

City of Philadelphia



(Bill No. 110784)

AN ORDINANCE

Repealing Chapter 21-1100 of The Philadelphia Code, entitled "Community Development," and replacing it with a new Chapter 21-1100 that restates and revises the policy of the City of Philadelphia regarding its Community Development Block Grant Program; expands the scope of the Chapter to incorporate related housing and community development programs; requires the preparation of an annual Consolidated Plan for the City that covers, not only Community Development Block Grant funds that the City receives under the Housing and Community Development Act of 1974, as amended, but also all other funds from other sources that the City receives for housing and community development activities and programs; and establishes requirements and procedures relating to the preparation, content, publication, amendment, approval, oversight, administration and implementation of the Consolidated Plan; all under certain terms and conditions.

WHEREAS, Chapter 21-1100 establishes goals, policies, requirements and procedures pertaining to the expenditure of funds that the City of Philadelphia receives for housing and community development; and

WHEREAS, In the past ten years the City has received and Council has approved the expenditure of funds for housing and community programs in an aggregate amount of nearly two billion dollars; and

WHEREAS, The Consolidated Plan required by Chapter 21-1100 is the only document that, on an annual basis, outlines the City's plans and programs to deal with affordable housing, housing preservation, homelessness, community and economic development issues faced by the City's very low, low and moderate income residents; and

WHEREAS, The Consolidated Plan outlines in detail how the City proposes to spend federal, state and local resources that are dedicated to programs to mitigate the housing, employment and related issues faced by the City's very low, low and moderate income residents; and

WHEREAS, It is Council's duty and responsibility to provide proper oversight for the expenditure of these funds and the performance of all programs that are dedicated to our City's most vulnerable populations; and

City of Philadelphia

BILL NO. 110784 continued

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WHEREAS, Chapter 21-1100 was approved by Council nearly thirty years ago and contains outdated language; references to programs and activities that no longer exist; and inadequate financial and program reporting requirements; and

WHEREAS, It is Council's desire to make clearer its intent and what funds are governed by Chapter 21-1100; and

WHEREAS, It is Council's desire to strengthen citizen participation by improving public notice requirements and by authorizing the use of electronic notification and the viewing of searchable electronic documents; and

WHEREAS, It is Council's desire to create easy to follow financial reporting requirements and financial reports that separately track each Consolidated Plan budget until all revenues have been received and all expenditures have been made; and

WHEREAS, It is Council's desire to create program reporting requirements that will provide Council and the public easily readable reports on program performance; job development and retention; contracting information as it relates to how contracts benefit Philadelphia-owned businesses, minority-businesses, women-owned businesses, disabled-owned businesses; and demographic data on the workforce that is created as a result of said contracts; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 21-1100 of The Philadelphia Code, entitled "Community Development," is hereby repealed in its entirety, and a new Chapter 21-1100 is added, to read as follows:

CHAPTER 21-1100. COMMUNITY DEVELOPMENT

§ 21-1101. Scope.

(1) *The goals, policies, requirements, and procedures prescribed by this Chapter shall apply to funds which the City receives under the Housing and Community Development Act of 1974, as amended, and all other federal funds received by the City covered by the annual Consolidated Plan pursuant to 24 C.F.R. § 91.2(a), and funds from other sources to the extent required by federal law.*

(2) *The Office of Housing and Community Development or any other successor entity (hereafter referred to as "OHCD"), acting on behalf of the City, shall be responsible for preparing and submitting to City Council, for review and approval, an annual Consolidated Plan covering all funds, activities and programs as provided in subsection 21-1101(1).*

City of Philadelphia

BILL NO. 110784 continued

Certified Copy

§ 21-1102. Annual Consolidated Plan.

(1) *The annual Consolidated Plan shall be prepared by OHCD for the City of Philadelphia, shall be consistent with 24 CFR Part 91, as amended, and shall include the following elements:*

(a) *An Action Plan that describes all anticipated resources and the specific activities and programs the City intends to carry out under the Consolidated Plan to address the documented needs, the geographic distribution of the proposed activities and programs and the populations to be served, including homeless persons and those with special needs, including persons with disabilities and persons with HIV/AIDS;*

(b) *A detailed Budget that documents, by Budget Category, Sub-Category and Line Item all sources of revenue and proposed expenditures for all activities, programs and administrative costs, including a comparison with the prior year's budget.*

(2) *Expenditure of funds shall be made only as specified in each year's Final Consolidated Plan, or in any Final Consolidated Plan amendments, properly adopted by City Council in compliance with the requirements of Section 21-1105.*

§ 21-1103. Very Low, Low and Moderate Income Beneficiaries.

(1) *The activities and programs contained in the Consolidated Plan shall primarily benefit very low, low and moderate income persons residing in the City, given the nature and relative severity of their needs, in a manner not inconsistent with federal, state and local laws and regulations. All activities and programs contained in the Consolidated Plan shall be consistent with the policies herein set forth and shall be suitable to meeting the respective needs of very low, low and moderate income residents.*

(2) *For the purposes of this Chapter:*

(a) *A very low income person or resident is a person residing in the City having an annual income of not more than twenty-five percent (25%) of the area median income for the Standard Metropolitan Statistical Area of Philadelphia for a family of similar size, as determined under the Housing and Community Development Act of 1974, as amended;*

(b) *A low income person or resident is a person residing in the City having an annual income of not more than fifty percent (50%) of the area median income for the Standard Metropolitan Statistical Area of Philadelphia for a family of similar size, as determined under the Housing and Community Development Act of 1974, as amended;*

City of Philadelphia

BILL NO. 110784 continued

Certified Copy

(c) A moderate income person or resident is a person residing in the City having an annual income of not more than eighty percent (80%) of the area median income for the Standard Metropolitan Statistical Area of Philadelphia for a family of similar size, as determined under the Housing and Community Development Act of 1974, as amended;

(d) A direct beneficiary is the social or public service recipient, employee in a newly created job, employee in a job retained through the use of funds contained within each year's Final Consolidated Plan, purchaser, recipient or owner occupant of real property, occupant of rental housing, or resident of the block that receives public improvements.

(3) To insure that funds used under each year's Final Consolidated Plan comply with the City policies and goals set forth in subsection (1):

(a) The funds contained within each year's Final Consolidated Plan, exclusive of administration and program management costs, will not be considered to primarily benefit very low, low and moderate income persons or give maximum priority to very and low income persons unless:

(.1) Seventy-five percent (75%) of the funds within each year's Final Consolidated Plan, exclusive of administration and program management costs, directly benefit very low, low and moderate income persons; and

(.2) Priority is given to developing and implementing projects and activities that directly benefit very and low income persons.

(4) No less than fifty percent (50%) of the funds contained within each year's Final Consolidated Plan, exclusive of administration and program management costs, shall be allocated and spent directly on housing projects or activities which directly relate to providing or maintaining housing.

§ 21-1104. Citizen Participation.

(1) All City residents shall have the right to participate in and express views and comments at any and all hearings. All public hearings required by this Section (pursuant to 24 C.F.R., Part 91) and Section 21-1105 (City Council Plan Approval and Amendment Procedure) shall be held at times and locations convenient to very low, low and moderate income persons. OHCD shall insure adequate citizens' participation in the development of the Annual Consolidated Plan consistent with 24 CFR, Part 91, as amended, and shall incorporate the Citizen Participation Plan, required by 24 C.F.R., Part 91, as an appendix in the Preliminary, Proposed, and Final Plans.

§ 21-1105. Council Plan Approval and Amendment Procedure.

City of Philadelphia

BILL NO. 110784 continued

Certified Copy

(1) Upon completion of the public hearings required by Section 21-1104 (Citizen Participation) and before submitting to the U.S. Department of Housing and Urban Development ("HUD") its statements of community development objectives or similar required documents, OHCD shall prepare and submit a Proposed Consolidated Plan to Council, along with a proposed Ordinance authorizing the Plan, including application for funding contemplated by the Plan. Council may amend the Proposed Plan and proposed Ordinance as it deems necessary.

(2) When the Proposed Consolidated Plan and proposed Ordinance are submitted to Council, Council shall, pursuant to the Charter, thereafter set a date for a public hearing in order to take written comments and proposals and hear oral testimony from interested citizens. Prior to authorizing the Plan and approving the proposed Ordinance, Council may amend each document. Once so authorized, the Plan shall be referred to as the Final Consolidated Plan.

(a) The Final Consolidated Plan shall be deemed to conform with the requirements of this Ordinance.

(3) Subject to the provisions of subsection (4), OHCD may propose and adopt amendments to the Final Consolidated Plan. OHCD shall establish policies and procedures pertaining to such amendment(s) that are in compliance with federal, state and local laws and regulations and shall publish said policies and procedures in the Preliminary, Proposed and Final Consolidated Plan. In addition, with respect to each proposed amendment, OHCD shall, in the same form and at the same time as published pursuant to 24 C.F.R., Part 91, report all Final Consolidated Plan amendments to the President of City Council and the members of the Committee on Housing, Neighborhood Development and the Homeless.

(4) Council authorization shall be obtained before OHCD makes any change or changes in any Final Consolidated Plan's budget which alone or in combination with previous changes, amount to ten percent (10%) or more in cumulative effect on the allocation in such Final Consolidated Plan when OHCD proposes to use the funds to undertake one or more new activities, or proposes to alter the stated purpose, location or class of beneficiaries of previously authorized activities.

(5) If, at any time, (a) OHCD determines that revenues will fall short of or exceed those projected in any Final Consolidated Plan, or that new revenue sources have become available; or whenever amendments are proposed pursuant to subsection 21-1104(3); and (b) such shortfall, excess, new revenue, or amendment will change any revenue line item by at least ten percent (10%) and at least \$500,000, OHCD shall prepare and submit to Council a proposed amendment to the Final Consolidated Plan, a proposed ordinance approving such amendment, and such other information as may be

City of Philadelphia

BILL NO. 110784 continued

Certified Copy

requested by Council. No amendment subject to this subsection (4) shall be submitted to HUD unless approved by ordinance.

§ 21-1106. Information to be Provided to Council.

(1) OHCD shall prepare and submit to City Council quarterly performance reports within sixty (60) days of the end of each calendar quarter. These reports shall contain beneficiary data for activities outlined in the annual Consolidated Plan that are made fundable and eligible for very low, low and moderate income households in accordance with HUD regulations, such other information as may be requested by the Council President or his/her designee, and the following:

(a) For each program or activity that produces a unit of housing, the geographic distribution by Council District and demographic data on the recipient(s) including, but not limited to, income by category (as defined in subsection 21-1103(2)), race, gender, disability and age.

(b) For each program or activity that produces a unit of service that preserves or improves housing units or assists persons in securing affordable housing, the geographic distribution by Council District and demographic data on the recipient(s), including, but not limited to, income by category, race, gender, disability and age.

(c) For each program or activity that provides employment and training, data on the recipient(s), including, but not limited to, income by category, race, gender, disability and age.

(d) For each program or activity that creates or retains jobs, data on the recipient(s), including, but not limited to, income by category, race, gender, disability and age.

(2) OHCD shall prepare and submit to City Council within sixty (60) days of the end of each calendar quarter, quarterly financial reports consisting of the financial information produced and maintained by OHCD in the normal course of its operations, presented in the form utilized by OHCD.

(3) OHCD shall prepare and submit to City Council within sixty (60) days of the end of each calendar quarter a report on affirmative action and equal opportunity on programs and activities funded in whole or in part from any Final Consolidated Plan. The report shall contain the following information and such other information as may be requested by the Council President or his/her designee:

(a) A summary report of preservation programs by program and Council district, indicating the amount of each project; the status of each contractor as majority, minority, women and disabled owned business; whether the contractor is

City of Philadelphia

BILL NO. 110784 continued

Certified Copy

located within or outside the City of Philadelphia; the total number of persons employed by each contractor on each project; and the number and percentage (relative to total persons employed on the project by the contractor) of minority, female, and disabled employees employed by each contractor on each project.

(b) A summary report of production programs, by program and Council district, indicating the amount of each project; the status of each contractor as majority, minority, women and disabled owned business; whether the contractor is located within or outside the City of Philadelphia; the total number of persons employed by each contractor on each project; and the number and percentage (relative to total persons employed on the project by the contractor) of minority, female, and disabled employees employed by each contractor on each project.

(c) A summary report of professional service contracts, listing the contracts and amounts indicating the status of each contractor as majority, minority, women and disabled owned business; whether the contractor is located within or outside the City of Philadelphia; the total number of persons employed on each service contract; and the number and percentage (relative to total persons employed on the service contract) of minority, female, and disabled employees employed on each service contract.

(d) An aggregate summary of the information required by subsections (a) through (c).

(4) All documents and reports, including the Preliminary, Proposed and Final Consolidated Plan, shall be provided to Council by OHCD in hard copy and searchable electronic form.

§ 21-1107. Information Available to the Public.

(1) Information from the files of the OHCD shall be provided to the public consistent with the Pennsylvania Right to Know Act, the Federal Freedom of Information Act, and any provision of 24 C.F.R., Part 91, as amended.

(2) OHCD shall make a reasonable number of copies available free of charge of the Preliminary Consolidated Plan, the Proposed Consolidated Plan, the Final Consolidated Plan, the Consolidated Annual Performance Evaluation Report (CAPER) (required pursuant to 24 C.F.R., Part 91), and all reports required under this Chapter, and shall post all such documents on its official website.

§ 21-1108. Economic Development.

(1) It shall be the policy of the City of Philadelphia to require the recipients of funds included in any Final Consolidated Plan used for economic development, including Commercial and Industrial development, to directly create or retain jobs for persons who

City of Philadelphia

BILL NO. 110784 continued

Certified Copy

are of very low, low or moderate income. Emphasis shall be given to spend these funds in very low, low and moderate income areas.

(2) *At least five percent (5%) of the annual federal Community Development Block Grant allocation received by the City of Philadelphia shall be allocated to economic development programs administered by community development corporations.*

(3) *To insure compliance with the policy set forth above, OHCD shall require all recipients of funds included in any Final Consolidated Plan used for economic development to submit annual reports for two years following the disbursement of program funds. The recipients' reports shall indicate the name, address or principal residence, and income of each person employed.*

(4) *OHCD is authorized to verify the accuracy of the recipient's annual reports at any time by inspection of the recipient's records or any other reasonable method necessary for verification.*

(5) *To insure the privacy of employees hired through the use of funds included in any Final Consolidated Plan, all recipient records required by this Section shall be confidential. Names of individual employees shall be made available to OHCD personnel only for the purpose of verification and inspection of recipient records. Any record containing identification of employees by name and/or Social Security number is expressly exempt from the public information requirements of Section 21-1107.*

§ 21-1109. Administrative Costs.

(1) *Subject to subsection (2), no more than fifteen percent (15%) of any year's Federal Community Development Block Grant allocation may be spent on administrative costs of OHCD and/or its Major Delegate Agencies. For purposes of this Section, "Major Delegate Agencies" shall refer to the Redevelopment Authority of the City of Philadelphia, Philadelphia Housing Development Corporation, and the Philadelphia Industrial Development Corporation.*

(2) *Upon demonstration of special needs, the Council may grant an exemption in its approval of the Consolidated Plan from the fifteen percent (15%) limitation contained in subsection (1) where such limitation is unduly burdensome.*

§ 21-1110. Rules and Regulations.

OHCD is authorized to establish and enforce reasonable rules and regulations necessary to promote compliance with the provisions of this Chapter.

§ 21-1111. Applicability Period.

City of Philadelphia

BILL NO. 110784 continued

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The provisions of this Chapter shall remain in force and effect until June 30, 2020.

Explanation:

Italics indicate new matter added.

City of Philadelphia

BILL NO. 110784 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on December 15, 2011. The Bill was Signed by the Mayor on December 21, 2011.



Michael A. Decker
Chief Clerk of the City Council