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## **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**

Your Name: Ori Feibush

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The Office You Are Seeking: City Council in the 2nd District

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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 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?*

No.

*Should it be modified or abolished?*

Modified.

*If you favor modification, what modifications should be made?*

Philadelphia's tax abatement has been critical in retaining and growing Philadelphia's tax base by encouraging young families to stay here and empty-nesters to move from the suburbs.

That being said, I would endorse reducing the tax abatement to an eight-year period. Studies from several economists have shown that a two year reduction in the tax abatement would have limited effect on new development. Any further reduction in the abatement would slow development too much and have an overall negative economic impact on the city.

Some have endorsed extending the abatement in lower income neighborhoods but I do not. The most important change we can make regarding property taxes is to correct the Actual Value Initiative's under-assessment of *land* values.

## 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?*

City-wide reassessments should take place every three years. However, every property that sells in an arm's length transaction should be immediately reassessed using the sale price as a new value.

With the next reassessment, OPA must 1) sort out the uniformity problems that plagued the assessments associated with AVI, and 2) correct the over-assessment of improvements and the under-assessment of land in certain parts of the city. Generally speaking, a brick is worth the same everywhere while land values change dramatically from neighborhood to neighborhood. In some neighborhoods, inflated AVI assessments on improvements discourage homeowners from improving the appearance of their homes and inaccurately low AVI assessments on land make it easy for developers to sit on vacant lots indefinitely.

## 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?*

No.

*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?*

A shift from wage and business taxes to real estate taxes would be regressive for many low-income residents.

It's apples and oranges to compare Philadelphia to NY or DC as total property values in those cities dwarfs those in Philadelphia. A reduction of the wage tax of just 1% would increase real estate taxes by nearly 50% across the city.

A gradual move away from business and wage taxes is important but should be done by growing our tax base and not by shifting the burden.

#### **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?*

Yes. Private investors are more capable of collecting delinquent taxes than the city has shown itself to be. The City should encourage tax lien sales to not only collect the huge amount of money currently owed, but to also collect money from delinquent property owners before the amount becomes uncollectable. Many abandoned homes and vacant lots in some of the most blighted communities are decades in arrears. The City would not only encourage tax collection, but also more vibrant communities by encouraging more active tax collection.

That being said, the city must include some protections for citizens in need. Thousands of people losing their homes and having nowhere else to go is no solution to this problem.

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

#### **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.*

Unfortunately, the PGW sale turned into a battle between the Mayor's office and City Council, and as a result the sale never got a proper hearing. Such an important decision absolutely deserved a public hearing.

*What is your vision for the future of PGW?*

I believe that PGW should have been sold. Philadelphia should be focusing its resources on rebuilding schools and improving public services, not running a utility company. PGW should be a private utility that reinvests in infrastructure while providing reasonable protections for low-income residents

#### **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?*

Both.

*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.*

Unfortunately, the unfunded pension problem will not be solved simply or quickly. In all likelihood, a combination of higher taxes, reduced spending, and asset liquidation will be required.

On the tax side: If land were properly assessed and the tax rate were to remain the same, the taxes collected from vacant land would increase, as would taxes on properties with abatements. This would have the added benefit of additional funding for the School District.

Programs to cut: At this time, I’m honestly not sure. As a private citizen I certainly have opinions on different City offices and departments, but I don’t know how they work from inside City Hall. As a Councilman, this is something that I’d carefully study in my first six months in office.

Assets to sell: The City should sell off PGW, City-owned parking garages, and City owned vacant lots. Selling City lots would eliminate maintenance costs and would immediately put additional millions of dollars onto the tax rolls every year.

*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?*

Yes.

## **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.*

Counter-intuitively, additional development would do much to curb rising prices in developing neighborhoods. Additional supply would reduce the upward price pressures being placed on the existing housing stock. Upzoning parcels on distressed commercial corridors would go far to reduce the barriers for those who wish to open businesses and employ residents in their communities.

As far as protecting current residents in changing neighborhoods, I would espouse smarter use of limited financial resources. Many residents are displaced because they do not have the resources to make basic repairs to their homes, not because of taxes – programs like LOOP are already in place to protect them from tax increases.

The current development of for-sale affordable housing is increasing displacement, not reducing it. A better approach would be to provide residents in need with \$5,000-10,000 grants to improve their homes. The cost of a new affordable housing unit could repair dozens of leaky roofs, countless damaged windows, and many broken boilers. This sort of program could help thousands of home owners improve and stay in their homes.

### **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?*

No. I do not believe it is the Councilman's role to play judge and jury for any property in Philadelphia. I don't subscribe to the notion that zoning through ordinance somehow protects any neighborhood's best interests. Unfortunately, it seems that zoning ordinances are instead used as a reward for political contributions.

#### **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.*

No. A bank is where resources are held for long periods of time. I would commit to making sure every city-owned vacant parcel in the 2nd district is sold to the highest bidder or gifted for green space or community use by the end of my first term on City Council.

## **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?*

I am not running for Mayor.

### **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. Under the current system politicians get to pick their voters. I support a system where voters get to pick their politicians.

### **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. While the current structure of the Commissioners Office is not perfect, it provides for an appropriate system of checks and balances that would not exist if elections were run by an appointed official.

With regard to improving voters' understanding of the duties of the Commissioners, I would support a measure to rename the department to something more descriptive of their duties, like *Elections Commissioners* for example.

### 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 )?*

Historically, I've been a huge critic of the Sheriff's office but I believe that the current Sheriff has been an improvement over his predecessors. In terms of whether the office should be appointed or elected, I'm indifferent. I would be interested to study the feasibility of separating the disparate tasks of real estate transactions and courtroom security into different offices.

#### **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?*

As the Councilperson for the 2nd District, I would not involve myself in zoning on a parcel by parcel basis at all. I would not introduce ordinances to support spot zoning, and would similarly not be writing letters of support or opposition for any projects. Rather, I would lead broad conversations with stakeholders and residents focused on remapping in the district. These conversations would include both the needs the wants of each community and the economic realities of development. The current process allows neighbors to be intimately involved in development of specific properties but people don't have enough say in the vision and future of their communities.

**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*

While there is little secret that the School District is underfunded, it would be premature of me to commit to a specific budget for the 2016-2017 fiscal year. That being said, the proceeds generated through my policies of allowing for developers to pay storm-water impact fees and the sale of City owned vacant lots would raise much needed discretionary funds for public schools.

*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 would frankly be very uncomfortable with the possibility of withholding any funds from educating the children of Philadelphia.

**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's homeless programs do not adequately address the underlying challenges that lead many of our citizens to become homeless. Before tackling the issue of where homeless Philadelphians may or may not live, we must have an honest conversation about how to improve and expand existing programs to make sure they are safe, accessible, and have the personnel and resources to address the various challenges facing our homeless population.

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

No. Our existing laws do an adequate job of defining illegal behavior and/or harassment. However, I am in favor of policies and programs that treat all of our citizens with dignity and respect, and provide meaningful help to those in need.