

## **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 19<sup>th</sup> 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](mailto: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](http://philacrosstown.org) and emailed to our 19 member organizations.

### **CONTACT INFORMATION**

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The Office You Are Seeking: City Council, At-large Democratic

Contact info for staffer liaison Dan McNamara, 215-642-8526

#### *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

## 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.

The tax abatement program has been credited with fueling construction and reviving areas of the city, resulting in positive net fiscal impact for the City; however, I would recommend exploring additional reforms to the program that will promote a substantial amount of new housing for low or moderate income households.

### 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?*

Rising taxes may not be popular, but it is important that residential property is correctly assessed more frequently than every twenty years. I will support a more regular reassessment of parcels, with assessments occurring more regularly in areas where real estate prices are rising rapidly, in order to ensure correct taxation to the city.

### 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.

I propose a "Bringing Jobs Back" plan for Philadelphia. The plan would reform our local tax code, creating more jobs and growing the tax base to bring in more revenue for our city and our schools.

Thousands of jobs and millions of square feet of commercial real estate have moved just outside Philadelphia's city limits to avoid our current tax system, which taxes business twice: , once for gross receipts and again for income earned on a business headquartered inside the city limits. The increased tax revenue garnered from this additional tax is a short-term solution, as we ultimately continue to decrease our tax base and watch jobs move across the river.

My plan would reform the Business Income Receipts Tax (BIRT) structure that drives employers outside the city limits. Over three years, we would phase out the 6.5% Net Income Tax that essentially taxes employers twice, reducing it to 4.5% in the first year, 2.5% in the second year, and completely eliminating it in the third year.

This "Bringing Jobs Back" plan would pay for the cost of the Net Income Tax phase-out by incrementally raising the Gross Receipts Tax as well as the expected increase in the value of commercial property and its resulting revenue boost for the city. The "Bringing Jobs Back" plan sets us up with not only increased revenue, but also a structure that capitalizes on our population growth by reinvesting profitable businesses in our city.

#### **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?*

I do not think the city should sell tax liens to private investors at this time. One of the tenants on creating a central land bank is to empower that bank to foreclose on delinquent parcels and then quickly resell them to new owners. If a private company owns the lien, it could end up taking substantially longer to change ownership. Changing ownership is the key intervention needed to reducing delinquency. Philadelphia is very close to major reform of our system for acquiring and disposing of vacant, tax delinquent properties through the Philadelphia Land Bank. Complicating the current system by selling tax liens to private investors will add more uncertainty and inefficiencies.

In order to ensure that delinquency is addressed I would advocate for more aggressive collection efforts. A study by The Pew Charitable Trusts showed that many of the cities with lower delinquency rates than Philadelphia adhere to stricter timetables for imposing enforcement measures against delinquent property-owners—timetables usually set by the state—and are more willing to take properties away from owners who do not pay their taxes. I would propose that we empower the city's tax collectors to use all of their statutory powers, including foreclosure, more aggressively than in years past. We must continue to foster a collection system with a predictable set of consequences for those who don't pay, consequences that are certain and sure to occur.

## **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?*

The recent termination of the proposed agreement to sell Philadelphia Gas Works (PGW) to a private company represented a massive failure of leadership by city council. There is absolutely no doubt that public hearings should have been held as an important step in the due diligence that is required for the proposed sale. This misstep by City Council highlighted the importance of collaborative and transparent leadership and the need for our leaders to work together for the best interests of Philadelphia and its citizens.

While I have several recommendations to address the unfunded pension liability, one recommendation is the need to seek additional funding sources for the pension system which may include revenue realized from the privatization of city property or city work. I will work with my colleagues on city council and the newly elected mayor to consider all potential options to address this financial crisis and find solutions that are in the best interests of Philadelphia and its citizens. This will include reconsidering a sale of PGW.

## **5. 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?*

*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.*

*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 worked many years in a public utility company and immensely value the city services that are provided by public servants. The reality is that the city spends 17% of its budget on pensions, more than double from 10 years ago, and it's still not half funded. This has significant consequences for Philadelphia's long-term financial viability.

I believe that Philadelphia should be a good and responsible investor for workers' pensions and focused on long-term, sustainable return on investment. I support exploring a variety of reform measures including but not limited to additional dedicated funding sources for the pension system, an actuarial audit of current actuarial assumptions, and increasing employee contributions.

I will work with my colleagues on city council and the newly elected mayor to consider all potential options to address this financial crisis and find solutions that are in the best interests of Philadelphia and its citizens. While I am open to exploring new and creative options to help solve our pension deficit, I believe it is vital that we live up to the commitments we have made to our workforce. Any deals made to restructure our city must include protections for our workers.

## **DEVELOPMENT QUESTIONS**

### **6. 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?*

Changing neighborhoods offer both a challenge and an opportunity for Philadelphia. It is important to attract more people to our city to increase the tax base, and encourage businesses to settle here. With a larger tax

base, it will become possible to invest more in our public school system. However as neighborhoods become wealthier, property values rise and often force longtime residents to move elsewhere. This can mean moving farther away from work, increasing the length and expense of a commute to prohibitive levels.

City government has a responsibility to sustain the vitality of a city and it is clear that Philadelphia needs to find ways to attract families, professionals and businesses. At the same time, City Hall can take measures to protect lower income residents of rising neighborhoods.

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

There are several possibilities I would explore to remedy some of the problems caused by changing neighborhoods. A common issue is that the longtime residents, who are often low-income and from a minority background, cannot afford to stay in the neighborhood in the face of rising property values and are forced to leave or are even evicted when rent payments are not made. One option would be to allow non-profits and community organizations to take ownership of housing to ensure that it remains affordable and accessible to more vulnerable residents.

Another potential solution would be to maintain a certain amount of housing at fixed rents, although rent control comes with its own set of questions that would be need to be carefully considered. I do support expanding legislation to protect tenants' rights, including long-term renters living in gentrified neighborhoods to ensure they can stay in their homes and neighborhoods.

Neighborhoods have their own culture and history, and Philadelphia's neighborhoods have a vibrant cultural heritage. As neighborhood's evolve, so does the community identity, and this loss of culture is often decried by residents and historians alike. In order to preserve the legacy of an area, I would consider denying building permits to developers in certain areas or structures with particular cultural significance.

#### **7. 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?*

I would not vote for ordinances that enable developments contrary to the zoning code and which have not received a variance from the ZBA. Politics is not only irrelevant in reaching a decision on a variance but also can do great harm by creating real or perceived conflicts of interest. City Council members have ample opportunity to meet with constituents about zoning issues and advocate on their behalf; however, any decisions about variations to the zoning code should be left to the ZBA.

#### **8. 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 Land Bank creates predictable, transparent processes with clear timelines for all parties – including buyers, city agencies, City Council, the Mayor and community groups. However, it is a nascent agency and it is only in the first year of its first strategic plan. I would not support the elimination of the Council ordinance because I think that City Council plays an integral role in shaping the Land Bank's approach to finding new uses for vacant properties. Before any amendments are made, I would support a wait-and-see approach to determine how the existing process works before determining whether there is a more productive approach to undoing vacancy and tax delinquency.

## **GOVERNMENT & ADMINISTRATION**

### **9. 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?*

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

I will support a proposed amendment to the Philadelphia Home Rule Charter to create a permanent, independent Inspector General with jurisdiction over the entire city government. The position has proven to be a crucial tool in the battle against corruption and should remain a permanent part of the government of the city of Philadelphia.

### **10. 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?*

I will support the creation of a non-partisan and independent citizen's commission to allow for a more open and public process that will result in a fair citywide redistricting plan. Though it varies case to case, most gerrymandering is purely political and is often an attempt by those in power to unfairly maintain control. Only an independent, non-partisan commission will allow the redistricting process to be governed by fairness and logic, rather than adherence to political party or allegiance to individual candidates.

### **11. 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?*

Our City Commissioners have a difficult job. I sympathize with both the desire to empower voters and the need to run elections efficiently. Amending the City Charter to rework the way Philadelphia administers elections is something I would be interested in exploring although I think it would be beneficial to examine the record of other cities before taking any action.

## **12. 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 )?*

I would seek to explore the implications of abolishing the Sheriff's Office and the impact of transferring its functions to other city agencies. Voters are not aware of the role and responsibilities of the Sheriff's Office, so there is no real argument that voters check the powers of the Office. Rather, the Sheriff's Office should be abolished if it cannot account for its funds. Philadelphia

needs every dollar it can for education and infrastructure, not for a black hole of city bureaucrats.

### **13. 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 Council people 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?*

Neighborhood activism is on the rise in Philadelphia, and I believe this is a trend that should be recognized and supported. Neighborhood groups have an impact on schools, community development, and culture. I am Education Chair for the Passyunk Square Civic Association and on the council of Friends of Jackson Elementary. I have seen firsthand how these groups can drive positive change in neighborhoods. My district Councilman, Mark Squilla, has been receptive to community voices and has partnered with us on a variety of issues. This is the kind of collaboration that I want to encourage between City Council and other voices in Philadelphia.

One thing I will explore as Councilman is creating local bodies with the ability to vote on neighborhood specific issues before a resolution is brought before City Council. This would allow neighborhoods to control the conversation about propositions affecting them, and require increased engagement with citywide officials. In turn, this would mean that City Council could make more informed decisions about regional questions and it would also maximise efficiency by avoiding discussions over issues that a neighborhood has already vetoed, allowing actual community members to drive the conversation.

#### 14. **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*

*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?*

It can't speculate on a specific dollar amount that the City should make in fiscal year 2016-2017, given the current things in flux; with Governor Wolf's first budget not yet approved and a proposal for a tax increase from Mayor Nutter, many of our revenue streams are either not established or likely to change.

However, first and foremost, there is a fundamental unfairness in our Commonwealth and in the city around school funding, which sets up some children to succeed and some children to fail. Our revenue needs must be tied to students and their specific needs; we need a fair funding formula from the state that provides money to districts on these needs and a district that allocates those resources to schools based on their individual enrollments.

As for allocating the funds, I believe Superintendent Hite is on the right track with his Action Plan 3.0, which increases autonomy and reinvests in neighborhood networks of local schools. The key to having great communities-- and a great economy-- lies within great schools that are able to address the needs of their students. Ultimately, we must hold schools accountable for what matters most: preparing students for college and careers, but the precursor to that is supporting all schools in achieving that goal.

#### **LIFESTYLE**

15. **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?*

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

I support the continued use of “housing first” programs that provide wraparound case management services to the tenants. This case management provides stability for homeless individuals, which increases their success. I worked as a case worker at a halfway house, assisting inmates in their transition back to society, many of which also had mental illness or substance abuse issues. I have firsthand knowledge of the struggle of many people to find work and support to stay off of the streets.

Philadelphia has an existing sidewalk behavior ordinance that has been successful given that the city has one of the lowest levels of street homelessness and the city’s tourism continues seeing unprecedented growth. I think the prudent emphasis should be on intervention and treatment and ensuring that Philadelphia's focus is on support and recovery for our homeless population.