the various strategies and connect with City Council to highlight the learnings to date.

Anne Fadullon presented an overview of the Seattle Housing Plan and its executive summary of goals. Anne then explained that Philadelphia will produce a similar plan, a Philadelphia Housing Action Plan using the Seattle work as a model to create our local action plan. The Philadelphia Action Plan will draw

from the many useful public plans (such as the Philadelphia2035 District Plans, Fair Housing Plan, Consolidated Plan and LandBank Plan). The action plan will leverage these studies to assess how to move the work forward in Philadelphia. The Division of Housing and Community Development will shortly release an RFP seeking a consultant to produce the plan. The Plan will seek to align the various city housing and homeless taskforces and working groups into one action plan.

The Board agreed meeting on a quarterly basis was the appropriate timeframe for actions.

Question 2. Councilman Greenlee: *Please provide the numbers for the home repair programs since the bond issuance.*

Response: Through February 28 PHDC’s BSRP contractors have repaired more than 900 homes from the waiting list, and nearly 1,200 more are either under construction or awaiting assignment to a contractor. Approximately \$9 million has been spent on BSRP repairs. For Adaptive Modifications, more than 75 homes have been repaired and more than 100 are in the process, with approximately \$1 million spent to date. PHDC projects spending an additional \$7 million by the end of Fiscal 2018, \$32 million in FY 2019 and the remaining balance, approximately \$11 million, by December 2019.

Question 3. Councilman Domb: *Please provide the total dollar amount the City received for the selling of the 157 properties, and the total real estate tax we expect to receive as a result.*

Response: Summary of Auction

The PRA held an auction on June 12, 2015 at 1234 Market Street using Fisher Auction. Fisher Auction, and its local subcontractor marketed the event in various ways (including- direct mail, print media/specialty journals, telemarketing, and social media). PRA paid Fisher \$89,067 to date, this includes \$31,600 for pre-auction services (i.e. marketing and property valuation) and a 3% commission on each sale or \$57,467 paid when properties closed. Each property sold at auction still requires approval from the land holding agency and is subject to their standard disposition process including approval by resolution of City Council. Below is a summary of the results:

Number of Properties Auctioned & Sold

# of Properties Auctioned	# of Properties Sold at Auction	# Not sold at auction	# sold by other means
163	89	74	5

Status of the 89 Properties Sold at Auction

Properties closed/settled	Properties left to settle	Properties returned to public inventory
47	32	10

Status of 47 properties

Properties Developed	Properties with Open Permits	No Open Permit
3	19	25

- Revenue received to date from property deposits and sales is \$862,250 (\$215,230 from deposits).
- Real estate taxes paid on settled properties equaled \$11,321.97 in 2017.
- Twenty-three properties that closed are currently tax delinquent for a total amount of \$9,194.77.
- The 5 properties sold by other means generated \$47,022 in revenue; these properties were on the auction list. They did not sell on that date, but have since sold.

Question 4. Councilman Domb: *Please provide a simplified explanation of the two main programs seeing reductions in the Grants Fund.*

Community Development Block Grant funds are allocated on an annual basis from the Department of Housing and Urban Development (HUD). The allocation to the program was significant and consistent through the 1990s, but today is significantly less and is unpredictable. HUD allows public agencies designated to administer the funds to borrow against future CDBG allocations to operate loan programs in compliance with CDBG regulations (think of it like a credit card). Philadelphia utilized this tool in the late 1990s and has made significant reductions to our debt without borrowing for new or additional projects since. Given the uncertain future of the CDBG program, it is not fiscally responsible to make loans that will need to be repaid from future CDBG allocations.

For the general fund budget, P&D shows this as a reduction in appropriation authority from the City to our Grant Fund allocation, shown as the Section 108 program (\$10,500,000 reduction) and the ICA Float Loan program (\$20,000,000 reduction). Removing the appropriations authority aligns the department with anticipated and projected resources. Again, using the credit card analogy this would equate to closing the account.

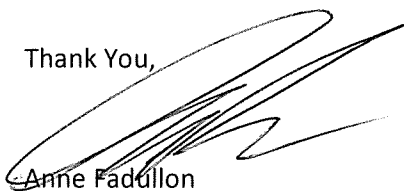
Question 5. Councilman Domb: *Please provide a breakdown of the employees transferred from other departments.*

Response: Below is a list of all positions transferred into P&D budget for FY2019

POSITION	FUND	FROM	AMOUNT
Deputy Chief Info Officer	General Fund	OIT	\$110,000
GIS Specialist 1	General Fund	OIT	\$42,240
GIS Specialist 2	General Fund	OIT	\$51,553
GIS Specialist 3 (two)	General Fund	OIT	\$140,572
Executive Admin Assistant	Econ Stimulus	PIDC	\$56,000
Analyst	Econ Stimulus	PIDC	\$53,600
Senior Analyst (two)	Econ Stimulus	PIDC	\$126,000
Policy Analyst	Econ Stimulus	Commerce	\$55,000
Manager	Econ Stimulus	Commerce	\$70,000
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Transfers Total			\$704,965

If you have any additional questions, please feel free to contact my office.

Thank You,



Anne Fadillon

Director