

COUNCIL CANDIDATE REPLIES TO CROSSTOWN QUESTIONNAIRE

Fourteen Council candidates have responded to the Crosstown Coalition questionnaire by the suggested April 3 deadline, 6 incumbents, and 8 challengers, 11 Democrats and 3 Republicans. To see the full text of each response go to the Crosstown website philacrosstown.org. Some interesting highlights from the responses:

- *THE TEN YEAR TAX ABATATEMENT: QUES. #1*
 1. AYERS answered "no" to the question of whether the abatement program should continue as is and, like Greenlee, suggested that it be modified by eliminating the abatement of the real estate tax that is passed to the schools.
 2. COHEN would end all abatements for the School District portion of the tax.
 3. DOMB favors the current abatement program and advocates expanding the abatement to 20 years for all homes valued under \$250,000.
 4. FEIBUSH suggests abatements only last 8 years citing studies showing that such a reduction would have limited effect on new development. He does not endorse extending the abatement to lower income neighborhoods and instead recommends that the most important change to property taxes should be to correct the undervaluation of land as distinguished from buildings and improvements to land.
 5. GREEN acknowledges that the abatement program has spurred development and advocates a City analysis as to whether the program should be modified but offers no suggestions as to changes.
 6. GREENLEE is against abolishing the abatement but notes that it was never intended to last forever. Like Ayers, he suggests that one possible modification is to reduce the amount of the abatement for the school portion of the tax.
 7. GYM favors modification and notes that the current policy is far too expansive so that it takes away resources that otherwise would support schools. She believes that targeted abatements can make development more attractive to communities that have long awaited renewal.
 8. JOHNSON favors continuing the abatement as is. He has not seen persuasive arguments that abolishing or modifying the program would benefit the City.

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

9. OH favors modification so that it applies to areas not being developed and unlikely to attract development in the foreseeable future. The year term and percentage “may be modified”.
10. O'BRIEN answered “yes” the abatement should continue but is “open to modification” because the marketplace has changed and the incentive may not be necessary or could be reduced to a shorter time.
11. REYNOLDS BROWN believes a citywide 10 year abatement no longer benefits all City citizens. She favors scaling back the program and targeting it to neighborhoods in need of growth and development.
12. SQUILLA replies that the abatement program should spread to areas where it is not currently attracting development by “maybe” increasing the term to 15 or 20 years. He also urges an abatement for affordable housing.
13. STEINKE acknowledges the success of the 10 year abatement program but states that it may be time to diminish the school district portion to 5 years.
14. WYATT recommends “exploring additional reforms . . . to promote . . . housing for low or moderate income households” but offers no specific suggestions.

- *FREQUENCY OF REAL ESTATE TAX REASSESSMENTS: QUES #2*

1. AYERS defers to “the expertise of a review commission” as to the frequency of assessments but urges that reassessment cost, reassessment accuracy and potential negative effects be considered.
2. COHEN notes that “technically properties are supposed to be reassessed annually” but that values do not change rapidly enough to justify the expense of annual reassessments. She suggests reassessments every 3 – 5 years but annual assessment for center commercial properties in center city growth areas.
3. DOMB states that assessments should occur regularly but not less than every 5 years.
4. FEIBUSH urges assessments every 3 years but calls for immediate reassessments of properties transferred in arms length sales. He urges that the inequities of the AVI program be addressed, particularly the underassessment of land.
5. GREEN did not provide a recommendation as to the frequency of reassessments and instead urges that the City improve its assessment process and educate citizens regarding the assessment process.
6. GREENLEE calls for reassessments every 3 or 4 years and cautions that annual reassessments lead to mistakes, appeals, confusion and frustration.
7. GYM makes no specific recommendations and defers to “best practices” as to the frequency of assessments but urges that the City should never again let decades pass between reassessments. She also urges that “we reconsider how we value vacant land.”
8. JOHNSON suggests reassessments every 10 years to coincide with the census and requests that adequate protections be put in place for vulnerable residents and that the tax rate be as low as possible.
9. O'BRIEN favors annual reassessments stating that property owners need a predictable and fixed schedule.
10. OH writes that state law requires yearly assessments but asserts that Phila. does not have the funds or personnel so he suggests assessments every 3 to 4 years.
11. REYNOLDS BROWN suggests reassessing every 2 or 3 years.
12. SQUILLA urges that ¼ of the City be reassessed every year so as to enable the assessors to do a thorough job on a smaller section of the City.
13. STEINKE recommends rolling assessments of each property every 2 years.

14. WYATT makes no specific recommendation but suggests more regular reassessments where prices rise rapidly.

- *SHIFT FROM WAGE/BUSINESS TO REALTY TAXES: QUES #3*

1. AYERS answered "yes" revenue sourcing should shift from wage and business taxes to real estate levies noting that our business/wage taxes are "prohibitively high . . . compared to peer cities" but urged that the shift be gradual and not unjustly regressive.
2. COHEN disagrees with the general approach noting that the City's low tax rate advantages us over the suburbs and that higher realty tax rates in NYC and DC work because they have peculiar advantages but she does support taxing commercial properties at a higher rate than residential while shielding small businesses from rate shocks.
3. DOMB favors the shift and suggests finding alternate revenue sources to reduce the Gross Receipts and BIRT taxes.
4. FEIBUSH is against such a shift because it would be regressive and impact low income residents. He notes that NY or DC property values dwarf those of Philadelphia so inter city comparisons are not useful and claims that the revenue decrease from a wage tax cut of 1% would amount to the equivalent of 50% of the current real estate proceeds.
5. GREEN endorses the shift and supports the plan advocated by the Center City District and Jerry Sweeney of Brandywine Realty to decrease the wage tax rate and increase the commercial realty tax rate.
6. GREENLEE favors reducing wage and business taxes but is against a major shift in real estate taxes absent a study on the effects of homeowners. He also hopes that the state will permit an increase of the commercial realty tax rate relative to the residential rate per the Center City District/ Brandywine Realty proposal.
7. GYM is circumspect about this proposal. She agrees that taxes should not be levied on things that can leave versus real estate which is stationary but suggests increased taxes on out of town businesses that sell goods here. She maintains that the City's economy would improve not just by the reduction of taxes. Also needed are improvements in schools and city services to retain a middle class work force able to provide businesses with a skilled work force.
8. JOHNSON is open to this suggestion of a shift to real estate taxation but makes no commitment noting that details matter. He calls for Council hearings on the question.
9. OH would not rush to shift too much to real estate. He notes that in the modern economy people can work from home or outside the City even if their employers office is in the City. He believes that the real estate and workforce of NYC, DC and Boston are not comparable to those of Phila. Even so, he urges reduction of rates on wage and net profits, U & O and business receipts taxes.
10. O'BRIEN says "we need to seriously look at reducing our city wage tax" and notes with approval the Center City District/Brandywine Realty proposal but observes the difficult challenge for potential loss of revenue during any shift in taxation.
11. REYNOLDS BROWN states that all city taxes are interconnected and that universal reform should occur within an approach where taxes shift from workers and businesses to realty.

12. SQUILLA urges the Center City District/Brandywine approach of a greater tax rate on commercial properties to effectuate a shift from wage/business taxes to realty taxes.
13. STEINKE states that the current tax programs are business unfriendly and that the wage tax is a key culprit. He urges a shift from taxing things that can move (employees and businesses) to real estate or things that we don't want (plastic bags) and recommends the reduction of the resident wage tax to 2.4 % by 2015.
14. WYATT calls for eliminating the Bus. Income Receipts Tax (BIRT) in increments over three years while raising the Gross Receipts tax.

- *SALE OF TAX LIENS: QUES #4*

1. AYERS does not want to sell tax liens. She urges that before this strategy be considered effort should be devoted to improving collection rates citing a Pew report that for every one percent drop in delinquencies revenue rises by \$13 million.
2. COHEN would sell only commercial liens exceeding \$200,000.
3. DOMB supports the sale of tax liens with consumer protections/payment plan options and suggests considering a NYC model where liens were sold to trusts not third parties.
4. FEIBUSH favors selling tax liens but suggests protections for citizens in need because having people lose their homes is not a solution.
5. GREEN mentions the shortcomings of a Rendell initiative to sell realty tax liens and urges sales of liens for wage/business taxes. He also suggests that the City aggressively use a new state enabled collection tool of pursuing out of City property owners by liening their non Philadelphia realty.
6. GREENLEE is not comfortable with sale of realty tax liens and is concerned that low income residents have a fair opportunity to make reasonable agreements
7. GYM is against the idea and, like Wyatt, maintains that mass land sales will affect the success of the land bank. She also observes that the liens sold in the 90's remain uncollected so that they block redevelopment because the City cannot clear debt which it no longer owns. Gym makes four recommendations as to how the current system could be improved.
8. JOHNSON suggests sales of liens only on vacant properties. He characterizes current collection rates as unacceptable and calls for increased usage of payment installment plans, pushing vacant properties to sheriff's sale, and staffing and funding the Revenue Department.
9. OH does not believe that lien sales are a good idea in every case but describes his bill requiring referring cases to third party collectors where the City has merely sent notices for more than a year post delinquency subject to a poverty threshold.
10. O'BRIEN says "no" to tax lien sales maintaining that a strong mayor and diligent city council can find ways to collect delinquent taxes.
11. REYNOLDS BROWN favors "narrow use of tax lien sales" for properties owned by speculators and out of towners who fail to maintain properties or participate in the community and instead hold on for speculative profit.
12. SQUILLA states that tax liens should be sold with protections in place but does not detail what protections should be enacted.
13. STEINKE says that other tactics should be tried before any lien sales and suggests increasing receipts by support for the Revenue Department, modernization of procedures, and focus on self reported taxes such as liquor by the drink and Use and Occupancy.

14. WYATT is against the sale of realty tax liens and shares Gym's concerns that this strategy could impair the Land Bank's abilities. He urges that the City create a collection system that is predictable and certain with timetables.

- *SHOULD COUNCIL HAVE HELD HEARING ON THE PGW SALE? QUES # 5*

1. **ELEVEN YES, COUNCIL SHOULD HAVE HELD A PGW HEARING:** AYERS, COHEN, DOMB, FEIBUSH, GREEN, GYM, JOHNSON, O'BRIEN, SQUILLA ("I am always in favor of hearings"), STEINKE, WYATT.
2. **THREE NO, COUNCIL SHOULD NOT HAVE HELD A HEARING;**
GREENLEE: "I think Council handled the PGW situation correctly".
OH: The reason why Council did not hold a public hearing is that not one member believed in the sale enough to advocate for it and Council should not use its limited time examining issues it does not believe in.
REYNOLDS BROWN; "Narrowly no . . . the deal as presented should (not) have received a hearing".

- *ELIMINATING COUNCIL APPROVAL OF LAND BANK SALES: QUES # 9*

1. AYERS: Council's right to approve should remain to protect the public interest and improve community input.
2. COHEN would amend the ordinance for community based/controlled projects but not for private developments that might clash with community needs.
3. DOMB says eliminate the provision but ensure a clear public approval process permitting community comment/input.
4. FEIBUSH says he would not vote against the Council approval provision but then urges that city owned vacant property in the 2nd District be sold or gifted for green space or community use.
5. GREEN asserts that under the Charter no City property can be acquired or sold without Council approval.
6. GREENLEE writes that Council is elected by the citizens and understands community needs so that Council involvement should be retained.
7. GYM does not answer the question and instead observes that the legislation passed by compromise and hopes that as the Land Bank starts running it can build trust in Council and with other stakeholders so that its procedures can then be reconsidered.
8. JOHNSON asserts that Council approval of the sale of City owned land provides an important check on unelected bureaucrats. Johnson is however dissatisfied with the pace of City land sales and suggests that large assemblages be targeted for sale, that the Land Bank operation be fully funded, and that its operations be centralized.
9. OH believes that if a land sale negatively impacts an individual or neighborhood they should be able to speak with their District Council members.
10. O'BRIEN The Land Bank is in its infancy so that it is too soon to tinker with the present configuration.
11. REYNOLDS BROWN Council approval of Land Bank sales is necessary for transparency, community involvement and a public forum.
12. SQUILLA Council involvement is necessary because "We are the last step to protect the community".
13. STEINKE favors a way for having neighborhood groups provide input via Council control but recommends that, at least until the Land Bank procedures

are tried and tested, instead of requiring a majority Council vote to approve a sale, a supermajority vote would be required to reject a sale

14. WYATT supports City Council's involvement in the Land Bank procedures and suggests a wait and see approach before this nascent agency develops a working process.

- *PERMANENT INSPECTOR GENERAL QUES #10*

FOURTEEN FAVOR A PERMANENT INSPECTOR GENERAL: AYERS, COHEN DOMB, FEIBUSH, GREEN, GYM, JOHNSON, OH, O'BRIEN, REYNOLDS BROWN, SQUILLA, STEINKE, WYATT

GREENLEE does not answer the question and instead notes that attention should be addressed to a number of City offices have duties that conflict with the Inspector General's including the Controller and Chief Integrity Officer and to finances and resources of the Inspector General's Office. .

- *NON PARTISAN ELECTORAL REDISTRICTING: QUES # 11*

1. **EIGHT FAVOR REDISTRICTING BY A NON PARTISAN COMMISSION:** AYERS, DOMB, FEIBUSH, GREEN, GYM, WYATT

COHEN supports a commission charged with keeping neighborhoods in the same district and contiguous.

STEINKE recommends algorithmic redistricting but if that process would result in minority disenfranchisement, then he favors an independent non partisan commission.

2. **SIX WOULD CONTINUE REDISTRICTING BY COUNCIL:**

GREENLEE believes redistricting should continue to be performed by Council because City Council knows what populations need and, by way of example, notes that Council intended in the last redistricting to create a Latino Council district. JOHNSON writes that Council, as representatives of the people, ensures that residents' interests are addressed in the redistricting process.

OH states that unless a computer divides the City the redistricting task will be political and is not certain as to whether a commission appointed by elected politicians and judges would be an improvement over the current system.

O'BRIEN is against having an independent commission do redistricting.

REYNOLDS BROWN would explore having an independent commission remap districts but states such an important decision warrants public input.

SQUILLA is against the proposal noting and states that appointed positions are only as good as the persons making the appointment.
