

Stimulus at Work *in Philadelphia*

The Mayor's Quarterly Update on the Recovery Act
to the Citizens of Philadelphia



March 2012

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Mayor's Foreword

My fellow Philadelphians,

With the steep challenges of the Great Recession still lingering, our city has been severely tested. Utilizing Recovery Act funding leveraged with other public and private sector dollars, Philadelphia has been able to continue making key investments in its future, while helping those most deeply affected by the housing crisis and high unemployment.



When the housing crisis hit, this Administration's first priority was to keep people in their homes. I'm particularly proud of the Residential Mortgage Foreclosure Prevention Program, a nationally-recognized program that has preserved housing for 4,000 Philadelphians with the help of Recovery dollars. The federal government has also recognized the City's Office of Supportive Housing and its partners' exemplary efforts to prevent thousands of residents – families, veterans, seniors – from becoming homeless with the strategic management of \$24 million in Recovery Act funds.

One key rationale for the Recovery Act was to preserve and create jobs – and this is exactly what it has done in Philadelphia. But it has also worked as a vital bridge to a more stable and prosperous future for local residents that were especially affected by the recession. With KEYSPTS, nearly 70 public computer centers are now operating across the city and helping residents gain the basic computer skills they need to compete in today's economy. Meanwhile, local homeowners are seeing their utilities costs go down as weatherization improvements upgrade 2,000 homes citywide, while building a cadre of green technicians and helping transform Philadelphia into America's most sustainable city.

All of this was made possible by the timely injection of Recovery Act dollars and the prudent and forward-looking management of that funding by the City.

However, even with these accomplishments, there remain many challenges ahead. Just as Recovery Act funding is nearing its end, proposed state budget cuts threaten to undo decades of progress in community-based social service programs and diminish higher education's undisputed economic impact. Now is not the time to cut funding for critical human services or curtail higher education's proven pathway to quality education and stable employment. On the contrary, now is exactly the time that we should be investing in our people and laying the foundations for future economic growth.

More challenges lie ahead, but the City will continue to move forward and do the right thing for the well-being and prosperity of our citizens.

A handwritten signature in blue ink, which appears to read "Michael A. Nutter".

Mayor Michael A. Nutter
City of Philadelphia

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About this Update

This Update provides Philadelphians with a clear explanation of where Recovery Act dollars are going and how they are being spent. High standards of transparency and accountability are at the heart of both the Recovery Act and Mayor Michael Nutter’s Administration. Publishing a quarterly update on the impact of the Recovery Act in Philadelphia is one way to meet the intention of the Act and the Mayor’s goals. The timing of this publication will coincide with the information reported to the federal and state agencies at the conclusion of each quarter’s reporting period.

In addition to issuing *Stimulus at Work*, the Recovery Office’s website is frequently updated and includes more in-depth information, opportunities and additional resources. Visit www.phila.gov/recovery or use any smartphone to scan the QR Code (at right) to view the Recovery website instantly.



Please contact the Recovery Office at 215-686-6131 or recovery@phila.gov if you would like to provide feedback about this Update or have general questions regarding the Recovery Act in Philadelphia.

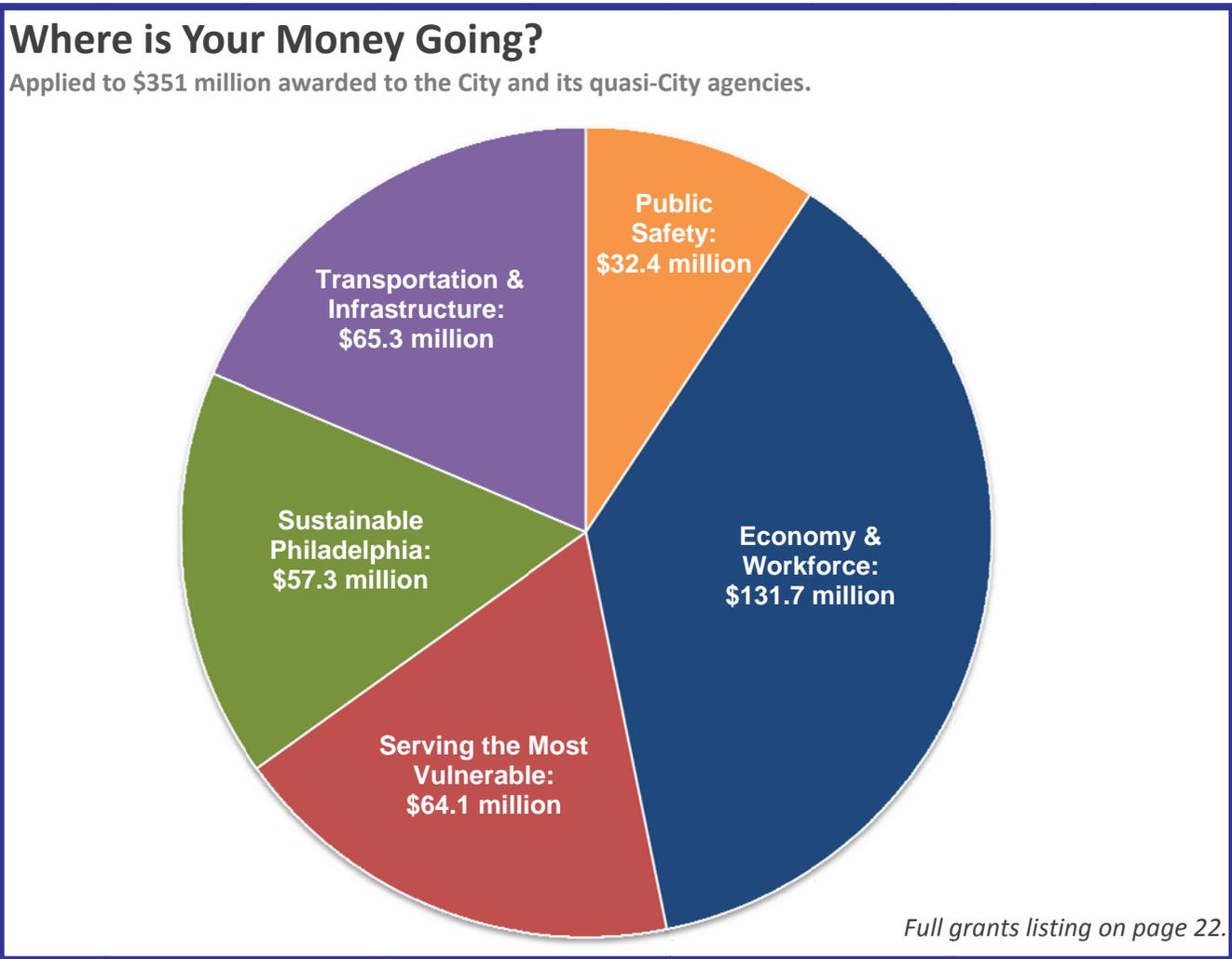
Executive Summary

The purpose of this Update is to inform and report on the impact of the Recovery Act in Philadelphia, for the federal reporting quarter ending December 31, 2011.

To date, Philadelphia has received \$2.2 billion in Recovery Act dollars. Of that total, the government of the City of Philadelphia has been awarded 50 grants totaling \$351 million in Recovery Act dollars. The City is responsible for managing and reporting on \$276.1 million, while quasi-City agencies manage and report on the remaining \$75 million.

Spending continues at a solid pace and of the \$276.1 million, the City has committed \$224.7 million—81 percent of the City’s Recovery Act dollars. All Recovery funds must be expended by September 30, 2013, unless a special waiver is granted by the (federal) Office of Management and Budget.

Recovery Act dollars are invested across five categories: *Growing Philadelphia’s Economy & Workforce*, *Improving Public Safety*, *Serving the Most Vulnerable*, *Creating a Sustainable Philadelphia*, and *Improving Transportation & Infrastructure*. The chart below highlights the distribution of the funds:



Keys to a Better Future

The Recovery Act was designed to not only create jobs, but to help those most deeply affected and left behind by the recession. This edition of *Stimulus at Work* shines a light on Recovery Act-funded programs that have focused on helping some of the most vulnerable Philadelphians—such as those who have struggled to find a good-paying job, have been at the point of foreclosure or who even have faced homelessness.

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All Contents © Freedom Rings Partnership 2011 Web design by Mighty Engine

One of the City’s most successful Recovery Act-funded initiatives has been the opening of 68 (out of 77) public computer centers—KEYSPOTS—in neighborhoods that have minimal access to broadband. KEYSPTS provide Philadelphians in these neighborhoods with the skills and knowledge necessary to participate and succeed in the technology-based economy.

The Freedom Rings Partnership* recently kicked-off a campaign to promote the newly-launched KEYSPTS. KEYSPTS are located across the city—primarily in North, South and West Philadelphia—and offer free Internet access and computer training classes.

KEYSPOT information is being advertised across the city, so that all Philadelphians know what is available to them—so more than likely if you have been on a bus, the subway or passed a bus shelter, you have seen the ads.

For more information or to find the closest KEYSPT, please visit www.phillykeyspots.org. Or call 311 or 215-851-1990.

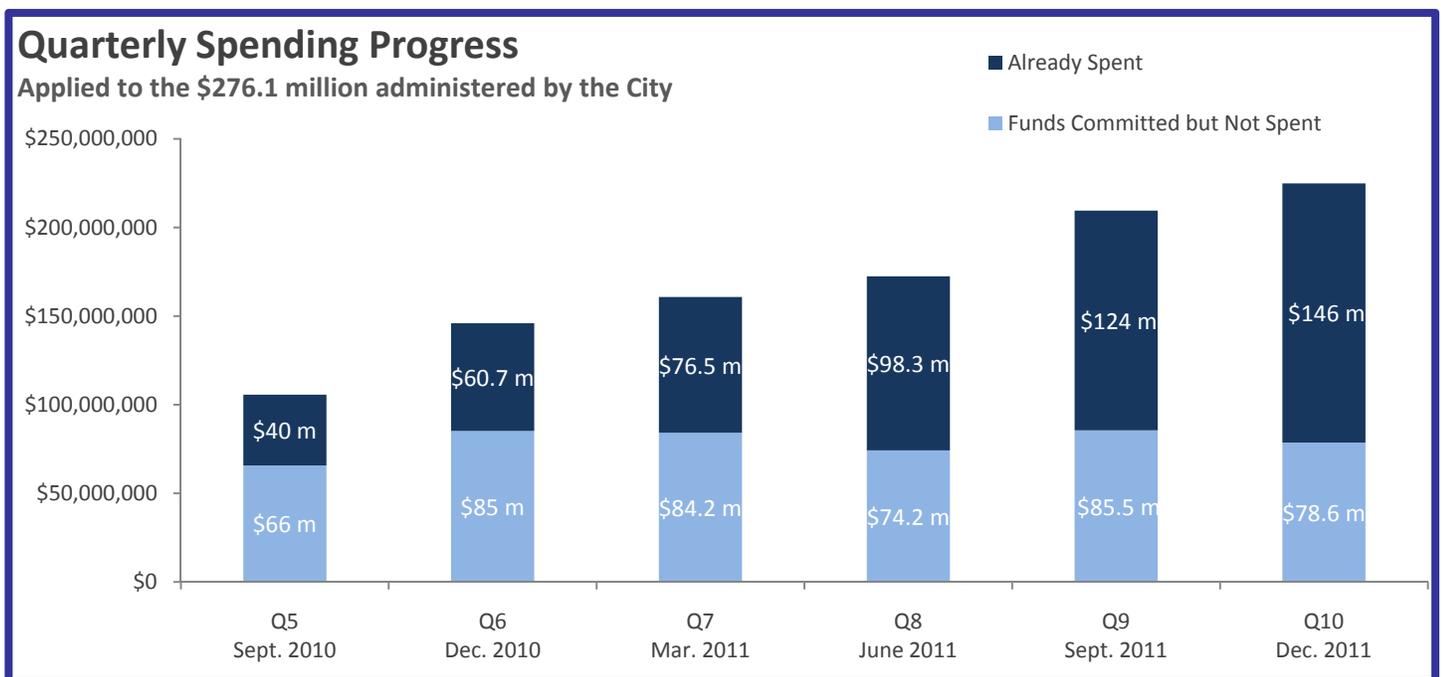
As of December 2011, KEYSPTS achieved the following:	
OPEN KEYSPTS	68 (out of 77)
JOBS CREATED/SAVED	113
WORKSTATIONS /COMPUTERS	763
AVERAGE CLIENTS PER WEEK	2,902
KEYSPOTS WITH NEW/UPGRADED BROADBAND	23
HOURS OF COMPUTER TRAINING PROVIDED	68,757
ADDITIONAL HOURS/WEEK KEYSPTS ARE OPEN	5,387
TOTAL CLIENTS (CUMULATIVE)	62,853

*KEYSPOTS were created by the Freedom Rings Partnership, with funding from the Recovery Act’s Broadband Technology Opportunities Program, including a \$6.4 million Public Computing Centers Grant (awarded to the City of Philadelphia) and an \$11.8 million Sustainable Broadband Adoption Grant.

Stimulating Our Economy

Philadelphia is benefiting from \$2.2 billion in Recovery Act funding. Of that total, the City of Philadelphia has attracted \$351 million in Recovery Act dollars. This funding is not only helping to serve immediate needs, stemming from the recession, such as providing homelessness prevention and rapid re-housing financial assistance to thousands of local households, but the City is also using it to strategically invest in the future of Philadelphia.

Of the total \$351 million in Recovery Act dollars awarded, the City has prime responsibility for managing and reporting on \$276.1 million on a quarterly basis. As illustrated in the table below the City has expended \$146.1 million and obligated an additional \$78.6 million directly with hundreds of local businesses and non-profit organizations.



Several of the City’s quasi-City agencies independently manage \$75 million of the Recovery Act dollars awarded, as explained below:

- \$16.9 for home weatherization to the Philadelphia Housing Development Corporation
- \$14.1 million in job training funds to the Philadelphia Workforce Investment Board
- \$22.9 million in Recovery Zone Facility Bonds to the Philadelphia Industrial Development Corporation (\$16 million in bonds issued Dec. 2010)
- \$22 million in TANF Recovery funds to support the *Way to Work Philadelphia!* jobs initiative to the Philadelphia Workforce Development Corporation and partner agencies (*Completed Sept. 30, 2010*)

Growing Philadelphia's Businesses, Economy & Workforce



Grants awarded in this category help stimulate neighborhood business development, rejuvenate neighborhoods and prevent blight, create “green” jobs, create jobs for adults and youth, and provide low-income Philadelphians with the opportunity to access computers and the Internet.

Grants Awarded in this Category: \$131,712,476

Stimulus at Work Spotlight on: **Mortgage Foreclosure Prevention Program**

A major consequence of the economic recession has been the dramatic increase in foreclosure rates, with some neighborhoods hit especially hard by the effects of the crisis.

To address this critical issue, in 2008, the City created the *Residential Mortgage Foreclosure Prevention Program* in response to the increase in the number of homeowners facing foreclosures; a top priority of the Nutter Administration was keeping people in their homes. The goals of the Program, which has been nationally recognized as a best practice model, have been to keep homeowners in their homes, preserve and protect neighborhoods, achieve judicial efficiency, and support homeowners’ negotiations with lenders for mortgage resolution. To provide further assistance, the City of Philadelphia directed a significant amount of its Recovery Act funds—dedicating portions of its **\$14 million Community Development Block Grant-Recovery (CDBG-R)** and **\$44 million Neighborhood Stabilization Fund 2**—towards the vital foreclosure prevention and mitigation efforts. **Since the Program began, more than 4,000 homes have been saved from foreclosure. CDBG-R funding for the Program will end in September 2012 and continuation of the Program will be dependent upon the availability of additional funding sources.**

Recovery Act funding was also directed to support the work of Community Legal Services (CLS), an important component of the Program. CLS assists with complex client cases, such as **Toni’s** below, that requires legal counsel and supports the SaveYourHomePhilly hotline, a foreclosure assistance hotline. Additional Recovery Act funds supported client housing, counseling and public awareness activities.

Since 1997, Toni L. had been burdened by a subprime loan with an interest rate of nearly 15 percent and a mortgage company whose servicing practices caused unaffordable payment rates—as well as stress. By providing legal support funded by the Recovery Act, CLS attorney Beth Goodell helped prevent a foreclosure on Toni’s home and freed her from years of financial pressure.

Toni met Goodell eight years ago when the rising mortgage payments caused her to file for bankruptcy. While Goodell was able to resolve the bankruptcy case to lower her payments, last year Toni received foreclosure notices that she didn’t understand. Despite sending in her scheduled payments month after month and having a loan balance of only \$7,000, Toni was notified that she was \$1,500 behind.

Fortunately, Toni reunited with Goodell and was able to utilize the Program to help avoid foreclosure. Goodell assisted Toni through the court process and worked to lower the total amount that had to be paid. The Homeowners Emergency Mortgage Assistance Program, a state loan program that housing counselors used to aid residents facing foreclosure, provided the necessary funds to fully refinance Toni’s mortgage debt; unfortunately, that program was defunded by the state in 2011. Goodell’s assistance, which would not have been possible without Recovery Act funding, kept Toni from losing her home.

“I always paid on time and thought that would be enough, but my loan turned out to be a very predatory one. I was always stressed and I didn’t know what to do,” said Toni. ***“Without the Program, I would have lost one of the most important things: my home.”***



Above, Toni (at left) and Beth gather to celebrate the loan program and hard work that saved Toni’s home.

Utility Emergency Services Fund



Utility terminations are a significant cause of homelessness, as indicated by the profiles of many residing within the City's shelter system. Recent studies have suggested that nearly one third of evictions are the result of an inability to afford electric, gas and water utility bills. Therefore, ensuring people are able to pay their bills will help keep them in their homes—the top priority of the Nutter Administration's housing policy.

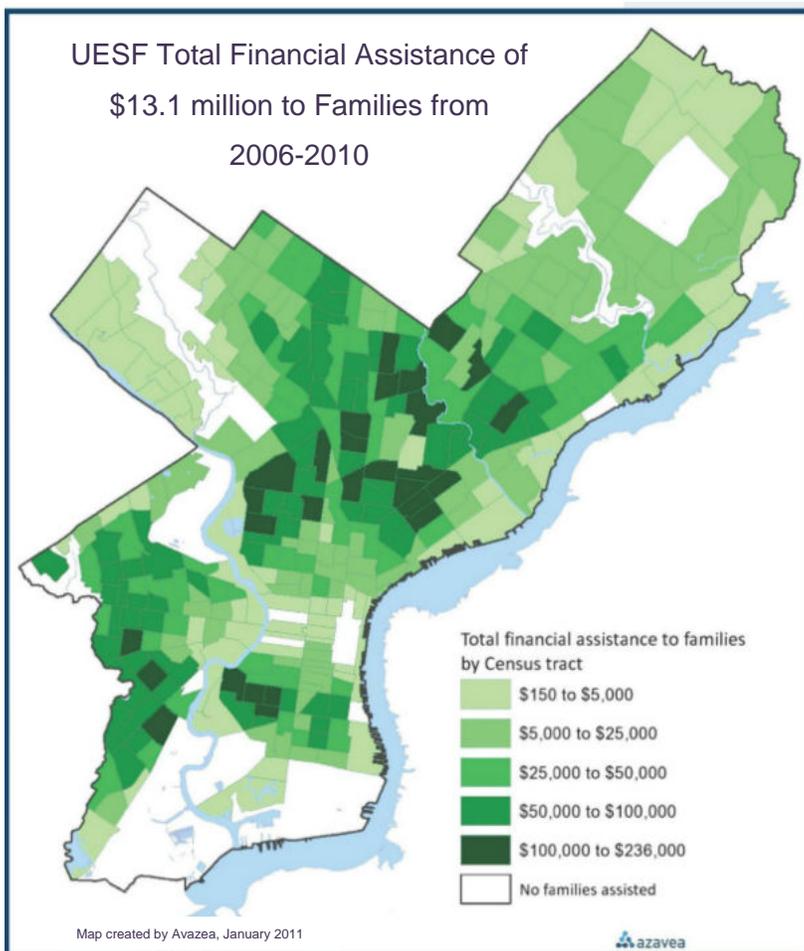
The **Utility Emergency Services Fund (UESF)** received **\$1 million** through the Recovery Act's **Community Development Block Grant-Recovery (CDBG-R)** to provide utility assistance to vulnerable families. Families in danger of having their electricity, gas, and/or water services terminated received assistance grants to restore their utilities and keep them in their homes and their families together.

With these Recovery Act funds, UESF was able to keep over 2,700 families in their homes. Additionally, UESF leveraged Recovery funds with dollar for dollar matches from PECO (the city's main electricity supplier), Philadelphia Gas Works and the Philadelphia Water Department for a total of \$2 million in assistance for families in need.

Many families struggled with utility bills because of rising health care bills and loss of work due to a chronic medical condition—UESF's assistance helped them stay in their home.

"We did not know there were programs out there that really work. We were able to get a fresh start and keep up with our utility bill."

—UESF Client



Utility assistance helps families get through a difficult financial stretch and, in most cases, return to financial security.

During the 5-year period from FY 2006 to FY 2010, 90 percent of families served did not return to UESF for additional assistance.

The Mortgage Foreclosure Prevention Program and UESF have been funded both with **CDBG-R** funds and from the City's CDBG (non-Recovery) formula allocation. In addition to CDBG-R funding ending, the City of Philadelphia has experienced a 31 percent reduction in its CDBG formula allocation over the past two years.

Creating a Sustainable Philadelphia



Grants awarded for this category invest in a more sustainable future for Philadelphia delivering on the Mayor's *Greenworks* goals, such as the installation of solar panels at a Philadelphia Water Department facility, LED traffic signal replacements, new bike racks, and additional BigBelly Solar Compactors along commercial corridors. Grants also provide loans for retrofits of residential and commercial buildings, as well as to assist Fairmount Park in moving toward a more sustainable ecosystem.

Stimulus at Work Spotlight on:

Weatherization Assistance Program

Grants Awarded in this Category: \$57,320,440

For far too many hard-working and low-income Philadelphians, keeping energy costs down or finding a good paying job has not been easy in this economy. So when it came time to determine how Recovery dollars would be spent, the City wanted to make the most of the funding by helping homeowners make smart choices for their homes as well as assisting job-seekers looking for long-term employment opportunities.

Although the Weatherization Assistance Program existed prior to the Recovery Act's inception, the Act's investment roughly doubled the total number of homes served in Philadelphia on an annual basis. The Energy Coordinating Agency (ECA) and Philadelphia Housing Development Corporation (PHDC) were allocated nearly **\$30 million combined** in Recovery Act funding to weatherize local homes. Since then, more Philadelphians have been able to reduce their energy costs and increase the comfort of their homes. Recipients have been eligible for improvements like insulation, air sealing, and the replacement of critical systems like boilers and hot water heaters.

Besides reducing costs *inside of homes*, Recovery Act funding has also been an engine of economic growth *outside of homes* providing work for more than 40 small businesses, nearly half of which are owned by minorities, women, or the disabled. By doing so, Philadelphia's businesses are positioned to build skills and expertise in an emerging, regional market.

On February 16, 2012, Mayor Nutter and City Council recognized ECA's Green Job's Training Center as a Center of Excellence. Since its opening in 2010, the Training Center has trained over 1,500 men and women, including over 350 individuals trained to the national Building Performance Institute standards. The Training Center has also partnered with the Community College of Philadelphia to develop an Associate's Degree in Building Science. These programs are helping contribute to the City of Philadelphia's goal of becoming the greenest city in America by 2015 and a leader in clean energy development and technology.



Mayor Nutter, EPA Administrator Lisa Jackson, and Izabella Teixeira, Brazil's Minister of Environment, tour ECA's Green Jobs Training Center.

“The Weatherization Assistance Program has provided real work opportunities for Philadelphia residents and small businesses,” said Mayor Nutter. ***“That’s exactly the kind of outcome we were looking for when the Recovery Act passed.”***

In addition to its training accomplishments and partnerships, ECA's Training Center has also been approved by the U.S. Department of Labor as the nation's first Apprenticeship Program for Weatherization Installer and Energy Auditor, and ECA is now implementing this Apprenticeship Program in Philadelphia.

By spring 2012, Recovery Act dollars will have helped upgrade more than 2,000 homes. Recovery Act funding for the Weatherization Assistance Program will end in June 2012.

Improving Transportation & Infrastructure



Grants awarded for this category allow the City to invest in a range of key infrastructures essential to Philadelphia's future, including street repaving across the city, runway rehabilitation and baggage screening improvement at Philadelphia International Airport, sewer system replacement, and establishing a trail network in Philadelphia and its surrounding counties.

Stimulus at Work Spotlight on: Dilworth Plaza

(Note: Project not managed by the City of Philadelphia)

Grants Awarded in this Category: \$65,307,613

In late January 2012, the \$50 million renovation for Dilworth Plaza broke ground, launching a centerpiece economic revitalization process for Philadelphia. Dilworth Plaza, which sits to the west of City Hall, is set to receive an unprecedented upgrade into a world-class civic space. The project is set to remake the concrete plaza into a walkable green space (*seen in the rendering below*) with a café, a fountain and an outdoor performance space. And true to the Mayor's dedication to sustainability, the revitalized Dilworth Plaza will dramatically increase the amount of permeable surface, extensive landscaping and an irrigation system fed by rainwater.

Approximately **\$15 million** of funding is being largely provided by the Recovery Act's **Transportation Investment Generating Economic Recovery (TIGER) II Grant**, through the U.S. Department of Transportation. Additional funding is being contributed by the Commonwealth of Pennsylvania, the City of Philadelphia, SEPTA, the John S. and James L. Knight Foundation, and a number of additional private foundations and contributors. Overall, Paul Levy and the Center City District have been responsible for the leadership and management of this project.

The Dilworth Plaza redevelopment effort will serve as part of a major economic development boon to Philadelphia—both during its development and after its opening. According to an analysis by Econsult, **the project is expected to create almost 1,000 jobs and almost \$40 million in wages over the 30-month construction period.** And with upgrades to the Center City area, Dilworth Plaza and City Hall have the ability to serve as anchors for further economic growth by welcoming visitors to Philadelphia and helping to better facilitate movement—and business—within the city.

Although the City of Philadelphia is not responsible for managing this **TIGER II Grant**, the project reflects the City's goals by generating economic activity, improving Philadelphia's infrastructure and, most importantly, creating more jobs within the city. Projects like Dilworth Plaza are an essential element in the City's aggressive campaign to mitigate and reverse the lingering effects of the recession.

The project is expected to be complete in early 2014.

"As we attract more visitors to our city, we need gathering places like Dilworth Plaza that will enhance the vitality, not just of Center City, but that actually enhances the vitality of our entire region," said Mayor Nutter.



Serving the Most Vulnerable



Grants awarded for this category span a range of assistance and preventative measures to help those deeply affected by the recession, including homelessness prevention, rapid re-housing, job training for people aged 55+, self-sufficiency for low-income residents, chronic disease prevention and wellness, vaccine research, obesity prevention, and smoking cessation.

Stimulus at Work Spotlight on: **Homelessness Prevention & Rapid Re-Housing**

Grants Awarded in this Category: \$64,134,835

As the housing crisis deepened and the poverty rate increased the last few years, the risk of homelessness for families and individuals increased. With national studies showing an initial spike in homelessness at the beginning of the recession and its gradual mitigation tracked with the release of Recovery Act funding, the U.S. Department of Housing and Urban Development's (HUD) data shows a similar rise, fall and stabilization of numbers in Philadelphia. However, Governor Corbett's recently proposed budget cuts, which will coincide with the end of Recovery Acts funds, will put the stabilization at serious risk.

The City of Philadelphia received a federal **\$21 million Homelessness Prevention and Rapid Re-Housing (HPRP) Grant** as well as a **\$2.7 million HPRP Grant** from the Commonwealth in 2009. Both Recovery Act grants were used to assist households at risk of becoming homeless or who were currently homeless as defined by the McKinney-Vento Homeless Assistance Act. With services beginning citywide on October 1, 2009, the program was comprised of two components—homelessness prevention and rapid re-housing. The prevention component assisted households (families and individuals) who were already housed, to stay in their homes and avoid homelessness. The rapid re-housing component provided assistance to homeless households residing in emergency or transitional housing to relocate back into the community.

The City's Office of Supportive Housing (OSH) administers the HPRP program and contracted with 18 community-based providers to deliver services to eligible households. The Recovery Act gave the City of Philadelphia the resources and opportunity to directly challenge poverty increases fueled by the recession, which resulted in a number of significant achievements:

- **More than 16,000 households have been assessed by HPRP services.**
- **3,137 households with eviction notices have been prevented from becoming homeless.**
- **1,289 households (543 single males, 121 single females, and 625 families) that were in emergency housing (shelters) have received financial assistance and housing stabilization support to transition to permanent housing.**
- **616 households have received mortgage assistance to prevent foreclosure.**
- **Besides the economic impact of poverty prevention, HPRP has created close to 50 jobs.**

As anticipated, the services provided by the three-year Recovery Act-funded HPRP grants will end June 30, 2012. The City will use the summer to close-out and complete administrative functions. However, beginning July 1, 2012 (FY 13), OSH will administer a significantly smaller prevention and rental assistance program to assist households that are imminently at risk of homelessness or currently homeless, through its federal Emergency Solutions Grant award.

Since the start of the program, less than 5% of those who were homeless have re-entered shelter.

The need for homelessness and rapid re-housing services in Philadelphia has been significant and, despite the welcome injection of Recovery Act funds, resources have been limited. Therefore, the City, with its partners, took a strategic and coordinated approach to allocating funds for maximum impact. HUD has praised OSH for several exemplary practices, notably in a letter sent on February 14, 2011:

“Philadelphia’s Office of Supportive Housing has done an exemplary job of working collaboratively with sub-recipient agencies, advocates, and the entire human services community to develop a solid HPRP program. The level of planning and collaboration City staff have brought to HPRP is commendable. The high level of ongoing collaboration with key stakeholders and HPRP sub-grantees has enabled the City to make adjustments to the program as needed.”

The City and its partners continue working to serve those most deeply affected by this deep recession, but are concerned about the sharply declining funding from both state and federal sources at roughly the same time.

Homelessness Prevention and Rapid Re-Housing Providers	
Federal Grant	State Grant
Coehlo Consulting	Women Against Abuse-DV provider
Women’s Community Revitalization Project	Achievability
Catholic Social Services	Valley Youth House
Congreso	Homeless Advocacy Project
Utility Emergency Services Fund	Nationalities Services Center
Diversified Community Services	Pa Community Real Estate Corp
Intercultural	Coehlo Consulting
Friend Rehabilitation Program	
Pa Community Real Estate Corp.	
Public Health Management Corp	
Philadelphia Veterans Multi-Service and Education Center	
Ready Willing and Able	

Anise’s Story

However, successes cannot be measured just in numbers. Anise Jameson (whose name has been changed), a Gulf War veteran and mother of two, was suffering from post-traumatic stress syndrome while fleeing a domestic violence situation in Texas. When family and friends in Philadelphia were unable to take them in, she and her children were left with no other options but to live in their car.

Fortunately, one of the HPRP-contracted providers, the Philadelphia Veterans Multi-Service and Education Center, was able to intervene and connected Anise with rapid re-housing services. With the help of those services, Anise was able to enroll in college, and she and her children recently moved into a unit in a new apartment building that was subsidized by the HUD-Veterans Affairs Supportive Housing program.



Improving Public Safety



Grants awarded for this category fund improvements to public safety, such as recruiting an additional 50 new police officers, an additional 56 Courts staff (up to June 2011 and subsequently funded by the City), education, training and job placement for ex-offenders, addressing abandoned and vacant buildings, and crime prevention resources for police.

Stimulus at Work Spotlight on: The Guild Program

Grants Awarded in this Category: \$32,470,571

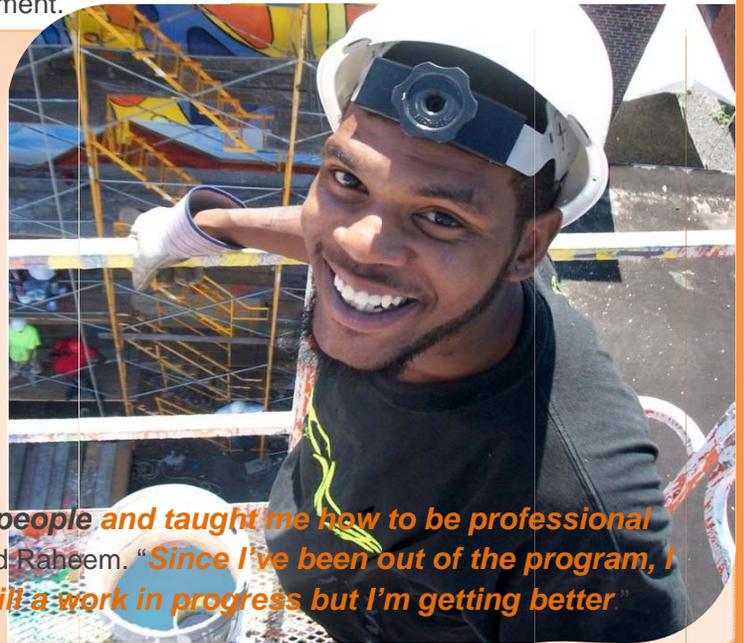
Young adults (ages 18-24) on probation, who have been identified as those most likely to kill or be killed in Philadelphia, were referred through the Youth Violence Reduction Partnership to the City of Philadelphia Mural Arts Program's Guild program. As young people with little or no work experience and varying levels of involvement with the criminal justice system, they are left with few options, especially at a time when employment is scarce. From painting murals to constructing retail space, vacant lot reclamation to resume writing—youth partners are constantly encouraged to develop diverse skills through a wide variety of work.

Through the **\$1.4 million** in funding provided by the Recovery Act's **Byrne Grant**, the Guild provides stable short-term employment in a supportive environment where participants gain concrete skills and learn the personal and community rewards associated with responsibility and commitment. Participants, like **Raheem C.**, obtain employment as well as the tools to obtain and maintain long-term employment.

Raheem is currently employed by Cherry Scaffolding, a company that works closely with Mural Arts. In the past year, he has been promoted to the position of site supervisor and his supervisor speaks highly of him.

Although Raheem experienced some difficulty while working in the Guild, including arguments with instructors, anger management issues and being re-arrested, he remained dedicated, working closely with the Guild's employment opportunities specialist to prepare himself for and ultimately finding meaningful employment.

"The Guild helped me to get along better with other people and taught me how to be professional when I'm working with people who are different," said Raheem. ***"Since I've been out of the program, I still have a little attitude but I'm working on it. It's still a work in progress but I'm getting better"***



As the funding provided through the Recovery Act draws to a close, the future of the program is uncertain. Guild staff members are working closely with the Mural Arts development team as well as partner organizations to search for alternative funding sources in hopes of continuing the program. However, one thing is for certain—Recovery Act dollars have helped to provide a range of skills-based and supportive programs to some of the city's most at-risk youths, in order to allow them to see their potential for lives outside of crime and become contributing members of the community. Otherwise, vulnerable youths, like Raheem, will have few other options than to give up and turn back to their "old" lives, if essentially all previous support to encourage them to pursue a more rewarding future is gone.

With 94 youth partners served to date, Recovery Act funding is expected to end August 31, 2012.

Completed Grants & Projects

Recovery Act-funded grants and projects that have finished are highlighted in the table below.

Category	Project	Details
Economy & Workforce	Liberty Property Trust at the Navy Yard (Recovery Zone Facility Bonds)	\$16 million in Recovery Zone Facility Bonds, issued by the City to the Navy Yard, for development of two flexible-use buildings.
	<i>Way to Work Philadelphia!</i>	Jobs provided for 13,000 adults and young people.
	Community Services Block Grant-Recovery	Connected 5,709 low-income Philadelphians to much-needed employment, training and education.
	Utilities Emergency Services Fund (CDBG-R)	Provided assistance grants to 1,000 families in danger of having their electricity, gas, and/or water services terminated.
	Mortgage Foreclosure Prevention Program (CDBG-R)	Assisted approximately 1,700 households facing residential mortgage foreclosure.
	KEYSPOTS (BTOP)*	To date, a total of 68 KEYSPOTS (public computer centers) have been opened, of the 77 that will be established through the Freedom Rings Partnership.
Transportation & Infrastructure	Airport Runway Rehabilitation	Rehabilitation and resurfacing of Runway 9R-27L—Philadelphia International Airport's longest runway at 2,600 feet.
	Water & Wastewater Program	Low-interest loans for water piping and water treatment plant projects.
Sustainable Philadelphia	Radio Frequency Identification (RFID) Readers (EECBG)	Installation of RFID readers (used to scan tags on residential recycling containers) completed; incentive-based recycling program now available citywide.
	LED Traffic Lights (EECBG)	Completed the conversion and installation of 58,000 yellow and green traffic signals and replaced approximately 27,000 expired red LEDs. EECBG funds covered the purchase of 58,000 units and the labor for all 85,000 units. Installations at all intersections are complete.
	State Clean Diesel Grant	Purchase of 38 zero-emission electric powered baggage tractors (replacing previously used diesel) at Philadelphia International Airport.
	Restoring Fairmount Park Ecosystems	Helped Fairmount Park move toward a more stable, functional and sustainable ecosystem through a variety of projects, including training ten young people for the Tree Training program.
Most Vulnerable	Senior Community Service Employment Program / Commission on Aging	Developed and promoted part-time work experience and job training in community service activities for disadvantaged and low-income persons, ages 55 and older.
	Varicella & Viral Vaccine	Assessed the effectiveness of two-dose varicella vaccination in protecting children against varicella (chickenpox) and its complications.
	MR Waiver (2010, 2011) & MR Early Intervention (2012)	Provided services through the delivery of authorized developmental, educational, and therapeutic services to infants and toddlers with developmental delays, in the home of the child, in daycare or head-start.
	Supplemental Funding for Reaching More Adults and Children	Improved the vaccination rates in adults and improved the existing registry by capturing adult vaccinations, provided improved functionality to providers, and improved vaccine management accountability through real-time messaging capability between the immunization registry and vaccine inventory software.
	Meningococcal Vaccine Efficacy	Enhanced surveillance efforts and evaluation of vaccine effectiveness of the prevention and control of vaccine preventable diseases that cause significant morbidity and mortality among young children and adolescents in Philadelphia.
	Strengthening Communities	Built capacity to partner with West Philadelphia community-based and faith-based non-profits, and provided training and technical assistance to help non-profit faith-based and community organizations better serve those in need and increased non-profit organizations' involvement in the economic recovery.
Public Safety	C-Tech Training Grant	Five-week training program for ex-offenders in cable and data installation, leading to employment-placements.
	Child-Support Enforcement Grant	Incentive payments to support child support services to the Philadelphia Family Courts' Domestic Relations Division.
	First Judicial District Community Court Staff (Byrne)	Funding and retention of 56 critical court employees at the First Judicial District.
	Community Court (Byrne)	Kept the Center City Community Court open until Oct. 2011, which emphasized community service sentences and behavioral treatment programs rather than jail time for low-level offenses. As a result, the City expanded this model to the rest of Philadelphia.
	Clean & Seal (Byrne)	Cleaned and sealed 1,120 abandoned and vacant properties across Philadelphia.

* Denotes that a portion of a grant or project has been completed, but is still in progress.

Additional Accomplishments

The Recovery Act is creating new opportunities through investments in Philadelphia's people, infrastructure and technology that, without the Act's funding, could not have taken place.

Additional accomplishments from this quarter are provided below.

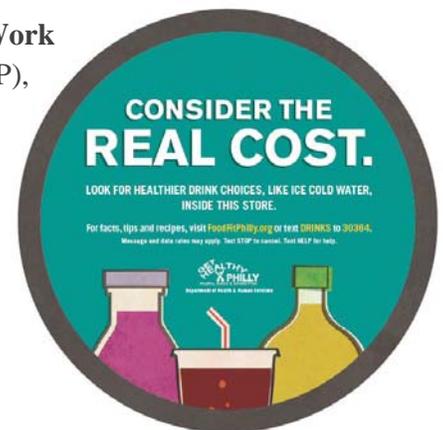
- Creative Industry Workforce Grants, supported through a portion of the **\$14 million Community Development Block Grant-Recovery (CDBG-R)** awarded to the City, support shared office space for creative industry businesses, reducing operating costs for existing and new businesses and increasing the sub-recipients' economic efficiency. Grants also support the creation of new or renovated mixed-use facilities and creative industry incubators, designed to attract new businesses and new jobs.
 - The City approved a \$1 million loan to Pennsylvania Ballet which will create a new performing arts and programmatic space at 321-331 North Broad Street (rendering at right) and 1315-1347 Wood Street, supporting the Nutter Administration's strategy to revitalize N. Broad Street.



- The purpose of the **Neighborhood Stabilization Grant 2 (NSP 2)** program is to rehab and return foreclosed homes to the market in areas that have high foreclosure rates, which without intervention, are at risk of tipping into decline. With **\$44 million in NSP 2 dollars**, a few of the City's recent accomplishments are listed below:
 - The City reached and exceeded a significant expenditure milestone set by the Department of Housing and Urban Development which required 50 percent of the grant to be expended by February 12, 2012. The City and the Philadelphia Redevelopment Agency exceeded that goal and expended 61.27 percent by the deadline.
 - The City closed on two additional homeownership properties in the Point Breeze neighborhood – Community Ventures Point Breeze and Northstar (rendering at right). Construction continued on the 17th & Federal, Cashel and Innova projects. At the end of this quarter, there were a total of 40 units under construction, representing over \$11.6 million in **NSP 2** funding.
 - The City has financed over \$8.8 million to acquire and rehabilitate 50 single-family foreclosed homes. Of the 50 homes, fifteen sold to income-qualified homebuyers and the remaining 35 are under construction. Six additional properties are in the pipeline, expected to settle within the next 30-45 days, representing an additional \$1 million in **NSP 2** financing.



- With its goal of becoming the greenest U.S. city in America by 2015, the City is using the **\$14 million Energy Efficiency and Conservation Block Grant (EECBG)** to move closer to accomplishing that goal with the following project achievements:
 - The completion of the installation of 58,000 energy-efficient LED green and yellow traffic lights. The project was funded when the City earned \$3 million in energy-efficiency incentives from PECO by investing \$3 million of its **EECBG** funds. The dollars were used to fund the 16-month project. The savings realized—both energy- and cost-related—will be of considerable assistance to the City; generating enough energy savings to power 700 homes for a year and allowing the City to reduce its monthly energy bills by nearly \$1 million a year.
 - The installation of Radio Frequency Identification (RFID) readers for use with recycling collection is complete and the Recycling Rewards program is now available citywide. The purchase of the RFID readers, made possible with **EECBG** funds, support the City’s incentive-based recycling program, by easily and quickly scanning the residential recycling stickers during collection. The City anticipates that the program will increase the percentage of waste diverted to recycling by 5-10 percent, resulting in an additional 30,000 - 60,000 tons being diverted from trash to recycling and saving millions of dollars in tipping fees each year.
- With a **\$1.8 million Grant** to restore Fairmount Park’s ecosystems, the City used Recovery Act dollars to protect and manage Philadelphia’s largest natural resource for the benefit of its citizens. The primary effort, which was to restore areas of the urban forest to protect water quality, provide wildlife habitats and reduce the impact of air pollution, was achieved with the restoration of 116 acres, along with the installation of 10,000 feet of deer fencing to protect the restoration areas. The planting of 12,000 trees and shrubs helped move the City closer toward its efforts of increasing the total number of trees in each neighborhood, which is part of the Mayor’s *Greenworks* goal; more trees means increased sustainability through lowered temperatures and reduced energy costs. And the construction of 4,500 feet of new trails ensures that citizens will be able to come into the parks and enjoy the beauty of the surroundings.
- Through the **\$15 million Communities Putting Prevention to Work (CPPW) Grant**, the initiative, known as Get Healthy Philly (GHP), was able to continue making great strides in making healthy behaviors the default. The 600th corner store joined the Healthy Corner Store Network. Two new bike lanes became permanent additions to the Center City built environment. And the successful media campaign discouraging consumption of sugary drinks continued airing on TV, radio and mass transit.



The Recovery Act's Impact on Job Creation

Philadelphia, like many cities, continues to feel the impact of the global recession. As of December 2011, the unemployment rate for Philadelphia County was 10.1 percent, which was above the national rate of 8.5 percent¹. The challenge to get people back to work is significant. The City is working tirelessly to do its part with the private and public sectors to grow and connect more Philadelphians to employment.

The estimated impact of the Recovery Act on employment and economic output is, by statute, assessed and reported on quarterly by the Congressional Budget Office (CBO). In its latest report², the CBO estimates that the Recovery Act's policies had the following effects in the fourth quarter of calendar year 2011 compared with what would have occurred otherwise:

- They raised real (inflation-adjusted) gross domestic product (GDP) by between 0.2 percent and 1.5 percent,
- They lowered the unemployment rate by between 0.2 percentage points and 1.1 percentage points,
- They increased the number of people employed by between 0.3 million and 2.0 million, and
- They increased the number of full-time-equivalent jobs by 0.4 million to 2.6 million. (Increases in FTE jobs include shifts from part-time to full-time work or overtime and are thus generally larger than increases in the number of employed workers.)

The effects of Recovery Act on output peaked in the first half of 2010 and have since diminished, CBO estimates. The effects of Recovery Act on employment are estimated to lag slightly behind the effects on output; CBO estimates that the employment effects began to wane at the end of 2010 and continued to do so throughout 2011. Still, CBO estimates that, compared with what would have occurred otherwise, Recovery Act will raise real GDP in 2012 by between 0.1 percent and 0.8 percent and will increase the number of people employed in 2012 by between 0.2 million and 1.1 million.

However, as noted in previous issues of *Stimulus at Work*, had the Recovery Act not been passed, the U.S. would have experienced a depression rather than a recession.

The CBO recognizes the limitations of using quarterly recipient reports, which count full-time equivalent jobs reported by such entities as cities, states, non-profits, and other organizations, to assess the impact on employment and economic output, and instead uses economic models and evidence from similar policies in the past to provide a more comprehensive estimate of impact.

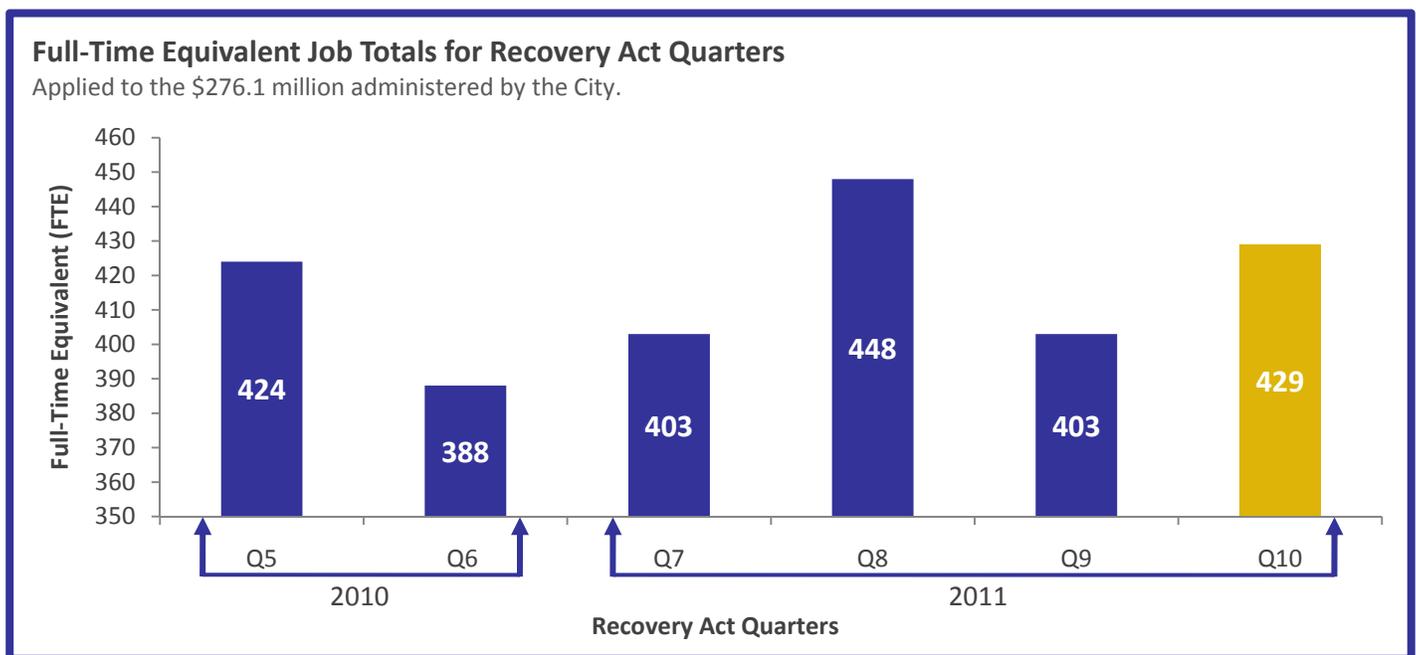
¹ Data Source: *Bureau of Labor Statistics* (Note: data for Philadelphia County is not seasonally adjusted.)

² *Congressional Budget Office: Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output from October 2011 Through to December 2011 (February 2012)*

Federally Reported Jobs: Hours Worked

Despite the limitations, as recognized by the CBO on page 17, new or retained jobs are counted and reported quarterly by recipients receiving Recovery Act dollars. Jobs must be calculated based on hours worked, referred to as full-time equivalent (FTE), rather than the number of people at work. The calculation is not cumulative so successive quarters cannot be added together and also does not capture indirect jobs. For these and other reasons, the quarterly FTE job number does not fully represent, but rather underestimates, the true impact of Recovery Act dollars.

For the \$276.1 million administered by the City of Philadelphia for the quarter ending December 31, 2011, the City reported 429.05 FTEs. However, this is only a small portion of the jobs that Recovery Act investments have created or saved in Philadelphia, to date.



Creating Opportunities

The City of Philadelphia is committed to fostering and supporting a marketplace that matches the diversity of Philadelphia and which actively helps businesses through the economic recession.

Minority-, Women- & Disabled-Owned Businesses

Mayor Nutter has set a goal for the City of Philadelphia to achieve 25 percent participation for minority-, women-, and disabled-owned business enterprises (M/W/DSBEs) in FY 2012. The City achieved a 25.6 percent participation rate on \$892.6 million awarded to the private sector in FY 2011, up from 23.7 percent in FY 2010.

“Even though our participation goal remains the same, we are still faced with the challenge of reaching it again this year during a difficult economic climate,” said Mayor Nutter. “Minority, women and disabled-owned business participation is vital to a vibrant, competitive marketplace and OEO has done a commendable job of offering these businesses the tools they need to be successful. The City has many contracting opportunities, and I would like to encourage companies to register with the City to learn more.”

Through the City’s Office of Economic Opportunity, participation ranges on competitively bid and posted professional services contracts have been set and, for Recovery Act dollars, are being tracked by the Recovery Office. The City, working alongside such partners as the U.S. Small Business Administration, the Enterprise Center, and multiple chambers of commerce, has held three successful Economic Recovery Procurement Summits to promote and maximize the opportunities for M/W/DSBE firms to do business, not only with the City, but with state, federal, and quasi-City agencies and prime contractors.

As of December 31, 2011, M/W/DSBE businesses are expected to receive 20 percent of Recovery Act dollars awarded when participation ranges were set by the City’s Office of Economic Opportunity and 12 percent of Recovery Act dollars when participation ranges were federally mandated. Federally mandated ranges are required by federal agencies, typically funding transportation and infrastructure projects which require the City to use federal M/W/DSBE programs instead of the City’s M/W/DSBE program. These statistics are reported separately because, traditionally, using federal M/W/DSBE programs results in lower participation, than when the City uses its own program.

Participation levels will also be applied to Economic Opportunity Plans that are required for contracts (e.g., public works and loan projects) pursuant to Chapter 17-1602 of the Philadelphia Code.

To view the FY 2010 Annual Disparity Study or the FY 2011 Annual Report, please visit www.phila.gov/oeo or call 215-683-2057.

Transparency and Accountability

Accountability and transparency are critical to the success of the City of Philadelphia's Recovery efforts, ensuring that the most is being made of every dollar, as well as giving Philadelphians the information they need to track where their Recovery Act dollars are going.

Oversight

The City of Philadelphia's Recovery efforts are coordinated through the Recovery Office, led by the City's Recovery Officer, Maari Porter.

The City has been subject to numerous reviews by all of the major federal funding agencies and is pleased that no major finding or concerns have been reported to date. In the City Controller's latest audit of federal funds, *Schedule of Financial Assistance for Fiscal Year 2010*, there were no audit findings or concerns reported on Recovery Act-funded grants which the Recovery Office has quarterly 1512 responsibilities for managing. This was achieved as a result of the diligence and hard work of the City's grant managers and their staff, as well as the Compliance and Control Program created and led by the Chief Integrity and Inspector General's offices. By way of background, all Recovery Act funds are audited annually by the City Controller.

Compliance and Control Program

Joan Markman, the City's Chief Integrity Officer, and Amy Kurland, the City's Inspector General, developed and launched a Recovery Act *Compliance and Control Program* for the City in September 2010. The Program communicates federal and City requirements to City officials to administer their respective grants. The *Compliance and Control Program Guide* was updated and released in September 2011 to include additional requirements based both on federal agency guidance and lessons learned in the Program. A copy of the *Guide* as well as the fraud prevention training is available online at www.phila.gov/recovery/accountability.

The Chief Integrity Officer and Inspector General have identified the higher risk grants by formally evaluating all grants. Risk criteria included the total value of the Recovery Act award, "shovel-readiness" of the project and reliance on sub-recipients and vendors to perform grant-funded activities. The Program reviewed the City's highest risk grants first and has continued to review additional grants. Moreover, City workers involved with Recovery Act projects received, and will continue to receive, fraud management training to ensure that Recovery Act dollars are spent properly.

If you witness fraud, waste or abuse, you are encouraged to report it – anonymously, if you wish – by calling the Inspector General's Fraud Hotline at (215) 686-1770 or reporting it online at www.phila.gov/oig/file.html.



Reporting Quarterly Progress

This is the tenth quarterly reporting milestone that the City of Philadelphia is obligated to meet under the Recovery Act.

The Recovery Act requires all prime and sub-recipients of more than \$25,000 file quarterly reports, known as 1512 reports, that include the total amount of Recovery Act dollars awarded, received (reimbursed) and spent (including by sub-contractors), the total number of full-time equivalent jobs funded, and completion status of the project.

This Update uses figures from the City’s tenth quarter’s federally mandated reports—most notably:

- **\$276.1 million awarded directly to the City of Philadelphia**
- **429.05 full-time equivalent jobs created or retained according to federal calculations**
- **\$146.1 million expended (spent)**

In this quarter, the City submitted 36 individual quarterly reports on time—23 as prime recipients and 13 as sub-recipients. The City’s Recovery Office and Chief Integrity Office reviewed and approved all reports before they were submitted to federal and state agencies by City departments. The City was not required to submit 1512 reports for five sub-recipient grants.

The City’s numerous sub-contractors—businesses, non-profit organizations and quasi-City agencies—that are receiving Recovery Act dollars, also collect and submit some of the essential data that is reported by the City. The City is pleased with the cooperation from sub-contractors and praises their efforts in helping the City fulfill its duties.

While this Update highlights the additional \$75 million in Recovery Act dollars awarded to quasi-City agencies, the City does not have mandated reporting responsibilities for these funds. That 1512 reporting is carried out by the individual agencies.

Quarterly reporting data is reported publically on the federal government’s Recovery website: www.recovery.gov and is summarized on the City’s Recovery website: www.phila.gov/recovery.

Quarterly Reporting Periods



The four quarterly reporting periods are highlighted above. The top dates reflect the end, or close-out, of the quarter. The bottom dates reflect the end of the reporting period and when all reports need filed.

*The federal government extended this quarter’s reporting deadline to January 14, 2012.

Recovery Act Grants Listing

As of December 31, 2011

Category	Recovery Act-Funded Award	Award Amount
Economy & Workforce	Neighborhood Stabilization Program 2	\$43,942,532
	Community Development Block Grant-Recovery (CDBG-R)	\$14,046,629
	Community Service Block Grant-Recovery (CSBG) – COMPLETED	\$8,333,186
	Broadband Technology Opportunities Program “KEYSPOTS”	\$6,362,129
	Recovery Zone Facility Bonds* – \$16 million in Bonds Issued – COMPLETED	\$22,928,000
	Way to Work Philadelphia!* – COMPLETED	\$22,000,000
	Employment & Training for Adults & Youths*	\$14,100,000
	*Grants are managed and reported by quasi-City agencies.	TOTAL
Sustainable Philadelphia	Energy Efficiency and Conservation Block Grant, Competitive “EnergyWorks”	\$25,000,000
	Energy Efficiency and Conservation Block Grant, Formula	\$14,108,700
	Fairmount Park Ecosystems – COMPLETED	\$1,795,000
	State Clean Diesel Grant Program – COMPLETED	\$616,740
	Weatherization*	\$15,800,000
*Grants are managed and reported by quasi-City agencies.	TOTAL	\$57,320,440
Most Vulnerable	Homelessness Prevention & Rapid Re-Housing—Federal	\$21,486,240
	Communities Putting Prevention to Work—Nutrition & Physical Activity	\$15,018,277
	Communities Putting Prevention to Work—Tobacco	\$10,356,927
	Title IV-E Foster Care & Adoption	\$6,679,356
	Homelessness Prevention & Rapid Re-Housing—State Formula	\$2,091,608
	Communities Putting Prevention to Work—Evaluation	\$1,747,143
	Lead Hazard/Healthy Homes for Child Care & Foster Care	\$1,309,320
	IT Electronic Health Records (EHR)	\$912,733
	MR Waiver-EI (77875) – COMPLETED	\$701,935
	Homelessness Prevention & Rapid Re-Housing—State Competitive	\$684,888
	MR Early Intervention (2012) – COMPLETED	\$666,800
	MR Waiver-EI (77850) – COMPLETED	\$578,185
	Supplemental Funding for Reaching More Adults and Children – COMPLETED	\$564,358
	Research: Evaluation of Meningococcal Vaccine & Varicella Vaccine – COMPLETED	\$275,288
	Behavioral Health/Forensic Triage Specialist	\$261,820
	IT Electronic Laboratory Capacity (ELC)	\$252,752
	Strengthening Communities Fund – COMPLETED	\$249,333
	Senior Community Service Employment Program (SCSEP) – COMPLETED	\$224,323
	Commission on Aging – COMPLETED	\$26,880
	Tobacco Control and Prevention 1 and 2 – State – COMPLETED	\$28,669
Homeless Shelter Initiative – COMPLETED	\$18,000	
TOTAL	\$64,134,835	
Transportation & Infrastructure	Baggage Screening	\$26,609,933
	TIGER (Pedestrian and Bike Trail Network)	\$17,200,000
	City Repaving	\$15,572,986
	Airport Improvement Program (Runway Rehabilitation) – COMPLETED	\$5,724,694
	Water & Wastewater Program – COMPLETED	\$200,000
TOTAL	\$65,307,613	
Public Safety	Byrne Justice Assistance Grant	\$13,544,604
	COPS Hiring	\$10,903,350
	Child Support Enforcement (First Judicial District) – COMPLETED	\$5,898,056
	Victims of Juvenile Offenders (First Judicial District)	\$610,059
	Sustain Juvenile Probation Officers (First Judicial District)	\$399,140
	Local Energy Assistance Plan	\$300,000
	DUI Treatment Court (First Judicial District)	\$295,591
	Mental Health Court	\$208,522
	Adult Probation Officers (First Judicial District)	\$159,656
Telecommunications (C-Tech) Training – COMPLETED	\$151,593	
TOTAL	\$32,470,571	
City Total	\$276,117,935	
City & Quasi-City Grand Total	\$350,945,935	



THE CITY OF PHILADELPHIA
MARCH 2012