

Stimulus at Work *in Philadelphia*

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



November 2010



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Mayor's Foreword

My fellow Philadelphians,

With the Recovery Act well underway, I have continued to focus my attention on the key objective of job creation. If Philadelphia is to overcome the current economic recession and rebuild its economy stronger than before, we must focus on developing a strong and diverse workforce. This Administration is committed to fight for more direct support and to push for even more employment programs. By laying the foundation for a more sustainable future, we will achieve more prosperity and stability for the next generation of workers.



With the close of this quarter, we witnessed the completion of one of our most successful job initiatives - *Way to Work Philadelphia!* - which put more than 13,000 Philadelphians to work in less than five months. Participants were provided with job training and connected to productive employment. With *Way to Work*, thousands of people gained invaluable experience and confidence needed to sustain lasting employment. And with more people receiving a steady income, more money has flowed back into the local economy. Even after the program's conclusion, some participants have been able to retain their positions.

Since the Recovery Act began, the Philadelphia region has attracted billions of dollars in Recovery Act funding, and, as a result, several thousand jobs have been created in the region. For example, with the City of Philadelphia's support and investment of Recovery funds, the Philadelphia Navy Yard has become a boon to the region's economy, creating new jobs, attracting talent and investment from across the country, and providing worker training opportunities and new skill ladders. I want this cycle to continue over and over. With more money come more projects, which in turn boosts job creation. Last month, I met with President Obama in Washington, D.C., to formulate plans to invest more money directly into Philadelphia and, therefore, get more Philadelphians back to work. A proposed plan for investment in infrastructure would align with the city's needs, by generating economic activity, improving our infrastructure, and, most importantly, bringing more jobs to Philadelphia. I will continue to fight aggressively for the projects and programs that make a difference in the city, just as I did for *Way to Work*, because I know these are the types of projects that put people to work.

While the Recovery Act has been criticized by some as ineffective or slow-to-start, we have stayed the course with the program and have already seen its benefits. If the Recovery Act was stopped today, thousands of jobs created in the region would be jeopardized and businesses, hospitals, universities, etc., would lose Recovery funding for hundreds of projects. With initiatives like *Way to Work* creating short-term, tangible gains, as well as long-term investments, and with other Recovery programs in the forefront, I believe we can, quite literally, say that the rebuilding of our economy has begun.

A handwritten signature in blue ink, appearing 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 each quarter’s reporting period conclusion—July 10th, October 10th, January 10th, and April 10th.

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. Please visit www.phila.gov/recovery.

Your feedback is welcomed regarding this Update or if you have general questions regarding the Recovery Act in Philadelphia. Please contact the Recovery Office at 215-686-6151 or recovery@phila.gov.



Executive Summary

The purpose of this Update is to inform and report on the impact of the Recovery Act in Philadelphia on a quarterly basis. The City of Philadelphia has been awarded 45 grants totaling \$346 million in Recovery Act dollars. Of that total amount, the City is responsible for managing and reporting on \$251 million, while quasi-City agencies manage and report on the remaining \$95 million. Spending continues to accelerate and the trend of doubling expenditures with each quarter has continued. Additionally, the City has committed \$106 million (\$40 million expended and \$66 million obligated) with over 150 local businesses and non-profit organizations. Although the City began receiving Recovery Act dollars over a year ago, a significant proportion—\$116 million, or 46%, of the \$251 million total—was only awarded this year, such as the \$6.3 million **Broadband II Grant**, awarded in July 2010.

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—



In addition to explaining how the City of Philadelphia is managing its Recovery Act dollars, this Update also highlights significant projects, managed by other enterprises in Philadelphia, which benefit the city.

Way to Work Philadelphia!

With a focus on employment-based programs, over 13,000 jobs were created in this quarter by the hugely successful *Way to Work Philadelphia!* initiative. However, in line with the strict federal reporting guidelines for job creation and retention, for the quarter ending September 30th, the City reported creating or saving 424 full-time equivalent¹ jobs for the grants it directly manages. The City does recognize that

¹ For information on how full-time equivalent jobs are calculated, refer to page 22.

Recovery dollars have reached the paychecks of thousands more—jobs that, otherwise, would not have been created without the Recovery Act.

Philadelphia—A Magnet for Attracting Billions

Philadelphia County has assertively gone after and been rewarded with more than \$1.9 billion in Recovery Act grants, contracts, and loans, as of October 30, 2010², thereby providing thousands of much-needed jobs to residents, and building the foundation for sustainable economic growth. The \$1.9 billion in awards is being used to invest in and support some of Philadelphia’s most vital industries—higher education, medical research, healthcare, and infrastructure, as well as many others. With 2,397 total full-time equivalent jobs created or retained in the fifth quarter³, thousands more Philadelphians have been able to find work. For more information, visit www.recovery.gov. Examples of critical infrastructure projects responsible for changing Philadelphia are listed below.

Philadelphia Navy Yard

The Philadelphia Navy Yard is no longer home to just ships, but also a dynamic mixed-used development for research, education, and commercialization. The City of Philadelphia is a proud partner in the Greater Philadelphia Innovation Cluster (GPIC), which secured up to \$130 million in federal grants from the Department of Energy. The funding will foster national energy independence and create quality jobs for the region. The Navy Yard is a regional economic hub with significant growth potential. The Navy Yard’s 1,200 acres, over seven miles of waterfront, workforce of 8,000 in over 100 companies, and 5.5 million square feet of facilities provide an atmosphere that can be found nowhere else.



SEPTA

With \$25 million in Recovery dollars, SEPTA’s renovations of two of its eighty-year-old subway stations—Girard and Spring Garden—are its biggest projects. Renovations include new elevators, stairs, lighting, signage, and fire systems. As the two busiest stations on the Broad Street Line, more than 200 jobs are being created by the projects.



² Data source: www.recovery.gov Data as of October 30, 2010; Amounts are cumulative from Feb. 17, 2010.

³ Data source: www.recovery.gov Data as of September 30, 2010.

Gustine Lake Interchange Bridge

Replacement of the Gustine Lake Interchange Bridge in Manayunk—a project slated to cost \$24 million—was strongly supported with \$20 million in Recovery dollars. Close to 90 jobs have been created during the process.

The SEPTA and Gustine Lake projects also made the list of significant Recovery projects in the United States, as determined by the White House, and included in their *100 Recovery Act Projects That Are Changing America* report released in August 2010. While the City of Philadelphia does not have responsibility for these projects, national recognition proves Philadelphia continues to be a leader in attracting Recovery dollars. To read the full report, please click [here](#) or visit www.whitehouse.gov.



Did You Know?

Though you may not realize it, the Recovery Act is a part our daily lives. The pictures below provide a sampling of projects, goods, services, and jobs across the city, all of which are possible with Recovery dollars.



BigBelly Solar Trash Compactors



Bike Racks



Farmers' Markets



PHL Runway Rehabilitation



Solar panels at water treatment centers



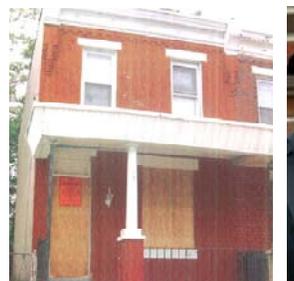
Recycling Rewards



Energy-Efficiency Rebates for commercial & residential buildings



Implementation of LED traffic signals



Clean & Seal of abandoned or vacant homes

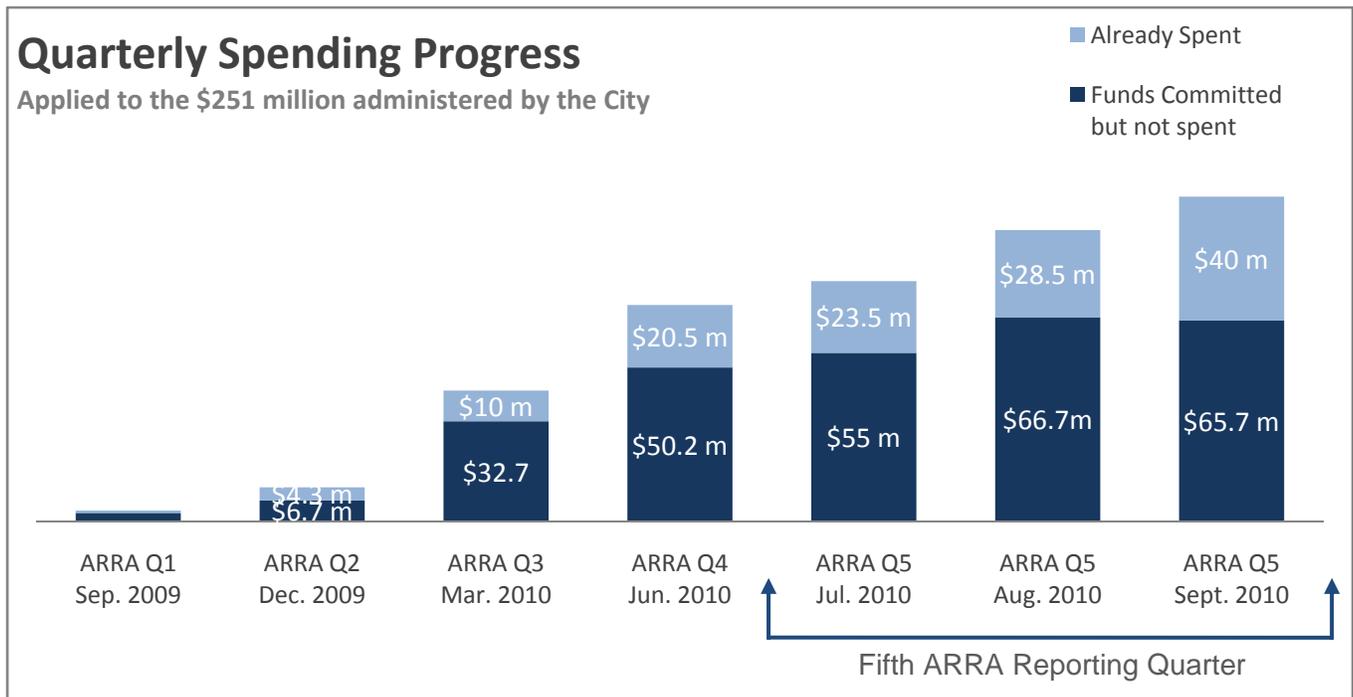


Retention of Philadelphia Police Officers

Stimulating Our Economy

The City of Philadelphia has proudly attracted \$346 million in Recovery Act dollars, which, in turn, is being put into its neighborhoods, communities, and local businesses.

Of the total \$346 million in Recovery Act dollars awarded, the City has prime responsibility for managing and reporting on \$251 million on a quarterly basis. As illustrated in the table below, to date, the City has committed \$106 million, expended \$40 million, and obligated an additional \$66 million with over 150 businesses and non-profit organizations. The City's expenditures continue to accelerate and in this quarter, the trend of doubling expenditures continued, as done in all previous quarters.



The City passed prime-recipient responsibility onto several of its quasi-City agencies and PennDOT, which together manage \$95 million of Recovery Act dollars awarded as explained below:

- \$15.8 million for home weatherization to Philadelphia Housing Development Corporation
- \$21.3 million for helping youth and adults into work to Philadelphia Workforce Investment Board
- \$22.9 million in Recovery Zone Facility Bonds to Philadelphia Industrial Development Corporation
- \$17.2 million for city and county bike trails to be managed by PennDOT and partners
- \$17.5 million *Way to Work Philadelphia!* workforce grant awarded to the Philadelphia Workforce Development Corporation by the Commonwealth of Pennsylvania

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.

Total Jobs Directly Created or Retained: 13,323.53*

Total Grant Award Amount: \$150,275,103

*Job total does not include Weatherization data

Stimulus at Work Spotlight On: **Way to Work Philadelphia!**

The successful **Way to Work Philadelphia!** program, led by Mayor Nutter and the Philadelphia Workforce Investment Board (PWIB), provided jobs for over 13,000 adults and young people, as well as a quality workforce for 1,624 employers who hired adult employees at little or no cost and dramatically expanded paid internship opportunities for young people.

"Through Way to Work Philadelphia! we provided around 13,000 people with not only the paycheck that comes with employment, but the dignity that comes with getting up each morning and going to work," said Mayor Michael A. Nutter. **"These are exactly the types of efforts that we are developing and supporting every day to put Philadelphians back to work and develop a workforce fit for the 21st Century."**

In total, 4,013 adults were matched to employment opportunities, which allowed 1,624 employers to grow, despite the recession. Approximately 90% of employees will have the opportunity to continue working after September 30th. Youths participating in the program, which totaled over 9,000, had the chance to earn \$7.25 per hour, or up to \$870.

Stimulus at Work Spotlight on: **Finding a Way to Work!**

A working professional with more than 17 years of experience in the strategic development and non-profit sectors, Regina Dyson was unexpectedly laid off. Upon exhausting her savings, and as a single mother of three, she had no choice but to apply for cash assistance.

Ms. Dyson enrolled in the Employment Advancement Retention Network in Philadelphia and was referred to the local PA CareerLink and, eventually, the **Way to Work Philadelphia!** program. But with a college degree, she was overqualified for most open jobs.

With low expectations, she attended a Philadelphia Workforce Development Corporation job fair and found the African-American Chamber of Commerce. After meeting with the Director of Programs and Membership, and only two weeks after enrolling in *Way to Work*, Ms. Dyson was hired.

At the time, the Chamber was struggling to fulfill its mission of helping businesses in a challenging economy, but could not afford the help it needed. The subsidies from *Way to Way* allowed the Chamber to hire Ms. Dyson, thus seeing an increase in its productivity. Ms. Dyson praised local workforce organizations and the City of Philadelphia for connecting her with *Way to Work*.

"This initiative helped me to get my foot in the door, and provided me with the opportunity I needed to demonstrate the value I can bring to the African American Chamber," she said.



Regina Dyson describes her *Way to Work Philadelphia!* experience to Mayor Nutter and the press.

Creating a Sustainable Philadelphia



Grants awarded for this category invest in a more sustainable future for Philadelphia, including a number of energy-related programs, 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 sustainable ecosystem.

Total Jobs Directly Created or Retained: 16.70
Total Grant Award Amount: \$41,520,440

Stimulus at Work Spotlight on: Sustainable Software Program

Committed to its *Greenworks Philadelphia* goal of becoming the greenest city in the U.S. by 2015, the City of Philadelphia has taken another step toward a greener future, proving it is practicing what it preaches. Upon successfully receiving an award of \$14.1 million in **Energy Efficiency and Conservation Block Grant (EECBG)** funding, the City and the Mayor's Office of Sustainability recently selected Hara Environmental and Energy Management to develop software which will be used to track the City's energy usage and costs. Being able to better manage the City's energy accounts through the implementation of this sophisticated new software tool will help in reaching the *Greenworks* Target 1 goal of reducing municipal government's energy consumption by 30% by 2015.

"We applaud Philadelphia and Mayor Nutter's leadership and commitment to sustainability. It's remarkable to see how citizens, community organizations and businesses across Philadelphia have taken up the Mayor's challenge to become the Greenest City in America," said Amit Chatterjee, CEO and Founder, Hara.

Stimulus at Work Spotlight on: Solar Projects

As a water/wastewater treatment and storm water management utility, the Philadelphia Water Department (PWD) uses tremendous amounts of energy in the form of electricity. In fact, energy costs are one of PWD's largest operating expenses. The Southeast Water Pollution Control Plant, located at 25 Pattison Avenue in South Philadelphia, will be home to one of two solar projects being developed by PWD and paid for partially through funding from the **Energy Efficiency & Conservation Block Grant**. The second site is the Baxter Water Treatment Facility, located at 9100 State Road in Northeast Philadelphia. As a result, PWD will own this project and the Renewable Energy Credits that come along with it.

The project at Southeast will generate approximately 300,000 kWh of electricity annually and will provide the facilities with clean, emissions-free energy at a stable price over the life of the panels (more than 20 years).



Red lines reflect where solar panels will be placed at the Southeast Plant.

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 homeless 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.

Total Jobs Directly Created or Retained: 127.43

Total Grant Award Amount: \$62,719,431

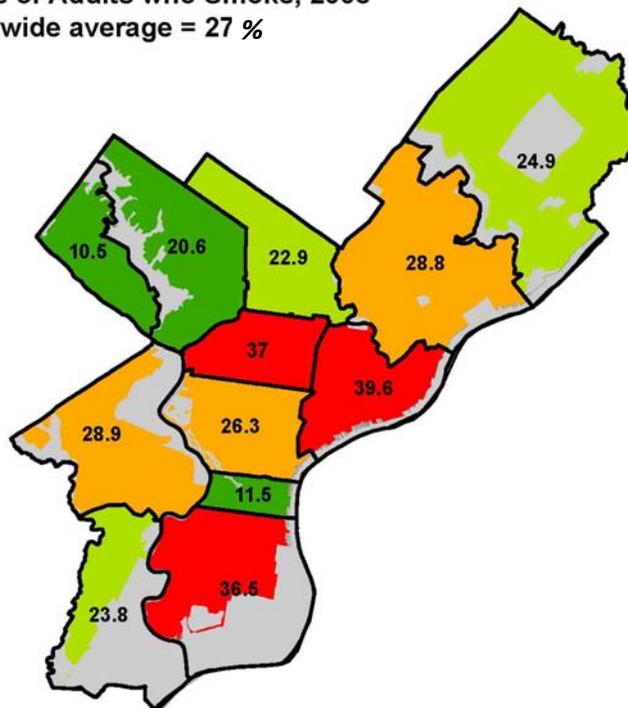
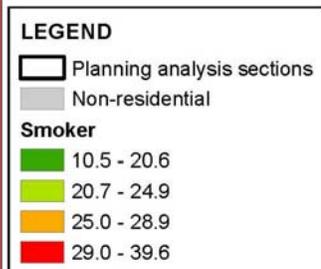
Stimulus at Work Spotlight on: Tobacco Policy & Control Initiative

Nearly 3 in 10 Philadelphians smoke, the highest rate among the 10 largest cities in the U.S. The City of Philadelphia was successfully awarded two grants from the Centers for Disease Control and Prevention, worth \$25.4 million, to target tobacco control and healthy initiatives. The tobacco-related **Get Healthy Philly** program aims to: 1) change people's attitudes about smoking and secondhand smoke exposure, 2) restrict youth access to tobacco products, and 3) give smokers the resources they need to quit successfully.

“Since joining the Quit Smoking Program, I was able to kick a 20-year smoking habit,” noted Philadelphian Jose Rivera. **“I was smoking 10 cigarettes a day and now I am smoke-free.”** Like Jose, over 10,000 smokers in the City will receive quit help through community-based quit classes, a phone-based nicotine patch giveaway (1-800-QUIT-NOW), and the SmokeFree Philly website—www.smokefreephilly.org.

The **Get Healthy Philly** tobacco policy has already educated over 100 tobacco retailers on how to prevent sales to minors, and has enhanced enforcement and penalties for retailers that sell illegally to youth. This December, the City's Dept. of Public Health will launch a 16-month media campaign to promote quitting through radio, TV, transit, and corner store ads. With these combined efforts, the goal for the next 5 to 7 years is to reduce smoking among Philadelphians by 15%, preventing tens of thousands of deaths and improving the lives of many more.

Percentage of Adults who Smoke, 2008
Citywide average = 27 %



Giridhar Mallya, MD, MSHP
Department of Public Health
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5/5/09

Source: PHMC Household Health Survey

The chart at left shows the citywide average in 2008, as well as a geographical breakdown of adult smokers across Philadelphia. This chart highlights the critical importance of having a tobacco policy in place and the need for securing Recovery Act dollars.

Improving Transportation & Infrastructure



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

Total Jobs Directly Created or Retained: 32.16

Total Grant Award Amount: \$65,307,613

Stimulus at Work Spotlight on: Recycling Rewards Program

It now pays to recycle in Philadelphia! Currently underway across every neighborhood in the City, the Streets Department is utilizing a revamped recycling program, **Recycling Rewards**, aimed at increasing the City's recycling diversion rate and rewarding citizens who participate in the program. In February 2010, the Recycling Rewards program kicked-off in North Philadelphia and, subsequently, covered the remaining areas of the City.

As a way of engaging and motivating more Philadelphians to increase their output, residents who sign-up for the program receive a recycling container with an individualized barcode. When the recycling is collected by the Streets Department at each residence, Streets employees use Radio Frequency Identification (RFID) readers, purchased using funding from the Recovery Act's **Energy Efficiency and Conservation Block Grant (EECBG)**, to scan the barcode, and forks outfitted with scales weigh what's inside, thus giving the resident points for their items. Each week residents can log-in online, find out how much they have recycled and redeem their points with a number of local retailers.

The Recycling Rewards program helps the City stay on course with the Mayor's *Greenworks* program's goal of making Philadelphia the most sustainable U.S. city. The Recycling Rewards program contributes to the Greenworks goal of diverting 20% of the City's waste by 2011, and 25% by 2015. For fiscal year 2010, the City's diversion rate was 15.7%. By July 2010, when the program was fully in place across the City, the diversion rate had risen to 16.8%—a 12% increase in the recycling rate over the same month in the previous year.

For more information on the Recycle Rewards Program or to sign-up, please visit www.phillyrecyclingpays.com.



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, education, training and job placement for ex-offenders, and crime prevention resources for police.

Total Jobs Directly Created or Retained: 139.82

Total Grant Award Amount: \$26,324,125

Stimulus at Work Spotlight on: Mural Arts/Youth Violence Reduction Program

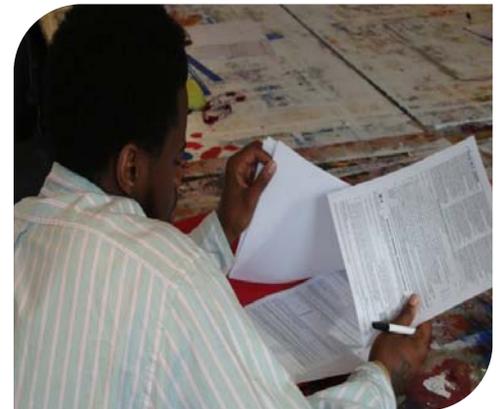
In using Recovery Act dollars to fund programs geared toward public safety, the goal has been to not only make Philadelphia's neighborhoods safer and protect its citizens, but to offer opportunities to its most vulnerable populations. For many at-risk youths, there may not be enough options to deter them from making bad decisions and the potential for involvement in the wrong situation can be inevitable. In an effort to combat this problem, and with funding from the Department of Justice's **Byrne Grant**, the City's Youth Violence Reduction Partnership collaborated with the Philadelphia Mural Arts Program and created **The Guild Program** in December 2009.

In keeping with a part of Mural Arts' mission statement—to transform public spaces and individual lives—youth participants at the Guild receive training in much more than mural painting. A range of programs are offered, including carpentry, stucco, scaffolding, and landscaping. Goals include reducing recidivism of those most at-risk and providing employment and job-skills training (public speaking, customer service, job application/interview practice, etc.) to participants. Guild participants can even earn certification in some of these program areas. By narrowing in on this vulnerable part of the population, Philadelphia's at-risk youths are not only gaining a chance to broaden their skills base and see their potential for lives outside of crime, but also become contributing members of their respective communities.

Since the Guild's inception, 30 youths have been involved in the program.

Wall Repair, Carpentry & Job-Readiness Training—

Recovery Act funding has helped to provide a range of skills-based and supportive programs for at-risk youths.



Additional Accomplishments

As illustrated on the previous pages, the Recovery Act is paying dividends in Philadelphia. Additional accomplishments from this quarter are provided below—

- In this quarter alone, 140 vacant or abandoned properties have been cleaned and sealed by the City's Licenses and Inspection Department. In total, 720 properties have been cleaned and sealed across the City, employing three teams of four people with Recovery dollars, under the **JAG Byrne Grant**.

Recovery Act funding through the **Community Services Block Grant-Recovery (CSBG-R)** was used to train low-income residents, like Sam Scott (at right) in the building and construction trades, and help them work towards self-sufficiency. Sam is formerly homeless and currently a resident with the Housing Choice Voucher program. He graduated from a CSBG-funded Apprenticeship Program and is now a member of the Plumbers Union and is working to obtain his journeyman's card.

For more examples of the Pre-Apprenticeship program, please turn to page 20.



- The weatherization of homes in the City has continued at pace, with the Philadelphia Housing Development Corporation (PHDC) renovating close to 400 units in this quarter alone, one of the strongest performances in Pennsylvania. In total, nearly 900 homes have been retrofitted, which is the second highest number of any weatherization agency in the Commonwealth and the highest number for any single-county agency. Overall, over the course of the three-year ARRA weatherization program, PHDC's work will lead to reduced energy bills for thousands of low-income residents.
- Legal assistance has been provided to 3,054 low-income residents in civil matters related to housing and family issues by Community Legal Services, under the **Community Services Block Grant-Recovery (CSBG-R)**. Legal advice and assistance has helped Philadelphians in home ownership, rental housing, and utilities cases, with many being saved from eviction and foreclosure, and retaining access to essential utilities. Legal advice has also been provided to assist residents in need of access to income support, unemployment benefits, health and medical benefits, and employment during the recession.
- The Utilities Emergency Services Fund, a program funded by **Community Development Block Grant-Recovery (CDBG-R)**, assists extremely low-income families in paying utility bills during this deep recession. In this quarter alone, the Fund has helped 675 households and, to date, a total of 12,559 households.

- The City is helping families hardest hit by the recession by providing direct financial assistance (security deposits, rental, utility or moving cost assistance) to 265 households in this quarter. A total of 403 households have been moved from emergency and transitional housing, and an additional 185 households are in the process of being assessed and placed in permanent housing using Recovery dollars under the **Homeless Prevention and Rapid Re-Housing Grant**.
- The Courts have been a significant beneficiary of Recovery dollars with the retention of over 50 staff through the **JAG Byrne Grant**. Funding has not only prevented 22 Probation Officers from being laid off, but has led to the implementation of a new risk forecasting tool that is the only one in the country based on advanced data mining techniques. This allows the Courts to classify offenders at the moment of intake, instantly receiving a computerized score of risk, thereby allowing resources to shift from low-risk offenders to higher-risk cases.
- Following a competitive process, the City selected Community Ventures to work with South Philadelphia HOMES to build 11 attached houses for sale to moderate- and middle-income households in the Point Breeze neighborhood. The houses will bring new homeowners to what are currently two substantial abandoned lots, and will carry the momentum of new development southward from Washington Avenue, while preserving affordability. In terms of location, four houses will be on the 1600 block of Federal Street, three on the 1600 block of Manton Street and four on the 1200 block of South 17th Street. Construction is scheduled to start spring 2011. This project is made possible through \$1.9 million from the **Neighborhood Stabilization Program II**.



A rendering of what the new homes will look like on Manton Street in Point Breeze.

Looking Ahead—Rejuvenating Our Neighborhoods

Looking ahead, the Recovery Act program will continue to target investments particularly aimed at rejuvenating Philadelphia’s neighborhoods and local businesses.

So, what should Philadelphians expect to see next quarter and beyond?

- The Mayor’s Office of Sustainability will be launching a website focused solely on energy improvements for residential and commercial buildings. EnergyWorks will assist homeowners and building owners plan, finance, and implement building energy conservation and efficiency projects, as the result of partial funding from the **Energy Efficiency and Conservation Block Grant “Better Buildings” Program**. For more information, visit <http://energyworksnow.com/>.
- Mugshots Coffeehouse & Café’s newest location in Brewerytown at 2831 Girard Avenue is scheduled to open in late October. As featured in the August 2010 issue of *Stimulus at Work*, Mugshots received a **Greenworks Small Business Energy Efficiency Rebate** of \$7,562, for their installation of LED lighting. With the energy-efficient lighting in place, Mugshots will see an annual cost savings of \$600.
- In October, Recovery dollars will put more police on Philadelphia’s streets to patrol its neighborhoods. As of October 10th, 30 police recruits will graduate from the Police Academy and will be immediately assigned to patrol districts. This will be in addition to the 17 new police officers that have been working across the City. These new hires are made possible through the **COPS Hiring Recovery Program Grant**.
- Beech International Student Housing project, located at 1520 Cecil B. Moore Avenue (see map on page 18), is a mixed-use development project including 200 beds and first floor commercial space. It is being developed by Beech Interplex, a community development corporation serving North Central Philadelphia. The \$20 million project is being funded with tax exempt bonds, but even after maximizing grants and other sources of capital, a financing gap remained. A \$1 million loan from the **GAP Financing Loan Program (Community Development Block Grant-Recovery)** filled this gap. This project will develop a blighted and vacant lot, create a minimum of 34 jobs, and provide goods and services to Temple University students and the surrounding community. Construction will begin in October 2010.
- Falls Center is the redevelopment of the historic Medical College of Pennsylvania, located at 3300 Henry Avenue in East Falls (see map on page 18). The site is a 700,000 square foot campus of buildings with residential, office, medical services, and light manufacturing. Having maximized both conventional debt and equity financing, the developer, Iron Stone Strategic Capital Partners, needed additional financing to complete the tenant fit-out for the remaining unoccupied space. A \$1 million loan from the **GAP Financing Loan Program (CDBG-R)** will provide the necessary funds to complete the fit-out costs. This project has reinvigorated an obsolete hospital campus with

The Recovery Act's Impact on Job Creation

Creating new jobs and saving current jobs is a central tenant of the Recovery Act, enacted during the worst global economic downturn since the Great Depression. Philadelphia has, like all major cities, felt the impacts of the global recession with an unemployment rate close to 12%, well above the national rate of 9.4%.

Putting Philadelphians Back to Work through *Way to Work!*

As highlighted earlier in this Update, the hugely successful *Way to Work Philadelphia!* initiative, lead by Mayor Michael Nutter, provided employment to 13,340 adults and youth, as of September 30, 2010. The adult initiative provided more than 1,624 employers to grow, despite the recession, through the provision of a subsidized workforce. Across the Commonwealth of Pennsylvania, nearly 25,000 youth and adults benefitted from this program, with 4,600 employers hiring quality workers at a time when they may not have been able to.

The *Way to Work* initiative had two components—one for adults and one for young people.

The Philadelphia Workforce Development Corporation operated the adult initiative through two entry points—through Philadelphia's EARN Centers (for individuals receiving public cash assistance) and through Philadelphia's five PA Career Link Centers for eligible job seekers. The program provided an hourly wage of up to \$13 for up to 40 hours per week.

"We're proud to say we made it happen, and the impact was tremendous. In the short-term, participants were able to pay their bills and stimulate the economy with \$22 million in new wages. In the long term, the training and skill development people received on the job will improve their future prospects and help employers as well."

*-Eric Nelson, Interim CEO
Philadelphia Workforce
Investment Board*

For young people, *Way to Work* enabled an expansion of opportunities offered over the summer through the WorkReady Philadelphia system. The Philadelphia Youth Network administered the youth program by identifying opportunities over six-week, 120-hour summer work programs, through one of three models: service learning, work experience, and internships. Participating youths earned \$7.50 per hour.

The success of *Way to Work* demonstrates that when the public (workforce pipeline) and private sector (employers) partner together for mutual advantage, the results can be impressive. Which is why the Mayor has been aggressive in his support for significant programs like *Way to Work*, and more recently, for President Obama's infrastructure plans, as this will create thousands more jobs for Philadelphia.

Job Training and Placement

As previously reported, creating new employment opportunities and placing people from training into work is a significant challenge in this economic environment—success demands innovative solutions, an understanding of in-demand occupations, and partnerships with industries and local businesses.

One grant that played a critical role in creating employment opportunities alongside training in this tough economic environment was the \$8.3 million **Community Services Block Grant-Recovery (CSBG-R)**, which ended in this quarter and was led by the Mayor’s Office of Community Services. Through **CSBG-R**, the City developed an ambitious outcome-based program aimed at moving Philadelphians who were 200% at or below the federal poverty line to self-sufficiency, and managed to conform to a short state-mandated timeframe. Some of the successes of that program are summarized below:

Literacy to Employment: Employment-focused literacy programs, including English as a Second Language (ESL) and GED-to-College, and expansion of the City’s Skills Booster Program, which is managed through the Mayor’s Commission on Literacy and the Free Library.

Job Readiness in Construction Trades: The Pre-Apprenticeship Program trains low-income residents in the building and construction trades, and helps people work towards self-sufficiency. The Program provides valuable hands-on experience and prepares participants to take an entrance exam with the trade unions. Some key outcomes include:

“Second chances do not come often, so you better take them.”

—Students from the GED-to-College Program

The GED-to-College pilot supported programs that were aimed at re-engaging youth who have dropped out of high school, and helping them to not only earn a high school credential but also pursue post-secondary education. Some key outcomes from the programs include:

- 487 adult learners in the Skills Booster and ESL programs achieved measurable education and life-skills gains
- 39 GED-to-College students achieved an increase in literacy or numeracy skills, measured by Test of Adult Basic Education (TABE) testing
- 10 students successfully obtained a GED and 10 students were enrolled in post-secondary education programs
- 13 students attained a work-related credential

- 139 people obtained skills for employment
- 81 people graduated from a 21-week Pre-Apprenticeship Program
- 51 people were successfully placed into building trades jobs, including placement in the carpenter, laborer, plasterer, and electrical unions, and with a variety of organizations such as Amtrak, Aramark, Harrah’s, and PHA. The average starting wage for those placed was \$12.84, plus benefits.

*The Pre-Apprenticeship Program helped those like **Geneva Nunez**, who successfully entered the laborer’s union, obtained her GED and is now a Laborer’s Apprentice at PHA. Or **Robin Bacone** and **Jessie Parker**, students with an interest in electronics, who recently started with Verizon and NATC as Telecommunications Technicians.*



Jobs & Training for the Homeless: Job-readiness, training, and placement services for current and formerly-homeless individuals managed through the City’s Office of Supportive Housing.

One individual assisted by the program was hired as a part-time employee at a local storage facility. She recently received an award for her outstanding level of professionalism and customer service, and was promoted to a full-time employee. She is proud to share this achievement with her children and be a positive role model for them.

Some outcomes of the program include over 100 men and women obtaining stable housing in the community, and over 200 people establishing a source of income, either through employment or by acquiring various entitlements. The key outcomes from these programs are:

- 57 people obtained employment
- 95 obtained skills/competencies for employment
- Two individuals obtained a GED
- 90 subsidized households received furniture assistance
- 404 individuals received emergency shelter and case management services
- 120 obtained safe housing arrangements

Jobs for Ex-Offenders: The Mayor’s Office of Re-Integration Services (RISE), working with the national non-profit America Works, has successfully worked with ex-offenders to help them transition into employment and re-enter Philadelphia communities following incarceration. Some of the outcomes funded by Recovery dollars are:

- 624 ex-offenders received workforce development and supportive services

- 312 pre-release inmates completed adult basic education diagnostic testing, accessing their literacy levels and job-related skills
- 13 individuals obtained and have retained employment from between 60 to 90 days. In the same program managed by RISE, non-Recovery dollars have also been used to help an additional 166 ex-offenders into employment.

Philly Works—Growing Neighborhood Jobs:

A jobs initiative designed to transition part-time seasonal workers to full-time, year round employees by helping them increase their job skills while they continue to work part-time. Philly Works is managed by the Philadelphia Workforce Investment Board and leverages several funding streams in addition to Recovery Act dollars. Recovery dollars have directly and exclusively funded the recruitment of 74 participants and provided adult literacy programs to help participants achieve competency in subjects such as Math and English.

“For candidates who are serious about full-time employment, this will be really helpful, and this program needs to stay around to assist qualified and willing candidates.”

—Anthony F. (Philly Works participant)

Some key outcomes include:

- 33 people obtained employment and two people obtained a GED
- 74 people were provided with contextualized adult literacy services and career coaching

Federally Reported Jobs: Hours Worked

The federal government has developed strict rules for how new or retained jobs are counted and reported quarterly for Recovery Act dollars. Jobs must be calculated based on hours worked, which are referred to as full-time equivalent (FTE), rather than the number of people at work. The calculation is not cumulative so successive quarters can not be added together. And the calculation does not capture indirect jobs where, for example, an individual receives training and is placed in a job. In this example, the placement is not counted although it is clearly a result of Recovery dollars. For these reasons, the full-time equivalent number does not fully represent, or underestimate, the true impact of Recovery dollars.

In the quarter ending September 30, 2010, using the federal formula, the City of Philadelphia reported 424 FTE jobs directly created or saved, across 45 Recovery funded grants, to federal and state agencies. The vast majority of jobs created or saved by the City would not have existed without Recovery Act dollars.

The Recovery Act has also created and retained FTE jobs beyond those that the City of Philadelphia has direct reporting responsibility for. Based on data taken from www.recovery.gov⁴, an estimated 2,397 FTEs have been created or saved across the health, education, transportation and infrastructure, energy, and construction industries in Philadelphia.

⁴ Data Source: www.recovery.gov Data as up to September 30, 2010.

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

The Mayor has set a goal for the City of Philadelphia to increase its minority, women, and disabled-owned business enterprises (M/W/DSBE) participation to 25% by the end of 2011. 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 pursued and 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. The purpose of the summits has been to promote and maximize the opportunities for M/W/DSBE firms to do business not only with the City, but also with state, federal, and quasi-City agencies and prime contractors. The outreach event held on April 6, 2010, attracted over 500 small and minority-owned businesses.

As of the fifth reporting quarter, M/W/DSBE businesses are expected to receive 18.2%⁵, of the Recovery Act dollars that are applicable. To date, participation ranges are "applicable" to City contracts held with for-profit businesses and quasi-City agencies, but not non-profit organizations. Historically, the City has not applied ranges to non-profit organizations, but this is set to change. The Office of Economic Opportunity has initiated a process for tracking how City dollars are spent within non-profit organizations that have contracts with the City. Once the new process is enacted, the Recovery Office will then track and report on participation for non-profits, as well as for-profit contracts.

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

⁵ Participation was reversed from 19%, as reported in the quarter ending June 30th, to 18.2% by Sept. 30th, due to an administrative error in the previous calculation.

Reporting Quarterly Progress

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

The Recovery Act specifically requires all recipients of Recovery awards to file quarterly reports, known as 1512 reports, that include, among other information, the total amount of Recovery Act dollars received, total expenditures (including by subcontractors), and the total number of full-time equivalent jobs created or retained.

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

- **\$346 million awarded to the City of Philadelphia**
- **424 full-time equivalent jobs created or retained according to federal calculations**
- **\$40 million expended (spent)**

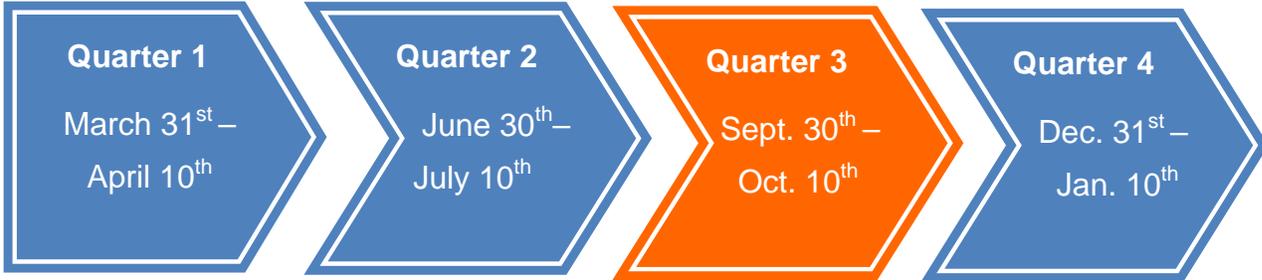
In this quarter, the City submitted 37 individual quarterly reports on time—23 as prime recipients and 14 as sub-recipients. The City’s Recovery Office and Chief Integrity Office reviewed and approved all reports before they were submitted to federal and state agencies by City departments. The City has received four grants that do not require 1512 reports and four other grants finished in the fourth quarter.

The City’s numerous subcontractors—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 \$95 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 to be submitted to the various federal and state agencies.

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.

A Project Team, with representation from each of the Deputy Mayors, staff from departments such as Division of Technology, Finance, Office of Economic Opportunity, and City Council, meets on a regular, monthly basis to provide programmatic oversight and receive guidance from the Recovery Office.

The Steering Committee, chaired by the Finance Director, includes senior leaders within the organization, and meets to review grant applications requiring approval. The Committee provides oversight and strategic direction for the City’s management of Recovery grants, ensuring there is no duplication and that grant applications are in line with the Mayor’s goals. The Chief Integrity Officer and Councilman Curtis Jones, Jr., City Council’s Recovery liaison, are both permanent members of the Steering Committee.

“Taxpayers deserve to see their money put to good use, and that’s why we’ve teamed up with the City’s Chief Integrity Officer to make sure every ARRA grant is allocated transparently. With a comprehensive compliance program now in place, the City can anticipate accountable spending and little waste.”

-Amy Kurland, Inspector General

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 on September 9, 2010. The Program has clearly set forth the expectations of how City officials are to administer their respective grants, and covers all aspects of grant administration, from application to close-out, including contracting and reporting.

City workers involved with Recovery Act projects have received, and will continue to receive, fraud management training to ensure that Recovery Act dollars are spent properly. The Program has started reviewing the highest risk grants and will ultimately incorporate all grants. The Chief Integrity Officer and Inspector General identified the highest risk grants by formally evaluating all grants, accounting for both objective risks (risks universal to all grants) and subjective risks (risks that vary amongst the grants). Risk criteria included the total value of the ARRA award, “shovel-readiness” of the project, and reliance on sub-recipients and vendors to perform grant-funded activities.

A copy of the *Recovery Compliance & Control Guide—ARRA Rule Book*, as well as the fraud prevention training, is available online at www.phila.gov/recovery/accountability. The Inspector General’s Fraud Hotline is (215) 686-1770.

Grants Listing

The list below reflects each Recovery grant award with its corresponding category—

Category	Grant Name	Award Amount
Economy & Workforce	Neighborhood Stabilization Program II	\$43,942,532
	Way to Work Philadelphia!	\$17,561,965
	Community Development Block Grant (CDBG-R)	\$14,046,629
	Community Service Block Grant (CSBG)	\$8,333,186
	Broadband Expansion Round II	\$6,362,791
	Adult Employment & Training*	\$13,900,000
	Youth Employment & Training*	\$7,400,000
	Recovery Zone Facility Bonds*	\$22,928,000
	Weatherization*	\$15,800,000
	* Grants are managed and reported by quasi-City agencies. TOTAL	\$150,275,103
Sustainable Philadelphia	Energy Retrofit Ramp-Up Grant	\$25,000,000
	Energy Efficiency Conservation Block Grant (EECBG)	\$14,108,700
	Fairmount Park Ecosystems	\$1,795,000
	State Clean Diesel Grant Program	\$616,740
	TOTAL	\$41,520,440
Most Vulnerable	Homeless 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	\$4,976,120
	Homeless Prevention & Rapid Re-Housing—State Competitive	\$2,091,608
	Communities Putting Prevention to Work—Evaluation	\$1,747,143
	Title IV Adoption Assistance	\$1,703,236
	Lead Hazard/ Healthy Homes for Child Care & Foster Care	\$1,309,320
	IT Electronic Health Records (EHR)	\$912,733
	Homeless Prevention & Rapid Re-Housing—State Formula	\$684,888
	MR Waiver-EI	\$578,185
	Chronic Disease Prevention & Wellness	\$564,358
	Research: Vaccine & Immunization	\$275,288
	Behavioral Health Triage Specialist	\$261,820
	IT Electronic Laboratory Capacity (ELC)	\$252,752
	Strengthening Communities Fund	\$249,333
	Senior Community Service Employment (SCSEP)	\$224,323
	Commission on Aging	\$26,880
TOTAL	\$62,719,431	
Transportation & Infrastructure	Baggage Screening	\$26,609,933
	City Repaving	\$15,572,986
	Airport Improvement Program (Runway Rehabilitation)	\$5,724,694
	Water & Wastewater Program	\$200,000
	TIGER (Bike Trail Network)*	\$17,200,000
	*Grant agreement pending from federal agency. TOTAL	\$65,307,613
Public Safety	Byrne Justice Assistance Grant	\$13,544,604
	COPS Hiring	\$10,903,350
	Victims of Juvenile Offenders (VOJO)	\$481,784
	Juvenile Probation Officers	\$399,140
	Local Energy Assistance Plan	\$300,000
	DUI Treatment Court	\$295,591
	Telecommunications (C-Tech) Training	\$240,000
	Adult Probation Offenders	\$159,656
TOTAL	\$26,324,125	
GRAND TOTAL		\$346,146,712

NOVEMBER 2010
www.phila.gov/recovery