

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 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: Ed Neilson

PO Add: PO Box 6054 Philadelphia, PA 19114

Tel #: 267-608-1606

E Mail Add: donna@edneilson.com

The Office You Are Seeking: Council At-Large

Contact info for staffer liaison Donna Fitzpatrick

TAX AND FINANCE QUESTIONS

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?

The tax abatement should not continue as is. We need to examine both the length and qualifications for the tax abatement. Studies and statistics show us that the program is effective in building communities while at the same time creating local construction job opportunities.

Should it be modified or abolished?

Modified

If you favor modification, what modifications should be made?

The program needs to be examined on many levels. A sample of that would be the standards of construction. If Philadelphia would like to be labeled the "Green City" then we need to start utilizing some of the technologies available today. Solar energy, green roofs, and LEED Certified construction are just a few examples of what we must demand. Another area for change is a community corridor target to improve neighborhoods that have not seen growth in decades. Our city is currently experiencing growth and we need to take advantage of people wanting to live in Philadelphia and build stronger neighborhoods.

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?

Real estate markets fluctuate often and reassessments need to be completed in a timely and fair manner on a consistent basis. If every homeowner knew that every two to three years their home would be reassessed the sticker shock would not be there. This would also cut down on the number of appeals.

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?

Philadelphia needs to shift our taxes on all levels. I support the elimination of the City wage tax in favor of a revenue neutral real estate tax shift. I have been actively meeting with business leaders to discuss how to restructure out commercial real estate taxes.

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

This may take a Pennsylvania Constitutional Amendment; we want to be certain that all possibilities are reviewed prior to presenting the plan. Job and economic growth could be experienced as a result.

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?

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

Delinquent taxes are an ongoing issue facing Philadelphia. Selling the liens is a one-time stream of revenue which, in the past, has come up short on many levels. While it sounds attractive to sell liens to private investors it could undervalue what is actually collectable. Studies have shown that many of these liens are non-collectable and we need to clean that up. The city needs to determine out of \$1 billion what is collectable and what is non-collectable. Many of these investors will only look to purchase collectable liens and only offer pennies on the dollar of what is actually owed. The city needs a solution to deal with uncollectable liens, after we get a real number, then all options should be investigated on the best way to collect what is due and make certain that we put the appropriate measures in place so that these collections don't fall behind in the future.

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?

PGW is the largest city asset and we need to explore all options for PGW's future, not just one option with a demand to vote without reviewing other options. City Council now has a special committee on Energy Opportunities that has held, and is planning to hold, additional public hearings to see what all the options are and to be certain we leverage it in the best interests of the citizens of Philadelphia.

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?

Better practices are the first step. Growth alone is not enough, while the employees did their part, the city did not do theirs by not making the proper payments. It does not take an economist to see that if you skip pension obligation payments the unfunded liability will increase. This has been the practice of both state and local governments and we need to do better.

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 need to identify and institute restricted revenue streams to keep the monies out of the General Fund and out of the hands of career politicians.

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?

I support the rights of workers and the collective bargaining process. The Mayor has a duty to all Philadelphians to do what is best and to negotiate all pension terms, this should never be legislated.

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?

Every neighborhood wants to be better even though the change is scary at times. Government must be certain that a balanced approach is taken in all development.

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

An example would be that affordable housing initiatives are part of every residential development project. This would build well-balanced diverse communities in regards to both residential and businesses contained within it on all levels.

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?

The City of Philadelphia's Government structure has placed the District Council Member as the closest elected official connected to the community which he or she represents. While the Board is balanced, the composition does not represent each community and significant weight should be placed on the District Councilperson's recommendation.

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.

The sale of city assets should be approved by City Council and the Mayor to be certain that the public is protected and that the proceeds are utilized in a proper manner. This process would hold all elected officials accountable.

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?

I support making the position of Inspector General permanent, I do not support the proposed legislation in its current form. To be a true and independent agency, the appointment should not be at the

pleasure of the mayor. While I think it is important that the mayor and council have a working relationship with the appointee, the appointment should not be in line with terms of office of the same.

If elected Mayor, would you leave the current Executive Order in place and promptly fill the Inspector General's position?

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, however the definition of "Independent" needs to be spelled out in order to make certain that the commission is truly non-partisan.

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, to maintain the office's independence, it is important that those in charge of voting be accountable to the voters, not to one elected official. In Pennsylvania, most of the County Commissioners, including our neighbor Montgomery County, serve on the County Board of Elections and are elected ever four years like the City Commissioners.

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, all this would accomplish is replacing the head of the Sherriff's Department with a political appointee who is accountable only to the mayor and not to the 1.6 million residents of Philadelphia. It is a prime example of separation of powers to have a Sherriff who is elected by the people rather than appointed by the mayor.

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?

I think community input is present in most of the decision processes. What I have found as I traveled throughout the city, some communities have stronger input than others due to participation levels. With this in mind, I would encourage stronger civic engagement. As an elected official, I have a great relationship with many of civic associations and I and my staff frequently attend their meeting. By encouraging more civic engagement people have the opportunity to reach our government and have their voices heard in the process.

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

When considering the level of funding of schools, we must look at the entire picture rather than snapshots of what other cities do in regard to school funding. We must look at the overall investment by both the city and state prior to making additional investments with little to no input.

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?

I think any new investment must be made in conjunction with restrictions. For example, the State has continued to ignore the funding constraints of the district. Since the inception of the SRC, the SRC continued to mount debt, not to the shortfalls of City funding but that of their own. Since this debt is due to inadequate state funding, any additional funding should be put right into the classroom with restrictions that none of the resources the City provides go to debt service. The SRC has mortgaged our children's future and they need to pay it in full. The State or SRC should present a plan to council with regular updates in a public forum and explain why the successful school models are not being duplicated throughout the system or tell us what it would take for us to get there. Take Masterman for instance, if the school district would show us how investing another million dollars would allow them to have two additional schools like it, everyone would be supportive. They have yet to show anyone how additional funding will help teach our children how to read.

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?

I strongly support the "housing first" programs, I find it inhumane not to assist people with finding a roof in which to sleep under.

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

Yes