

Philadelphia Crosstown Coalition Questionnaire for Candidates

The Crosstown Coalition, a federation of 19 civic associations listed below, voted to present the enclosed questionnaire to Mayoral and Council candidates who will be on the ballot for the May 19th primary.

DUE DATE: *Responses from Mayoral candidates* should be delivered no later than *Friday March 13* in advance of the March 18 Mayoral Candidates night be hosted by four of our members from communities east of Broad Street. *Responses from Council Candidates* should be delivered no later than *Friday April 3*.

INSTRUCTIONS: Electronically insert your answers after each question.

RESPOND TO: Deliver the completed questionnaire to Crosstown Chair Stephen Huntington by email to shuntington@hhflaw.com.

QUESTIONS: Present any inquiries you may have by email or, less preferably, call Mr. Huntington at 215 523 7900 or Communications Chair Ilene Wilder at 215 514 0449

CIRCULATION: Answers (but not the Contact Information) will be promptly posted, first come, first served, on the Crosstown Coalition website: philacrosstown.org and emailed to our 19 member organizations.

CONTACT INFORMATION

Your Name: Jenné Ayers

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The Office You Are Seeking: City Council At-Large, Democrat

Contact info for staffer liaison: See email address above

TAX AND FINANCE QUESTIONS

Members of the Coalition:

Bella Vista Neighbors Association • Center City Residents' Association • Central Roxborough Civic Association • East Falls Community Council • East Passyunk Crossing Civic Association • Fishtown Neighbors Association • Logan Square Neighborhood Association • Northern Liberties Neighbors Association • Overbrook Farms Club • Packer Park Civic Association • Passyunk Square Civic Association • Queen Village Neighbors Association • Society Hill Civic Association • South Broad Street Neighborhood Association • South of South Neighborhood Association • Washington Square West Civic Association • West Powelton/Saunders Park RCO • Woodland Terrace Homeowners Association

1. TAX ABATEMENT

Philadelphia's ten-year tax abatement eliminates real estate taxes on new construction and improvements (but not the underlying land) for ten years. Supporters argue that the lost tax revenue is more than offset by enhanced business, wage and sales tax collections and note that since the abatement went into effect, development activity has increased dramatically. Opponents argue that the abatement stimulates development for only high income housing, and reduces much needed city real estate tax revenue, of which more than 50% goes to schools.

Should the ten year realty tax abatement continue as is?

No.

Should it be modified or abolished?

Modified.

If you favor modification, what modifications should be made?

Our public schools are underfunded. Research has indicated that modifying the ten year tax abatement such that the portion that would be allocated to the School District is not abated would have provided \$50 million in needed revenue. Making sure our schools have the proper funding will benefit all Philadelphians and will solidify our status as a world-class city, where every child has an opportunity for a successful future.

2. REAL ESTATE TAXATION

In 2013, for the first time in over two decades, the City reassessed all 579,000 parcels within the City limits. Tens of thousands of residential property owners were shocked to receive much higher property tax assessments

How frequently should reassessments occur?

Our real estate taxation system is broken. We have not had an adequate comprehensive review of our entire tax system. I will defer to the expertise of a review commission about the frequency of the reassessments. However, we must at least take the following into account: (1) the cost of the reassessments; (2) the capacity to conduct accurate, speedy reassessments; and (3) potential negative effects on taxpayers.

3. WAGE TAX

Philadelphia receives 66% of its tax revenue from wages and business receipts; in contrast, in New York City and Washington DC, 34% and 35% of tax revenues are from wages and business receipts. In those two cities, proceeds from real estate taxes are much larger (41% and 36%, respectively) than in Philadelphia, where this value is 17%. Critics contend that Philadelphia's reliance on wage/business taxes drives workers and businesses out of the City because it is easier to relocate people than it is to relocate offices and factories.

Should Philadelphia shift more of its revenue sourcing from wage and business taxes to real estate taxes?

Yes.

If you believe we should shift away from wage and business taxes to real estate taxes, how would you propose to do this?

I think this shift should be gradual and proportioned properly in a manner that is not unjustly regressive. Philadelphia's wage and business taxes are prohibitively high when compared to peer cities. Reducing those taxes in a manner that stimulates and sustains economic growth is essential.

If you do not believe that such a shift should occur, why not?

4. DELINQUENT TAXES

The City currently has over \$1 billion in delinquent taxes. Approximately half are delinquent property taxes and half are delinquent wage, business income, and related business taxes. Each year, the deficit grows, a trend which suggests that the City lacks the political will or competence (or both) to collect taxes. One tax collection strategy is to remove the collection task from the City and sell tax liens to private investors so that the private sector would set about collecting these debts. Proponents observe that because the \$1 billion delinquency shows that the City is incapable or unwilling to collect delinquent taxes, tax collections should be transferred to the private sector. Critics worry that private concerns would engage in improper collection tactics or fail to fairly treat tax delinquents who are down on their luck.

Should the City sell tax liens to private investors?

No.

If not, what steps would you take to ensure that the delinquency is addressed?

Before the City considers selling tax liens, we have to improve the enforcement of collection of tax lien payments. According to a study by the Pew Charitable Trusts, “[f]or every one percentage-point cut in the delinquency rate in Philadelphia, the city would be able to raise an additional \$13 million annually without increasing the tax rate.” Some of the strategies from a Pew report should be implemented:

- Further reduce the time it takes to notify delinquents about their overdue bills
- Expedite the centralization of all revenue collection processes
- Reduce the number of vendors involved in real estate tax collection

5. PGW SALE

Advocates of the recent failed sale of the Philadelphia Gas Works (PGW) favored the sale because the City could use the proceeds, about \$400 million, to reduce the \$5 billion underfunding of the City’s pensions. They further contended that the City had no business running a gas company, that City ownership leaves open the door for patronage positions at PGW, that City ownership limited the business opportunities of the operation, and that under public ownership, it will take nearly 90 years to replace the City’s ancient and increasingly unsafe gas mains. Opponents asserted that a sale would eliminate PGW’s annual \$18 million contribution to the City’s general fund. Opponents were also concerned that even though a privately operated PGW, like PECO, would be regulated by the Public Utility Commission, a private operator would be more likely to raise rates and be less responsive to the needs of low income residents than a City owned utility. Critics also contended that the private operator produced no credible plan for upgrading infrastructure that would not have entailed substantial long-term rate increases. Both sides presented reports substantiating their positions. Despite these divergent views, City Council decided not to hold public hearings on the proposal, let alone conduct a ye or nay vote.

Do you believe that City Council should have conducted public hearings on the PGW controversy? Please explain your answer.

What is your vision for the future of PGW?

Yes. Public hearings should have been held. Transparency and the opportunity for public input is an essential part of maintaining the democratic process. Given the city's financial difficulties (especially as it relates to school funding), I am open to considering a public-private partnership regarding the operation of PGW.

6. PENSIONS

The City spends 18% of its budget – about \$660 million (in 2012) – on pensions. Even so, the City's pension obligations are currently underfunded by approximately \$5 billion, more than the \$4 billion the City expects to take in during the next fiscal year. Three questions:

Do you believe that the City can “grow” its way out of this deficit– i.e. that prosperity in the City, as distinguished from tax hikes, will produce higher realty and business tax revenues so that the additional funds can be used to pay down the deficit OR that the City can somehow change its ways and pay down the deficit by better practices?

No, I do not believe the City can “grow” its way out of this deficit.

If you do not believe that “growth” alone will suffice to address this issue, , which do you favor: raising taxes, cutting spending or selling assets? Depending on your answer, specifically identify the taxes to be raised, the names of the programs that should be cut (please no generalities like eliminating “waste and abuse”), or the assets to be sold.

We should create an independent commission of leaders in the private and civic sectors to review the management and operation of the city's pension fund. There are many options to put the pension fund on the path to solvency and I am open to these options. One of the first steps the city can take is reducing the high fees we pay to money managers.

To gradually improve the pension plan's funding status, do you favor continuing the defined benefit plan for existing employees while instituting a defined contribution plan for more recently hired employees?

Yes.

DEVELOPMENT QUESTIONS

7. CHANGING NEIGHBORHOODS

Some Philadelphia neighborhoods are changing, with better-off people moving into areas historically occupied by less well-off residents. This trend increases the city's tax base (and thus its ability to address the challenges many of its residents face) and often improves the physical characteristics of a neighborhood, but it can also bring unsettling changes, not only through increasing property taxes but also via alterations in the makeup of affected communities.

Other than providing real estate tax relief to long-time residents whose assessments have increased due to rising values in the neighborhood, do you believe that government should intervene regarding these neighborhood changes?

Yes.

If so, list the disruptions you would target and the remedies you would suggest.

- Requirements for development in low-income areas to include an equitable percentage of low-income housing
- Tax incentives for both new construction and the upkeep of affordable housing

8. ZONING RELIEF THROUGH COUNCIL

In 2012, after years of effort, the City passed a comprehensive revision of its zoning code. Many developers with projects which do not conform to the new zoning code have sought City Council ordinances to revise the zoning of their parcels, without going through the Zoning Board of Adjustment for a variance. Critics claim that zoning by council ordinance favors those with Council connections and/or big-ticket projects. Proponents argue that stakeholder input can be received in Council and that the Council procedure will encourage development because legal challenges to council ordinances are less likely than appeals from Zoning Board decisions.

Would you vote for (or sign) ordinances enabling developments contrary to the zoning code and which have not received a variance from the Zoning Board of Adjustment? If so, under what circumstances would you vote for (or sign) such ordinances?

No. However, I recognize that the zoning code and Zoning Board has inefficiencies. If there is significant demand for development that the zoning

code does not capture, the city should consider revising certain sections of the code.

9. CITY-OWNED VACANT PROPERTIES

The City owns some 10,000 vacant properties. These properties cost \$21 million per year to maintain. Selling these properties requires City Council approval under the newly enacted Land Bank Ordinance. Sales must also be reviewed by the 14-member vacant property review committee, composed of City officials. Some worry that these procedures serve to delay the sale of these properties and open the process to political bartering, favoritism, and waste. Others say that City Council and the Project Review Committee will appropriately protect the public interest and increase community input in redevelopment.

Will you vote to amend the ordinance by eliminating the Council ordinance provision? Explain your response.

No. I think that City Council and the Project Review Committee (when working efficiently) will appropriately protect the public interest and increase community input in redevelopment.

GOVERNMENT & ADMINISTRATION

10. ETHICS: CREATING A PERMANENT INSPECTOR GENERAL

The current City Inspector General, Amy Kurland, holds office pursuant to an Executive Order originally issued in 1984 which could be rescinded at any time by any mayor.

Are you willing to support for Bill 130001 calling for a ballot referendum to amend the City Charter to establish an independent Inspector General funded by taxpayer dollars who would have oversight over every city department?

Yes. The Office of Inspector General plays an important role in ensuring our city government is as ethical as possible.

11. UNFAIR ELECTORAL DISTRICTING

“Gerrymandering” is drawing electoral districts to serve the interests of politicians or parties. A 2010 survey ranked two of Philadelphia City Council districts (5 and 7) among the top ten gerrymandered districts nationwide, with two others (1 and 9) also highly ranked on the gerrymandering scale.

Would you vote to amend the City Charter in 2015 so that the next redistricting in 2020 will be conducted by an independent, non-partisan commission?

Yes.

12. ELECTION ADMINISTRATION

Philadelphia elects three “City Commissioners” whose only duty is to administer elections. They serve four years regardless of their performance. In most cities, the election process is not run by three people, but by one, who is appointed by the mayor and can be removed for poor performance. Proponents say that the current system in Philadelphia empowers voters who can reject ineffectual or dishonest Commissioners. Detractors assert that Philadelphia voters are largely unaware of the duties of the three City Commissioners whose job title does not describe their job function so that the ballot results do not reflect voter’s assessments of on the job performance.

Would you vote to amend the City Charter, eliminating the City Commissioners and adding the position of an election administrator that reports to the Mayor?

No. However, I am open to other reforms that would improve the administration of the election process.

13. SHERIFF’S OFFICE

Per the City Charter, the Sheriff’s office is an elective position charged with responsibility for the sale of tax delinquent properties, courtroom security, and transport of inmates. Like the Clerk of Quarter Sessions, another elected office which was recently eliminated by a Charter revision, the Clerk of Quarter Sessions Court has been unable to account for the funds which it receives and its foreclosure procedures have been seen as partially responsible for the half billion dollars of property tax delinquencies. Critics of the Sheriff’s office maintain that its functions should be administered by administration appointees who can be hired and fired based upon their competence. Defenders of the Office assert that Philadelphia’s voters, not the Mayor, should choose who should conduct sheriff’s sales, and arrange for courtroom security and inmate transport.

Would you vote to abolish the Sherriff’s office, transferring to other City agencies its functions (Sheriff’s sales, courtroom security and inmate transfer)?

No. However, I am open to reforming the Sheriff's office to more effectively serve the city.

14. ROLE OF NEIGHBORHOODS IN DEVELOPMENT & QUALITY OF LIFE

Philadelphia is called the city of neighborhoods, but many of our basic planning, resource, and development decisions are made with little or no effective input of neighborhoods--vital stakeholders in the city's future. These include overall development patterns, placement and design of special events, major construction, and placement and operation of key public facilities—each of which can have major impacts on adjacent communities. Some measures have been made, such as the design review process is zoning code and open public involvement. But these remain advisory, and most localized decisions and issues are still the purview of district Councilpeople rather than the administration.

What would you do to give neighborhoods more meaningful roles in decision-making and more effective engagement as partners in the city's goals and mission?

As a former nonprofit consultant, I know that one of the best practices in achieving goals at the municipal level is facilitating community engagement in decisionmaking. As a City Councilwoman, I will consult with community groups to propose legislation to alter various review processes to allow neighborhoods to be vital stakeholders in the decisionmaking processes.

15. SCHOOLS

Per the Mayor's Tale of the Tape, In fiscal year 2013-2014, Philadelphia contributed \$1,216,319,000 to fund the School District, a contribution which accounted for 42.3% of the School District's revenues, a percentage smaller than Chicago (50.3%), Dallas (57.7%) and Boston (67.2%) but larger than Memphis (38.4%), Baltimore (20.7%) and Detroit (20.4%).

What is the dollar amount of the contribution that you believe the City should make in fiscal year 2016 – 2017, your first year in office, and how you would finance it. Explain your conclusion

Assuming we successfully put pressure on Harrisburg to reverse funding cuts and implement a fair funding formula (the District has asked for \$206 million in new recurring revenue from the state), the City should contribute the dollar amount that results in the full funding of the schools. According to the School District's five year financial plan, the District requests \$102,964,000 in new revenues from the city for FY16. Funding sources should include:

- PILOT funds
- Ending the realty tax abatements for the portion allocated to schools

Do you believe that any strings/conditions should be attached to the City's contributions to the School District budget and, if so, what are they?

Full funding for our schools is the highest priority. Council must work to ensure our School District manages its resources properly. An important first step is returning the District to a form of local control.

LIFESTYLE

16. HOUSING FIRST

Philadelphia has one of the lowest levels of street homelessness of any major American city – 1 in 5,000 Philadelphians lives on the streets in comparison to 1 in 2,700 Bostonians, 1 in 1,800 Chicagoans, 1 in 300 San Franciscans or 1 in 100 Los Angelinos. [Source: Project Home, Saving Money, Saving Lives, 2009, at p. 4] Nevertheless, anyone who has spent time in our public spaces recognizes that there is a significant street population, typically suffering from mental illness or substance addiction, many of whom are likely not homeless. The City has implemented "housing first" programs that place individuals in supportive, permanent housing without regard to continued substance use and/or untreated mental health conditions and spends 108 million per year on homeless services.

If housing is readily available for homeless people, should they be permitted to live in public spaces?

We must first ensure the city increases the housing and shelter available for the homeless. An increase in the budget of the Office of Supportive Housing would be helpful in this regard.

Do you favor sidewalk ordinances to regulate aggressive panhandling and other antisocial behavior?

Yes, but only if coupled with an increase in funding and availability of targeted mental health resources.