

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

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

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? — I believe that the real estate tax abatement is one of the city's most crucial economic development tool but believe that it should be modified to provide additional revenue for education.

Should it be modified or abolished? — I would propose practical revisions to the property tax abatement to preserve the benefit to developers and homeowners while easing the fiscal burden on our school district.

If you favor modification, what modifications should be made? — To accelerate funding to the school district, I would revise the program to provide that the portion of real estate taxes earmarked for the school district would expire after five years and the portion that goes to the city's general fund be extended to 16 years. In this way, the benefit to the developer will be preserved while the school district receives much needed funds.

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? — I believe in frequent, accurate reassessments of city properties so that the tax burden is fairly distributed across the city. On Council, I will provide aggressive oversight of the Office of Property Assessment to ensure that reassessments are conducted fairly and accurately

At the same time, I support strengthening gentrification relief measures, like the homestead exemption, to protect residents from sudden tax spikes and to preserve homeownership in growing neighborhoods.

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? — In general, I believe the city should shift taxes away from wages and businesses to real estate to promote economic development and attract jobs to Philadelphia.

If you believe we should shift away from wage and business taxes to real estate taxes, how would you propose to do this? — Ideally, the city should work to reform the state constitution to allow for commercial and residential real estate to be taxed at different rates. Failing that, the city should promote strong gentrification relief measures and examine innovative taxation strategies, including analyzing the impact of the Use and Occupancy tax, to lessen the impact on homeowners.

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? — The city must carefully evaluate the costs and benefits of selling tax liens before making a decision because previous attempts to sell liens have not been successful.

If not, what steps would you take to ensure that the delinquency is addressed? — The aggressive collection of past-due taxes must be a priority because of the potential for increased school district revenue. In recent years, the administration has begun to improve tax collection, and as a councilman I will provide oversight to ensure this positive trend continues. The city should quickly sell properties where taxes are not paid. This will reduce blight by ensuring abandoned buildings are sold to a party that will either demolish or renovate them. Further, although delinquencies should be a priority, collection of the current year's taxes is just as important.

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 yea or nay vote.

Do you believe that City Council should have conducted public hearings on the PGW controversy? Please explain your answer. — I believe that it is important to secure a positive future of PGW and that it doesn't pay to second-guess the decisions of the outgoing Council.

What is your vision for the future of PGW? — I think PGW should play an important role in building an energy hub in Philadelphia that will provide middle class jobs to the city. At the same time, the future of PGW must be decided by working together with all stakeholders — including business, community and labor leaders — to come up with a plan to grow and strengthen the utility.

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? — I believe that the city must be a responsible steward of its pension investments and work to responsibly increase returns. At the same time, the sales tax extension passed by City Council provides significant long-term funding for the city's pension system, which will help stabilize it.

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 believe that all changes to the pension plan should come out of negotiations and in cooperation with the city's municipal unions.

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. — I am in favor of development to reduce blight. But I also believe the city should work with community organizations, developers and non-profits to secure an increased supply of affordable housing so that all types of families can afford to live throughout our city — especially in transitioning neighborhoods seeing significant development pressure.

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? — I would work with neighborhood groups, especially the local Registered Community Organizations, as well as the district councilperson when evaluating specific development projects.

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. — I believe that the new land bank presents a good framework for developing blighted properties and think that the agency needs time to get up and running before we make changes to the land bank ordinance. I also believe that district councilmembers and community organizations should play a role in deciding on the future of these properties.

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.

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

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? —

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?

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)?

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 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?—I believe the role of Registered Community Organizations should be strengthened in the development process. But beyond that, I think that neighborhood involvement should be an essential to the city's functions and that every city department must work closely with community members when planning or providing city services. For my part, on City Council I will work to strengthen Council's relationship with ordinary people by working closely with community groups and being visible and active in communities across the city to ensure that government is responsive to every Philadelphian.

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 — As a councilman, I would aggressively lobby Harrisburg to implement a full, fair education funding formula to increase state funding for Philadelphia schools. I would also work to attract local foundation support for the school district and reform the tax abatement, as described above, to provide additional local funds for schools. I would work closely with district officials, the mayor and other councilmembers to determine the specific amount of local funding increase needed.

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?— The city has limited abilities to oversee the school district under the state takeover law, which is why I would work to abolish the School Reform Commission and return the district to local control by implementing a school board that is half popularly elected and half appointed by City Council and the Mayor.

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? — The city must aggressively expand its housing opportunities. We are not currently in a position to say that every homeless person in Philadelphia has access to affordable and safe housing. Thus, we must be careful about criminalizing homelessness.

Do you favor sidewalk ordinances to regulate aggressive panhandling and other antisocial behavior? — Yes, but we must be careful not to criminalize homelessness or violate anyone's civil rights.