

Office of Maria Quiñones Sánchez Councilwoman, 7th District City Hall, Room 592 Philadelphia, PA 19107 215-686-3448

To: German Reves, CPLC and NALCAB

Pat De Carlo, Executive Director, NSCA State Representative Curtis Thomas

Deborah McCollough, Office of Housing and Community Development

Date: April 20, 2012

I am writing to follow up the meeting facilitated by Representative Curtis Thomas and my conversation with Mr. German Reyes. I will go on record again with my strong concern about NSCA's current plan to tie up a majority of its valuable Neighborhood Stabilization Program ("NSP") money in housing at the St. Boniface site. Currently, that \$9 million NSP grant would net only 25 units – at an unusually high cost of \$360,000 per unit. Above all, it is crucial we ensure an honest review and vetting process on alternatives that would increase the impact of those dollars. The following is my outline for the agreements needed to achieve such a process and to provide appropriate oversight for the use of our state and federal tax dollars in the NSP and Redevelopment Assistance Capital Program ("RACP") programs.

Above all, NSCA's status as the NAC, Civic, *and* developer on this project creates a conflict that impedes honest community vetting of NSCA's plans. Many residents feel very strongly that they were not consulted about the St. Boniface project, and that when they were the information presented was incomplete or misleading. For example on Saturday, my next door neighbor was asked to sign a petition that included all the uses. When she said no, she was told she was only signing for the youth activities on campus. The outreach efforts continue to be questionable.

It is my strong belief that there are higher priority sites for the spending of housing redevelopment dollars. In the census tracts targeted by the NSP grant, there are over 1700 publicly-owned vacant properties, with over 500 of those being vacant structures that drag down blocks and desperately need rehabilitation. On the other hand, the St. Boniface site could be fully redeveloped as a multi-use campus by raising matching funds for the RACP grant. I have always supported the expansion of the day care and alternative school, the proposed employment and training center, and the recent relocation of the NSCA offices to the site. Adding housing is both unnecessary and an over-utilization of a relatively small campus footprint.

The following represents my expectations for outcomes, in order of priority.

Plan A Multi-Use Campus, with Housing Moved to Other Sites

- A new plan is developed for a multi-use campus that, by not including housing, allows for a more organic flow of the campus
- NSP national partner allows for NSCA to use money on alternate sites that better fulfill the goals of the NSP program
- NSCA honestly vets the building on 2000 North 2nd Street and additional individual infill and rehab sites to create the maximum number of units in the Norris Square community. A list is attached of the 1,700 properties owned by the city which I could facilitate transfer to NSCA.

Under this plan, as I have stated from the beginning, I will work with NSCA to:

- Review all current site expenditures to insure compliance with funders
- Help coordinate City agencies to ensure a prompt development timeframe
- Create a development plan to meet the required match for the state RACP grant, emphasizing private funding and also looking at all available public funds

Plan B Multi-Use Campus, with Single Family Homes

- Developer redesigns the project plan to reflect the character and land-use of the neighborhood around Norris Square, and contractor confirms NSP timeline can be met
- Community approval is obtained for the project through an inclusive input process and meetings that are *not* hosted by any party with financial interest in the development. As Council representative, I do not support any housing, but I want to determine the true position of most community members.
- Some NSP funds are freed to be invested in additional infill and rehab sites

Outstanding Questions

Under either plan, it is essential there be answers to outstanding questions about the project, many of which have previously been raised by the community:

- What is the total cost of the project? A budget that shows administrative and other costs is needed.
- What is the proposed sale price of each unit, and what market analysis supports this price for a co-op unit?
- What examples of specifically *mixed income* co-ops exist outside of city centers? Names and contacts are needed.
- What bank has agreed to provide mortgages under this model? Documentation is needed from the bank of their agreement to finance.
- What are the specific numbers of total staff, students, volunteers and clients for each campus use (i.e., daycare: 300 students, 50 staff)?
- Who are the expected funders for the new proposed campus uses?
- How many official parking spaces will be on the campus, with and without housing?

It is also essential to resolve several outstanding issues and questions about the developer's work:

La Torre: Following requests from homeowners at the La Torre homes developed by NSCA, my Council office has requested that an engineer be hired to determine if problems at those homes are construction-related. Contrary to Pat DeCarlo's claim that only two people have issues, I have personally met with the majority of the residents, and know this is not accurate. An engineer should be hired and an assessment should be provided in writing to my Council office and to the City agencies that provided funding to end the questions surrounding this project.

 If that assessment uncovers construction-related problems, when and how will NSCA work with the owners to make any justified repairs or otherwise make these owners whole?

Hunter Homes: What is the updated status of Hunter Homes? Are these properties all sold, and if not, why? Are there indications of any problems with construction or otherwise with the homes? A written statement addressing these questions about Hunter Homes is needed.

WCRP Collaboration – Front and Norris Street site: In the recent community meeting and in statements to the media, many people have raised concerns over the planned demolition and redevelopment plans for this site. While NSCA has recently transferred ownership to a "land trust" and no longer directly owns the building, it is important to know what involvement NSCA retains and whether NSCA or its employees or agents have a legal role in the trust. Will NSCA support an offer for the building from a private developer if WCRP continues to be denied tax credit funding?

I want to stress that the issues raised here can not be reduced to a debate over housing at the St. Boniface site, or my personal feelings about what is built across the street from my home. We are entrusted to serve the community and ensure that public funds are used in an appropriate and effective way. Although time is of the essence, I believe that we still have a clear opportunity and obligation to shepherd an honest and inclusive process for vetting plans for the St. Boniface campus and for use of the \$9 million meant for neighborhood stabilization.

Respectfully,

Maria Quinones Sanchez Councilwoman, 7th District

Enclosures: List of City Owned Properties

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