

PlanPhilly: I want to talk mostly about the work that you've done on City Council since you've been here, but I wanted to start by talking about politics a little bit. One of the results of the primary is that you'll be leaving City Council and Allan Domb will be joining City Council. It's not the only result, and it's not like he specifically beat you, but to me, that was one of the starker changes on City Council as a result of that election, and I'm wondering how you see the politics of Council changing since you started here and over the next couple terms.

Wilson Goode, Jr.: The agenda of Council more recently in terms of policy work has been somewhat set by the Council President. He's set priorities for the budget, and some of those priorities are in line with a lot of the work that I've done, including the issue of income inequality. So if you take that issue, for example, that will continue now because it's a priority of the Council President, but because of the work that I've put in, and because of the work that any number of activists and advocacy groups have put in, and because of a national progressive movement and incoming mayor who wants to address the same issue.

And to some extent, I believe that Allan Domb gets that as well, and understands that we all want economic growth. We want to see people be successful. But we want to see more shared prosperity.

PlanPhilly: Do you think there's something that you specifically brought to that conversation that's going to be missing from Council?

WG: That's part of the purpose of being a legislator, so that you not only establish policy for one given administration or one given term, but you put laws on the books that will continue on. So I think that in addition to the fact that I've put laws on the books that will stay on the books, and I don't think anyone will try to repeal them, but in addition to that have set a tone, so that any major economic development initiative that comes to Philly, people will talk about wages and benefits. People will talk about business and workforce diversity. People will raise those type of progressive issues that deal with economic diversity.

PP: Just a couple more questions about the politics stuff. Can you tell me what kind of campaigning you did during the primary and whether you were surprised by the result?

WG: It's a tricky race. I actually received more endorsements than I've ever received in the past. So I was pleased with how I was positioned in terms of endorsements and in terms of alliances, but I was absolutely not surprised. I knew that it was going to be close and tight, particularly because I've run the race several times—the first time I ran for City Council was actually in 1991 at the age of 25. I lost that race. And so I've won eight out of ten races and have a real good handle on what the numbers look like and what it takes to be successful.

PP: Your fundraising has been a little bit different than some of the other Councilmembers. You don't take donations from a lot of the people they take donations from. Can you talk a little bit about how you've gone about fundraising in the past and why you don't take some of those donations?

WG: I guess the best way to put it is it's not a matter of not taking certain donations, it's more a matter of not soliciting those donations. So I don't solicit those donations.

PP: So, you arrived on Council in the late '90s—

WG: I came in January 3rd, 2000.

PP: 2000. OK. And some of the earliest work you did was focused on getting banks to make loans in low-income neighborhoods, black neighborhoods. Can you talk a little bit about how you went about that, and whether it had the effect you hoped it would have?

WG: Coming into office in January of 2000 I was actually age 34. I just turned 50 this summer. I was the youngest member of Council. I'm still the youngest at-large member and have always been the youngest at-large member. I was coming from doing economic development work within the Rendell administration, and so the challenge for me was to try to, the challenge in that work was how to translate that experience as economic development administrator into meaningful legislative work and focus on bringing in a new perspective on economic development. I was doing the type of nontraditional things I thought needed to be done to create more economic opportunity.

So when people focus on economic development they always focus on the issue of business creation and job creation, but more specifically job creation. And so knowing that small businesses account for the majority of job creation, I felt the first thing I needed to do was examine whether there were barriers to job creation because there was lack of access to capital and credit to major parts of Philadelphia. So I decided to do a disparity study of small-business lending within the region. And luckily I bought a staff person from the Commerce Department where I worked with me who was a 23-year-old Ph.D. candidate who had already purchased the data and actually created the methodology, because the data just became available through the Community Reinvestment Act on small business lending. It had been available for home mortgages for a long time, but it just became available in 1998, and so it was actually just released in the fall of 1999 and so it was fresh data when I came in in January 2000.

We produced that report within the first few weeks of being in office. The target was to draw attention to lending disparities that existed, and so the study found that 90 percent of the lending was being done in middle and upper income neighborhoods and 90 percent of the lending was being done in neighborhoods that were 20 percent or less black.

That study was a regional study. Then as we continued to the disparity work, and those studies continued to be done by the executive branch now through the city treasurer's office, we looked at those numbers just within Philadelphia proper essentially only about 38 percent, 39 percent of small-business lending was being done in low and moderate income neighborhoods. We absolutely increased that number within two or three years to about 55 percent, so there was a dramatic rise in the amount of lending being done, small-business lending being done in low- and moderate-income neighborhoods.

When you dig into the data a little bit more, of course, it was being done in moderate-income neighborhoods, not as much in the low-income neighborhoods, but there was that shift. At the time I think, about roughly 60 percent of the neighborhoods in Philadelphia were low- and moderate-income, so to take it from less than 40 percent of lending being done there to about 55 percent was dramatic. But we did not have the impact that we wanted to have in terms of low-income neighborhoods and/or in terms of communities of color. But we did move the numbers.

PP: And how did you go about doing that? Was it laws that set specific targets for the banks, or ... ?

WG: One of the first things that happened was when we released the report, the banking community was incredibly interested. They didn't take it actually as a slap in the face, they took it as useful information. They realized there were some untapped markets out there, they realized where they definitely didn't want to go. But with the broad disparities that existed, they realized there was still some opportunity there that they wanted to examine deeper. So they invited us to consult with them, and then we began to work with what was then called the Urban Affairs Coalition, I forget what it's called now.

We tried to work with the banking community to try to fill that gap. At the same time, there was an anti-predatory lending bill that was introduced and so, the politics around our relationship to the banking community actually took a turn for the worse. So we re-approached that relationship, and essentially decided that what we should do, particularly because Council's authority is in authorizing city depositories, that basically we should just attach requirements to those depositories. So we essentially, very simply at first, required annual community reinvestment goals for low- and moderate-income neighborhoods in terms of small-business lending, but also

home mortgages, home improvement loans, home refinance loans and community development investments. The banking community knew that my major focus was on small-business lending targeting job creation, so they began to focus on how they could change those numbers. Subsequently, as the lending disparity studies expanded and we began to include home-mortgage data, home improvement data, we added onto those requirements and basically set a measurement of peer-lending performance in each category, in each demographic, so we can call on all depositories if they're not to meet or exceed peer lending performance in each of those areas and if not to develop a long-term strategic plan to get there.

We recognized that certain banks are stronger in terms of home mortgages. Other banks are stronger in terms of small-business lending. They're all going to continue their own corporate strategies to some extent. Clearly, if certain banks are able to do certain things within the market other banks can too, so we try to get them to at least look at how they can match peer performance. They don't have to try to lead in every area, they can lead in terms of whatever they specialize in.

PP: This was all done, not through—you could set goals for the city's depositories, but mostly this is just by talking with them, and?

WG: They actually set goals for themselves.

PP: OK. So, you don't have any actual stick, right? The city doesn't have...

WG: Oh, we can basically revoke their authorization. And if they don't submit goals, then the way the law's written it essentially says that the city treasury is to report that to the mayor and Council and is to essentially take the deposits there back. We usually have gone the extra step of just removing the entity from the list if they didn't apply.

PP: I feel like you've told me before that a lot of this work was helped just by public shaming of people who were involved. Can you talk about how that works, too?

WG: What we learned at the beginning was that most of our banking relationships were centered on what is now Wells Fargo, but before was Wachovia and before that it was, I believe, CoreStates. But essentially the city treasurer's office from the very beginning of my tenure essentially admitted that the policy of the city was simply to do most of its business with the largest bank. So if the largest bank has stark lending disparities, then that becomes a major problem and sets a tone for the other banks in addition to the fact that we create banking relationships for our employees and for people who are receiving pensions.

We establish banking relationships for them, whether it's direct deposit or whether it's simply because it's easy for them to do business with that bank because we're doing business with that bank. So the fair thing to do is to make sure that, if that's where most city employees are going to have their banking relationships, or wherever most city employees have their banking relationships, make sure that they're lending fairly. Particularly if they're an authorized city depository.

PP: So a lot of it was just using the city's influence as a major despositor ...

WG: And some of the lending disparities were stark. At one point, a bank that held a majority of our money was only giving 18 percent of its home mortgages to African-Americans. That was unacceptable. By examining the lending records of the other banks, clearly other banks were able to do better, and so that particular bank, which was Wachovia, suggested that it was because of the volume of loans that they were doing, that that's why their numbers were lower.

But they were able to, and did in fact, increase their lending probably by 33 percent. I think they went from 18 percent to about 24 percent.

So clearly, that's a disparity that did not have to exist to the extent that it did.

PP: So just by identifying it, that was a way to get it changed.

WG: Mhm.

PP: And do you think that there's a lot of—I don't know quite how the small-business loan world works, but do you think that there's a lot of people in low-income neighborhoods who are actively seeking out small-business loans and being rejected for them because of the neighborhoods they live in, currently, still?

WG: That's what the disparity suggests. Essentially, we look at denial ratios, by race, and in addition to that, we see that number has not moved. About a third of small-business lending was being done in minority neighborhoods, majority-minority neighborhoods, and that number has not moved very much. So clearly, if those numbers stay stagnant, then the disparity still exists.

PP: More lately, you've been focusing on setting minority participation goals for construction projects and for contracts the city gives out ...

WG: I would say that that started my first year as well, because in my first year the stadium projects were held over from the Rendell administration, and were completed actually at the end

of my first year in December. That's when I began to focus on that issue. Because it was two major sports stadiums, the issue got attention and then we began to more and more turn our attention to what the city was actually doing.

And the problem we had early on was not being able to get data, so a lending disparity study that was started under the Rendell administration was still not completed at the beginning of the Street administration. It actually took a couple years into the Street administration to complete the study. And as we continued to make this push, then-Councilman Angel Ortiz decided to put a law on the books in 2003. The law was approved by City Council, signed by the mayor during a re-election year, and then there was a solicitor's opinion issued that said Council did not have the authority to put the law on the books because procurement matters such as that were the purview of the mayor under the city charter.

So essentially, what I did subsequent to that was take the language that we put in the code in 2003 from that bill and basically put it within the charter. So we require an annual disparity study to be done on city contracting, and then annual participation goals to be set based upon the disparity study.

PP: And do you think that that work has been as effective as you hoped it would be?

WG: I won't say as effective, but it definitely has been effective. Essentially, when we first received that first study that started under the Rendell administration, we found that the city was in single digits in terms of participation by disadvantaged businesses. That number has gone up to as much as 24 percent of total contracts. If you use the Nutter administration math, they say closer to 30 percent, but it's about 24 percent of total contracts.

So there was once again as we began to do the disparity studies and draw attention to it, there was dramatic increase in participation. But, interesting about both things, in terms of small-business lending, based upon the disparity study work, there was a dramatic increase from below 40 percent to about 55 percent of small business lending in low and moderate income neighborhoods, and then it leveled off. Same here, after we began to do disparity studies, there was a dramatic increase from single digits to about over 20 percent, and then it has leveled off. So there are next steps to this.

PP: The impact this stuff has in the real world, in terms of helping people move up the economic ladder, have you seen tangible benefits in different neighborhoods ...?

WG: It's interesting. Just to be honest, the work that I've done around what I now call responsible banking, or around contracting and workforce diversity, has to be done within certain

legal parameters. So we have to conduct disparity studies, and because we have to conduct disparity studies and do it based upon the data, then essentially, I have focused more on the data, and how the numbers have moved or haven't moved.

But to the issue of trying to have direct impact in terms of economic opportunity, after having started that work and watch it grow, personally I did feel that I needed to find a way to have more direct impact on individual economic opportunity, which is why I then began the living wage work that I did about 10 years ago. And that to be honest has been among the most rewarding work that I've done. We don't have solid numbers on how many people it has impacted. We clearly know it's in the thousands. But just the fact that you're helping the people that need it the most in a very tangible way, and that everything that we approach in terms of city contracts and in terms of economic development projects, now must consider how those people who have the least are treated in terms of economic benefit, I believe is probably the biggest part of my legacy, and absolutely the most rewarding work that I've done.

Clearly, people debate the issue of poverty, and why poverty exists, and where poverty exists and why. There are multiple approaches that can be taken that include things like improving public education. But at the end of the day, people who are in poverty need money. And if they are the working poor, then they need fair wages. If someone's going to work 20-40 hours a week, it's only fair that they be able to live off that.

PP: Do you think that there's current Council members who are going to carry the baton on workforce diversity stuff?

WG: Absolutely. One, I believe that the laws are on the books, so it will continue. Two, I believe that the Council as a whole is on the same page. All these initiatives ... were approved unanimously. The lending disparities, the economic opportunity stuff, the living wage stuff, and in fact when I did the first living wage bill in 2005, I walked into caucus not knowing how many co-sponsors I would have. And the entire Council, including the Republicans, backed the bill because they thought it was fair. So I think Council is on the same page on those type of issues.

I think the incoming mayor, as a former member of Council and in terms of his current policy agenda is absolutely on the same page. I believe that there's a lot of movement nationally around these issues, particularly in major cities, but in smaller cities as well. And I think that it was a matter, in some cases, of Philadelphia catching up or a matter of Philadelphia diving in further to realize that this is actually the better way to do economic development, by spreading the wealth, so to speak.

PP: This is not a question I had written down, but there's been a lot talked about in terms of the Nutter Administration's relationship with Council has been strained or has been poor, basically. Do you think that's true? Do you think that his administration has failed to see eye to eye with City Council?

WG: I think that Kenney's administration will be much more successful in Council. And I think that at the end of the day, the Nutter administration was successful in getting a lot of major initiatives approved. Whether it was crafted exactly they wanted it to be crafted ... but for instance, the Actual Value Initiative is huge. It was a problem that existed for decades, it was huge and some people thought that it could not get done.

Those type of things, the economic recession was very real and very scary. And we survived it and survived it better than many cities, and so I would say that the relationship wasn't great, but the things that needed to get done got done.

PP: You're saying that Kenney's administration might be better in its relationship with Council, and do you think that's because he has more of a focus on equity and the stuff that Council's thinking about than Nutter has? Do you think that Nutter didn't put enough focus on things like income inequality?

WG: To be honest, I think that Kenney's policy agenda probably is more closely aligned with Council but more importantly I think that his simple focus is going to be on getting certain things done. So I don't think that the approach toward Council will be the same, and I think that at the end of the day it's about getting the right things done. And if we're already on the same page in terms of what we're trying to get done, for the most part, then it's a much smoother relationship.

PP: I wanted to talk a little bit about your style. In hearings, you sometimes treat people as hostile witnesses. You ask them a lot of yes or no questions that are central to your point but tangential to theirs, and I'm wondering whether that's a conscious decision to approach hearings that way and whether it's had the effect that you wanted it to have. [Pause] You can disagree with my characterization if you want ...

WG: I actually don't. I'm going to answer this in a very strange way. [Laughs] One of the things that I was taught early on about even interviews with the media is that if you have a point to make, then make sure you get your point out, regardless of what the question is. [Laughs]. You're allowed to say whatever you want to say. And with that understanding, I think there are certain witnesses that take that same approach that regardless of what the question is, they're going to get out whatever message they want to get out and stay on message. And so, at the end

of the day, I'm simply trying to get the questions answered that I want answered, as opposed to allowing them to simply sell me whatever message they came to sell me.

PP: And do you feel like people sometimes take it personally, in terms of how you ask questions at the Council hearings? Do you feel like it's strained any relationships that you felt were important?

WG: Absolutely not. Interestingly enough, I don't think they take it personally as in, they believe that I'm directing to them personally. But they take it personally as in it is being directed to them, so in other words, they don't want to be in the hot seat if they believe that they're trying to sell a message that Council is not trying to buy, or in particular that I'm not trying to buy.

PP: You've occasionally introduced bills to try to rework the tax abatement, and I'm wondering: that may not happen, or it may happen, but when you think about how the city subsidizes development projects, do you think that there needs to be a holistic rethinking of how that works?

WG: I actually believe that almost everyone believes that the tax abatement should be revisited. Some people believe that it should become a 20-year tax abatement. Some people believe that it should be eliminated. But of course it should be revisited in some way.

If we had our way then what we would really desire from the state, and I think everyone is in agreement with that, is that they give us flexibility in terms of what we do with the tax credit. But simply having a cookie cutter approach, where it's 100 percent for ten years with no other flexibility ... I mean of course we don't have to do ten years and we don't have to do 100 percent even under the current law, but the way the current law is written, we do have to do the same tax abatement for everyone. And there are any number of different ways that, if we had flexibility, the tax abatement could be more effective, because right now it is simply by right and everyone does not need a 10-year, 100-percent tax abatement. So essentially, because it is not based upon need, and because it does not incentivize things that it could incentivize, there's lost opportunity there and in some cases lost revenue there.

PP: And in terms of other stuff like Tax Increment Financing and other sorts of subsidies that the city sometimes uses, do you think that those are used in a transactional way, sort of in an ad hoc way, or do you think there should be some policies around those as well? [Pause] I mean the W Hotel, for example, you voted against that TIF project.

WG: Having come from economic development bureaucracy in the Rendell administration, I understand how those deals are constructed. They are essentially packaged with public and

private money, and so when a client is seeking public subsidy, they are offered whatever they are offered. There is no review of that by the legislative branch until it is already in the form of a deal that has been packaged. The clearest thing I can say about it is even in one of the most recent deals regarding the Gallery project, one day the school district comes in for a budget hearing, and I asked the question, 'Why'd you just accept their numbers?' And they responded, 'We didn't. In fact we pushed back, and they wanted more. They wanted more within the TIF, and so they rolled it back.'

And so the next day, when the developer comes in, the obvious question is, 'If you were able to roll back the TIF, then you were asking for more than you needed.' So that's the problem. There's a lot of skepticism in whether the projects—it's not even a matter of whether the projects require any tax increment financing. Sometimes it's a question of whether it requires that much tax increment financing, and who's actually in those cases setting tax policy.

PP: One of the most frustrating things as a reporter trying to talk about this stuff is that the claim is always, 'If we don't get this amount of money, we won't be able to do the project.' And this is inherently unprovable, because whatever package gets worked out, that's talked about as the absolutely necessary package. And that's what worked. Do you think there's any way to approach that from a policy perspective to cut through that?

WG: Absolutely. I'm not sure that there's a foolproof way to do it, but other cities don't necessarily have the same economic development incentives or use tax abatements or tax increment financing in the same way. If you're talking about stadiums, or whether you're talking about hotels, or you're talking about shopping malls, they're being built all over the country. So the question is, how are they being packaged there? And I'm sure that they're not being packaged the same way everywhere. Now, in some cases, other jurisdictions may be using methods that we won't agree with either. But clearly, people are using tools that are in the toolbox because they're in the toolbox.

No one is suggesting that we take the tools out of the toolbox. We're just suggesting that there are more tools in the toolbox.

PP: Do you think the current building boom that we're under actually has a chance of improving the lives of the poor in the city? Do you think think it's likely that it will improve the lives of the poor or do you think that it's going to just improve lives for people who are moving in and for developers?

WG: If we continue to focus on the theme of shared prosperity, and having better or more public benefit to the economic growth, then it will create some incremental change. The more success

we have in terms of creating more economic opportunity, in non-traditional ways, like for instance, aside from just wages, making sure that you're insuring liveable wages, and that there's business and workforce diversity, the major shift that I started out trying to make, is to make sure that each area of the city is seeing the level of investment it should and that more areas of the city are seeing that level of investment. And Jim Kenney is talking a lot about that, in terms of, your zip code should not determine your level of success.

But the response to that has to be public and private investment in places where there has not been public and private investment before. And those resources and/or investments come from growth. So everyone should be pro-growth, but there should be more shared prosperity, or there should be more of what some people refer to as a shared economy ... And we've had some successes there, but in order to lessen the economic disparity in this city and actually impact the poverty rate, we have to have more success.

PP: I think that's most of the questions I had. Do you know what you're going to do next?

WG: I knew what the question was. I am, having come into Council at age 34, and leaving at age 50 and spending the prime years of my life actually pleased with a sense of achievement, I have no desire in returning to politics, or specifically returning to being a legislator. I have a very strong interest in continuing policy work. Some of that has grown not just out of my experience on Council specifically, but above and beyond that my involvement with the group Local Progress which I helped form, and working with policymakers and legislators and progressive allies from around the nation, and we just had a national convening in Los Angeles a few weeks ago, and I will in a couple weeks I will do a last board call, I was honored there.

I've invested a lot of time, energy, and work just within the last few years, being part of a larger movement that we believe is having more and more success. ... This is a movement that is developing to the point where we were even talking about, what does the next generation of workers' rights look like? What are the next steps we take? How do we, because we've done some good work around the country, but we haven't obviously resolved these economic disparities.

I will simply say that because that work is real for me, and because it's a life's work, I absolutely expect to continue that work.

PP: Can you tell me a little bit about why you don't want to go back into politics? What is it about that world that doesn't interest you anymore?

WG: The issue is that the purpose for being involved in politics was, it was a means to an end. If you want to be a legislator, than you have to run for office. And I still actually enjoy politics more as a spectator sport. But my reason for personally involving myself, and to be more specific about it, even having run at an early age with even that loss in '91, the reason why I came back in 1999 was because I enjoyed the policy and administrative work in terms of economic development, not knowing who the next mayor was going to be, I decided I wanted to be directly involved in policy making, and become a legislator. I have, over those 16 years, introduced 160 bills. By the time of my last session, 147 of them will have been approved. So as I said, when I was honored at the Local Progress event, if people in the room have an opportunity in their time and in their space, they should just do the damn thing and help the people that need it the most. Like I said, I am pleased with the achievement over those years, which were the prime years of my life, and I could offer more as a legislator, but I can also offer more just continuing policy work without having to be a legislator. And at this point, I simply prefer to approach it from a different perspective.