



EIGHTH WARD DEMOCRATIC COMMITTEE QUESTIONNAIRE FOR MAYORAL AND COUNCIL CANDIDATES ON 2015 PRIMARY BALLOT

The Eighth Ward Democratic Committee has voted to adopt the enclosed questionnaire prepared by the Philadelphia Crosstown Coalition and endorsed by Center City Residents' Association and Logan Square Neighborhood Association, two civic groups whose boundaries coincide with those of the Eighth Ward.

DUE DATE: Responses from Mayoral candidates should be delivered no later than Friday March 13 in advance of a March 18 Mayoral Candidates night. 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 Eighth Ward Committee person Charles Goodwin (chuck.goodwin@comcast.net)

QUESTIONS: Present any inquiries you may have by email or, less preferably, call Mr. Goodwin at 215 989 4727.

CIRCULATION: Answers (but not the Contact Information) will be promptly delivered, first come, first served, to our committee people.

CONTACT INFORMATION

Your Name: Derek S. Green
PO Add: P.O. Box 4984
Tel #: (267) 300-8070
E Mail Add: info@dereksgreen.com

The Office You Are Seeking: City Council At-Large

Contact info for staffer liaison: Kelly Bauer, (610) 217-3751,
kbauer@hstreetstrategies.com

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?

Should it be modified or abolished?

If you favor modification, what modifications should be made?

Since its inception, the City's tax abatement has spurred development in Philadelphia that probably would not have occurred without this economic development tool. Further, the City is now receiving significant real estate tax revenue from properties where the abatement has expired. However, the question that is now before the Mayor and City Council is whether this development tool is still needed to continue development in our City. Considering this question, I believe that the City should conduct an analysis of this program in order to determine whether this program should be modified.

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?

Before the City decides how frequently reassessments should occur, I believe that the City needs to improve its ability to complete City wide assessments. As an attorney in City Council, I received various calls from constituents regarding the means and outcomes of the City reassessment process. I think that most people would agree that reassessing properties once every two decades is not a best practice and Philadelphia should evaluate peer cities to determine the frequency of assessments. However and before the time cycle of reassessments is established, the City must improve its process and better educate constituents regarding reassessments and how they are conducted.

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?

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

If you do not believe that such a shift should occur, why not?

Philadelphia should shift more of its revenue from wage and business taxes to commercial real estate taxes. A few months ago, I was invited to join a working group to develop policies and legislation that would reduce the wage and business income and receipts tax ("BIRT") in Philadelphia. Led by Jerry Sweeney of Brandywine Realty Trust and Paul Levy of the Center City District, this group is motivated by recent studies by the Center City District that demonstrate that the City has lost over 245,000 jobs over the last four decades and that we will lose another 35,000 to 40,000 jobs by 2025. Further, their research indicates that with all of the accolades with regards to the City's recent population growth this increase will be lost if we don't stop the downward trajectory of losing jobs in the City. In this regard, they have developed a ten year plan for tax competitiveness by reducing the wage and BIRT taxes. However and to implement this plan, it would require legislation to be passed at the local and state level. As a member of Council, I would introduce and advocate for this legislation so that we can promote and grow jobs in Philadelphia.

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?

During the Rendell Administration, the City sold millions of real estate tax liens to private investors. However, many private investors were not able to collect these liens and the

properties associated with these liens became vacant and/or blighted throughout our City. Consequently, the City bought back numerous liens in order to address blight under Mayor Street's Neighborhood Transformation Initiative. However, I believe this type of collection tool could be more effective if it is used in a more targeted manner. For example, the City should be using lien sales for wage, business income, and related business taxes. Considering that these taxes are connected to a business, I believe that these types of tax liens sales will be more effective. Also and due to recent changes in state law, the City now has the ability to lien suburban property owners for their tax delinquent City properties. The City should aggressively use this tool as well as transfer more real estate delinquencies to the private firms that have collection contracts with the City.

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?

As Counsel to Councilwoman and Gas Commission Chair Marian Tasco, I am very familiar with the details of this transaction. It is from this perspective that I believe that public hearings should have been held on this proposal. Through this process, it would have been demonstrated why this proposal was not good for the City.

The City's current, annual minimum municipal obligation to the pension fund is approximately \$660 million. However, the true net proceeds of the proposed sale to UIL would have been \$200 million not \$400 million. The \$400 million amount does not take into account the loss of the annual \$18 million franchise payment to the City from PGW. Using a discounted cash flow analysis, this loss is equal to \$200 million and consequently, the true net value of the proposed sale is \$200 million which is about 1/3 of the City's annual pension payment.

However, I believe that the City can still leverage PGW as an asset to address the pension fund through a public private partnership. In comparison to our City, Allentown is also facing a pension crisis. To address this issue, Mayor Ed Pawlowski decided to leverage its water and

sewer system as a means to address this problem. In their process, he met with various stakeholders (City Council, business leaders, labor leaders, consumer advocates, etc.) as well as held town hall meetings throughout Allentown to capture ideas and concerns regarding this proposal. After this engagement process, a Request for Proposals was drafted that incorporated the various ideas and issues that were raised. Subsequently, a bidder was selected and legislation was passed approving this public private partnership where Allentown received a \$211 million upfront payment and will receive an annual minimum payment of \$500,000 through a multi-year lease.

Due to the fact that PGW has one of the largest Liquefied Natural Gas (“LNG”) storage facilities in North America, the opportunity for a public private partnership is still available. PGW only needs 50% of this facility for its residential and commercial customers. Before the sale proposal, PGW proposed to upgrade this facility and currently sells approximately \$5 million a year in excess LNG sales and, with the upgrade, has projected up to \$20 million a year in LNG sales. Considering this information, the City should explore a public private partnership for PGW and dedicate all resources from this transaction to reducing our pension deficit.

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?

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?

As I stated in my answer to Question 5, I believe that the City should leverage PGW to develop a public private partnership and dedicate all resources from the transaction towards our pension deficit.

In addition, I do believe that the City can use growth in order to provide additional resources towards the pension deficit by becoming a champion of entrepreneurship and small business development. As a former small business lender for Meridian Bank, I am aware of the challenges that entrepreneurs face to grow and thrive in our City. Further and through my experiences as a Board member of Mt. Airy USA Community Development Corporation and Mt. Airy Business Improvement District as well as a retail business owner on Germantown Avenue, I have firsthand

knowledge how our business tax policies and regulations inhibit small business growth in Philadelphia. As a member of Council, I will engage the City's Commerce Department, through hearings and legislation, to complete a comprehensive analysis of the state of small businesses in Philadelphia and what steps are need to enhance their growth.

With regards to pension plans, the current collective bargain agreement between employees (represented by AFSCME District Councils 33 and 47) and the City include a defined contribution plan. Considering recent trends of new employees, it appears that fewer employees intend to stay in City employment in order to become vested and a growing number want the ability to earn retirement savings through a defined contribution plan that can be rolled over to numerous jobs throughout their career.

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?

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

I believe that government should provide information to residents regarding how they can enhance and improve their neighborhoods regardless of their economic standing. As the former President of East Mt. Airy Neighbors ("EMAN") and its Zoning and Land Use Chairman, my community includes a diverse mix of affluent and less well-off residents. In this role, I worked with numerous neighbors to inform them regarding City programs (foreclosure prevention programs, tax abatement programs), agencies and departments (Sheriff's Office, Zoning Board of Adjustment, Licenses & Inspections, Revenue), and laws (City code, Zoning code). From this perspective, I believe that my neighbors are better informed regarding changes that are occurring in our community. In comparison, I believe that the City can take a similar approach by using City funded housing counseling agencies, community development corporations, and neighborhood advisory committees to hold town hall meetings in changing neighborhoods as a means to separate fact from rumor and have an ongoing dialogue regarding this issue.

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?

From my experiences as an Attorney for a District Councilperson and as EMAN's Zoning and Land Use Chairman, each zoning proposal has its own factors and considerations. Accordingly, it is difficult to give a definitive yes or no answer to this question because each proposal is different. However, I generally favor most zoning issues to be heard before the Zoning Board of Adjustment. Having worked on the new zoning code, the purpose of this legislation was to improve this process and great strides have been made towards improving the zoning process in our City. Yet, I have come across some properties (e.g., former residential areas that are now commercial shopping plazas and centers) that would require ongoing variances and for years have been used differently than their current zoning classifications. In this context, I would support this type of zoning change by ordinance.

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.

Unfortunately, an amendment to this ordinance will not address this problem. Under the City's Home Charter, no City property can be acquired or conveyed unless approved by Council. As a City Council attorney and legislative aide, I supported the work of Councilwoman Maria Quinones Sanchez and the creation of the Land Bank. As a member of Council, I would continue this work so that the Land Bank will become an effective tool for eliminating blight and selling vacant property.

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?

Yes.

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?

Yes.

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 Sheriff 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)?

Yes

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 believe that neighborhoods can have a more meaningful role in decision-making and can become a more effective engagement partner when they have more information regarding upcoming events and projects. In this regard, the City's Department of Public Property and Office of City Representative should provide an annual schedule of proposed events and projects to Registered Community Organizations. During the budget process and prior to the new fiscal year, these departments, in preparation for budget hearings, have an understanding of what events and projects are being planned for the upcoming year. By providing this information, neighborhoods and community organizations will have a better idea of upcoming activities and can plan to take action so that they are included in the decision-making 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

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?

Under its current budget proposal, the School District has requested an additional \$100 million from the City. As a parent of an autistic son in the Philadelphia School District, son of a former public school teacher, and a former part-time teacher at Olney High School while at Temple Law School, I believe that the School District needs more resources to properly educate our children. In this context, I support additional funding for the School District. Yet, I don't believe that additional funding should come from a 9.3% tax increase. With an annual budget over \$4 billion dollars, I believe that the City should be a better steward of current resources in order to provide more money for the School District. Currently, the City has a fund balance that is near \$150 million dollars. Accordingly, the fund balance can be reduced to provide additional money for the School District. Additionally, the City can increase the percentage of real estate taxes that are allocated to the School District. Real estate taxes are now shared between the School District and the City at a rate of 55 to 45 percent. Going forward, a higher percentage can be allocated to the School District in order to provide additional funding for education. However and before I would approve a specific amount of funding to the School District, I would require the School District to provide a monthly cash flow and other financial documents so that funds can be reviewed on an ongoing basis and not just during the annual budget process.

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?

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

As a former Deputy City Solicitor for the City's Office of Housing and Community Development ("OHCD"), I am familiar with the various programs for homeless citizens that are funded by OHCD and provided by the City's Office of Adult Services. Although housing is available, resources should be better allocated for substance use and/or mental health services for people who are homeless. Permanent living in public spaces is not a solution to this problem. From this perspective, I support legislation that would protect citizens from the threatening behavior of others.