

PHILADELPHIA CROSSTOWN COALITION

Minutes of Board of Delegates Meeting on MAY 14, 2018

Location: Glen Foerd on the Delaware, 5001 Grant Avenue, Philadelphia, PA 19114

Called to Order: 6:25 p.m. **Adjourned:** 8:00 p.m.

NEXT MEETING Monday JUNE 25; Location TBD; Officers to be elected

Attending: 14 member associations, represented by 20 delegates

Brandy Bones, Dennis Halda, Eugene Desyatnik; **Bella Vista Neighbors**, Celeste Hardester, Jim Petkovits, **Central Roxborough**, Steve Huntington, **CCRA**, Miguel Garces, **East Point Breeze Neighbors**, Kevin Wonder, **Fairmount Civic**, Joseph Kain, **Fishtown Neighbors Association**, , Drew Murray, **Logan Square Neighbors Association**, Matt Ruben, Barb Saverino, **Northern Liberties Neighborhood Association**, Barb Capozzi, **Packer Park**, Sarah Anton, Ilene Wilder, **Passyunk Square Civic Association**, Jeff Hornstein, **Queen Village CA**, Mary Tracy, **Society Hill Civic Association**, Murray Spencer, **SOSNA**, Chuck Bode, Lucia Esther, **West Powelton/Saunders Park**

Not represented: 18 member associations, including Callowhill Neighborhood Association, Cedar Park Neighbors, Cobbs Creek NA, East Falls CC, East Passyunk Crossing CA, East Kensington NA, Garden Court Community Association, Girard Estate Neighbors Association, Hawthorne Empowerment, Lower Moyamensing Civic Assoc., Manayunk NA, Mantua Civic Assoc., Overbrook Farms, Powelton Village Civic Association, South Broad Street Neighbors Association, Spruce Hill Community Association, Walnut Hill Comm. Assoc., Washington Square West,

Guests: Bob Purvis, **Arbours at Eagle Pointe**; Harry Engrasser, **Bridesburg CA**; George Bezonis, **Fox Chase Homeowners**; Kate Friend, **Fox Chase Homeowners**; Nance Kerns, Linda Lauff, **Friends of Pennypack Park**; Jack O'Hara, **Greater Bustleton Civic League**; Linda Colwell-Smith, **Holmes Circle Civic**; David Dlugosz, Tara Gontek, **Holmesburg Civic Association**; Mike Severson, **Mayfair**; Thomas Neveil, **Northeast Civic – NECCA**; Barbara Rup, **Northeast Quality of Life Coalition**; Chris Bordelon, **Somerton Civic**; Pete Smith, **Tacony Civic**; Paul Definis, **Upper Holmesburg Civic Association**; Kenneth Law, Heather Stanton, **West Torresdale/Morrell Park**

Ryan Keller, **Councilman Henon's Office**, Stephen Medvec, **(guest of Jim Petkovits, PoliSci prof at Holy Family U)**

Speaker: Councilman Bobby Henon;

- 1) **Welcome/Roll Call** 14 of 32-member civics present; Councilman Henon's office thanked for arranging meeting site

- 2) **Approval of Minutes** March 19 minutes approved with correction of moving Overbrook Park Civic from member to guest list.
- 3) **Finances** Treasurer Ilene Wilder reported PCC is in good shape and that invoices for member dues will be going out in the coming weeks.
- 4) **Property Tax Re-Assessment presentation – PCC VP Joseph Kain, Fishtown Neighbors**
- In response to the City’s recently announced re-assessment plan for 2019, a First Pass Analysis performed by PCC officers Joe Kain, Steve Huntington, and Jamie Gauthier was presented; Analysis was largely based upon information in OpenDataPhilly.
 - Audience was asked how their assessments had changed – most said they went up.
 - Total Property Valuation in City for 2018: \$151B with 67% taxable; for 2019, \$164B with 70% taxable, proving a potential revenue increase of \$194M; the Mayor’s proposed 4% increase in millage rate would add another \$67M in 2019.
 - In terms of % changes from 2018 to 2019: 22% of property assessments will decrease, 12% have no change, 30% have increases ranging from 1% to 9%; 31% from 10-49% increases; 4% (24,911 properties) have increases from 50-99%, 1% (8494 properties) have increases from 100-199%, and 1% (3666 properties) have increases above 200%.
 - Percentage change by region:
 - South Philadelphia has the highest % of properties seeing an increase at 87%, followed by the Far Northeast (86%) and Roxborough/Manayunk (82%)
 - 57% of South Philadelphia properties will see an increase between 10% and 50%
 - North Philadelphia has the lowest % of properties seeing an increase at 48%
 - The top ten Zip Codes receiving increases

19154	Parkwood/Normandy	93%
19145	Point Breeze/Girard Estates	91%
19148	Wharton/Whitman	90%
19152	Rhawnhurst	90%
19118	Chestnut Hill	89%
19116	Somerton	88%
19114	Torresdale/Ashton	88%
19137	Bridesburg	87%
19149	Mayfair/Castor/Rhawnhurst	86%
19111	Fox Chase/Lawncrest	85%

- 88% of vacant land has no change; 73% of commercial property taxes decreased or had no change (these properties were more thoroughly addressed during AVI)
- % increase based on years since last property sale date: Within 2 years: 12%; 5 years – 14%; 10 years – 16%; 20 years – 29%; 50 years – 25%, over 50 years – 4%

This Property Tax Re-Assessment Analysis will be sent to PCC delegates.

5) Councilman Bobby Henon

SLAPP Suit Resolution Councilman Henon is introducing a resolution on May 17 to address this issue of RCO's being hit with SLAPP suits, arguing that the legislation that mandated RCO's as public participants and that the City should fund D&O insurance premium increases that result due to being an RCO and to help defray costs of RCO's that are getting D&O insurance for the first time, and that the City would be the Guarantor. He encourages all his civics to become members of the Crosstown Coalition because our voice is louder as a group, getting the attention of the Administration and Council, making the City more accountable to address this issue.

Eugene Desyatnik of Bella Vista pointed out there are two choke points with D&O: premium increase, which has been 8-fold and deductible increase, which he is seeing increasing 20-fold, requiring assets on hand as high as \$50-\$75k in order to bind the coverage.

Councilman Henon said that hearing stories like this are going to be helpful to understanding the problem of what is out there.

Councilman Henon updated that in Harrisburg, John Taylor has announced retirement, and that State Rep. Martina White is going to drafting a bill that will challenge the constitutionality regarding this, and that it may go to the Supreme Court. She believes it is constitutional for us in dealing with SLAPP issues. What I am introducing to council is not a Bill yet – most things that get introduced are not finished products so we can discuss and challenge. Once I introduce, please bring it to light of Council people, especially Council-At-Large – this is right up their alley.

Jeff Horntstein said we would get this out to members as soon as Councilman Henon sends it to us.

Questions:

- Any comments on Construction Tax ? I think the 1% Construction Tax will have a hard time
- Explain Millage Rate Increase process: There is a bill this week to audit OPA's increase and review their policies and methodologies; how they came up with the 11%, and come up with a detailed report; this will be for FY20. The School District, which is severely underfunded, will not be affected by this in the coming year, so there is no real need to do it this year. The 4.1% millage rate is a bill inside the Revenue package. It will come out of finance committee for hearing by May 22 – Bill #180347 and 180351. The two bills establish a Self-Fund within the housing trust fund - one bill establishes the privilege construction tax - anyone who pulls a permit will pay this tax – and the other bill establishes a Housing Trust Fund for where the money goes. We don't have an Affordable Housing Plan. When we increased the RE transfer tax, we started on that process. With this Self-Fund, I don't know what the money is for. It's sad – PHA is all we have – they have 14,000 units, and a five-year plan for creating 6000 more. There are 70,000 people who qualify for vouchers who are looking for

home. That is a 10-15 year wait. What are we doing about that? We have housing stock that is an average of 82-year old, so it is the quality of our housing, not the number. If basic systems repairs is our housing plan, then the Administration or Council President's office needs to say that. We have a 2035 Plan but we don't have an actual AH plan.

- Is the Homestead Bill in with the Millage Bill? They are separate. You have the increase from Homestead from \$30k-\$45k, the millage increase of 4%, the RE transfer tax increase; you have the slow-down of our wage-tax reduction, and then you add a \$20M grant for the next five years to the School District from the General Fund. So that, all together, is the School District package. And that is not including the 11% increase of our property taxes.

- Will they move as a package so Council can consider them together? They will. We'll look at them together, and may alter some for some years. As we get better numbers from the School District. Since I have been in Council since 2012, our local funding for schools went up \$700M. The State needs to step their game up. My understanding is that next year, they may do something. The State may start pulling its weight in the second term with Gov. Wolf.

6) President's Report

SLAPP

Jeff Hornstein reports that the PCC has been working on SLAPP issues for three years, helping draft state legislation and then City legislation. We had conversations last summer with Anne Faddulon saying that RCO's are agents of the City and arguably the City could cover us for D&O. There was surprise that D&O insurance is needed. Councilman Henon's plan is pretty clever, addressing the premium increases. I also want to do another plug for a plan we have from a broker who has offered to put together a group plan – we need to get 15-20 members to participate to make this work.

SLAPP INSURANCE APPLICATION - The application form is just a one-pager – fill it out and send it to us. I will send the link tomorrow. We are pretty sure we can get you better coverage.

ANNUAL MEETING – We have to have our Annual meeting between June 1 and July 15. I propose we have our meeting on June 25. We'll have it in Center City somewhere; we'll have some drinks, our annual report, and election of officers. The current slate plans on running again.

A. Committee Reports

AFFORDABLE HOUSING – Chair Brandy Bones

Mission Statement: We have adopted a mission statement that I can send around and it can go on PCC website. It focuses on education and empowering RCO's to understand Affordable Housing – it's very complicated, and then to accept that they want to advocate for Affordable Housing issues and empowering them to do so.

Legislative update: Two active bills being introduced on May 22, Councilman Clarke and Councilwoman Sanchez introduced Construction Privilege Tax would be a 1% tax on all substantial rehab and new construction; the second accompanying bill establishes the Self-Fund – the Housing Trust Fund, to which the Construction tax proceeds will go. (The Housing Trust Fund first exists as self-funded by the recording fees bill, so this is the second Self-Fund.) The Construction Tax fund will be assistance for home rental and home ownership, to help with down payments.

We have confirmed that the Exclusionary Housing Bill is not dead, and that, depending on the outcome of the Construction Tax Bill, it may get passed in some sort of revised form that is completely voluntary and optional and still have the ability of getting density and height bonuses. It will be slightly different than what we have seen; funds will go in lieu to the Housing Trust Fund, or to additional AH units on site (which no developer is likely to do.)

We met with Anne Faddulon and Melissa Long (Housing from HUD); there was an RP issue for a Housing Study. They haven't picked someone but they have an ambitious timeline of finishing in October. There is a combination of Stakeholder groups and Homeowner Groups. Melissa asked me to chair the Homeownership group. We'll be looking to come up within a month for plans of how to improve access to homeownership. We are looking at the Seattle Plan, which is the model that Philadelphia will follow.

Lastly, I met with Leo Addimando, a mixed-use market developer, about a creating a Developer Plan for RCO's. If you are interested in creating affordable housing in return for density bonuses, less parking restrictions, etc. the AH committee will be working on a Toolkit which will include things like how to do Deed Restrictions, how to do Agreements with developers in exchange for support for variances, and then they build build affordable housing units on site. There is no subsidy involved. According to Leo, developers will do this, with a 35-year affordability period and 10-year homeowner.

EDUCATION

Jeff Hornstein gave a brief review; The Education committee meets monthly. Next meeting May 23. We have an annual summit every year – this year it will be Saturday October 13. (Comcast Center)

ZONING AND LAND USE - The next Zoning meeting is June 13 in Center City Steve Huntington gave update on Zoning Committee. We met last met on April 16. The Blue Handout sheet is a summary of what we did:

- ***Motion to send letter re increasing mandated parking in multi-family dwellings – Bill 170672; I'd like to hear a motion to write this letter opposed to the legislation.*** Barb Capozzi made motion. All support except one Oppose and one Abstention.

I'd like to get votes on these next motions on the June 25th meeting. Take these motions back to your civics so we can vote on them at the June 25th PCC meeting.

- Motion to limit RSA5/RM1 to 3 stories
- Motion to eliminate CMX3 Ground Floor single family entrances
- motion to limited CMX3 vehicle usages to Sales/Rentals
- Motion to post Historic Commission Hearing dates on site
- Motion to time appeals from date that plans posted
- Motion to post RCO notices on site

Question was raised about Cindy Bass bill regarding Certified Mail notification of RCO variance review meeting. Steve said Zoning Committee discussed this and thought it was a terrible idea. I spoke with Councilwoman Bass about it. There is a new type of Certified mail, where there is a list that the post office can use, which costs \$1.08 rather than over \$4 per mailing. The person filing application gets the list saying that these certified mailings have been sent. Status now uncertain.

7) Old Business

At the March meeting, Councilman-At-Large Alan Domb presented plan on collecting Delinquent Property Taxes. He has put in a Bill that would securitize all Property Tax Liens into the private market, which would provide the City with cash. It would be Owner-Occupied exempt. The Council President's office refuses to discuss or hold a hearing about this. We are going to take the next step to contact individual council people, sending them a letter. Our property tax collection is 6% below Baltimore's – a City our size should be able to do better than this. We all need to start calling Council people. I'll send out a message to members tomorrow telling them to ask their council people to support putting Lien Securitization Bill # 180349 on the agenda– ask your council people to have a say on this Bill. (Then there was discussion about paying for messaging to get the word out . . . Eugene to do?)

8) New Business

Mary Tracy – there is a bill that would take a section of Fairmount park land along the West Schuylkill Expy to rezone industrial in order to put up a digital billboard. Hearing is next Wednesday. This came from Councilman Jones – the billboard came down off of CHOP so the question became where are they going to put it? Hoping Crosstown can respond.

Motion: That the Crosstown Coalition would send a letter that would oppose the rezoning of parkland for industrial. Seconded. Jeff asked if people here are in favor of voting on a motion. Yes. Motion passed with one abstention. Mary Tracy to draft letter.

Attendee from Northeast asked about civics forming a coalition that would then be able to send a representative to PCC meetings, because it can be difficult to get to meetings. Jeff said this could be considered.

Meeting notes by Celeste Hardester, Secretary