



CITY OF PHILADELPHIA

Department of Commerce

Harold T. Epps
Director of Commerce

1515 Arch Street, 12th Floor
Philadelphia, PA 19102

MEMORANDUM

Date: July 30, 2016

To: Council President Darrell Clarke; Chief Clerk of Council Michael A. Decker

Cc: James Leonard, Department of Records

From: Harold T. Epps, Director of Commerce

RE: First Source Jobs Policy, Quarter II 2016 Report

Per the First Source Jobs Policy, Chapter 17-1900 of the Philadelphia Code, the Department of Commerce (designated by the Mayor as the “Designated Department” responsible for overall implementation and enforcement of the “First Source Jobs Policy”) is submitting the Quarter II Report for 2016.

The Department of Commerce is aware of four beneficiaries that are covered by the First Source ordinance. The beneficiaries are:

1. W/Element Hotel -Tax Increment Financing
2. Pennsylvania Real Estate Investment Trust (Gallery Project) – Tax Increment Financing
3. Orinoka Mills, L.P. – Land sold at below market value
4. New Kensington Community Development Corporation – Land sold at below market value

Because the above projects are still in the development phase, no hiring relevant to First Source has begun. The Commerce Department is monitoring these projects closely in their early phases of construction and will report on these projects once construction is complete and entry-level jobs are created. See below the standardized reporting format for First Source-eligible projects:

First Source Jobs Policy Report | Q2 2016

Beneficiary Name	Benefit Received	New Entry Level Jobs	First Source Candidates Interviewed	First Source Candidates Employed
W/ELEMENT HOTEL*	\$33,000,000	0	N/A	N/A
PREIT (GALLERY)	\$113,000,000	0	N/A	N/A
ORINOKA MILLS, L.P.	\$97,056	0	N/A/	N/A
NEW KENSINGTON CDC	\$131,102	0	N/A	N/A
TOTAL	\$146,228,158			

**Approved by Council but not yet finalized due to pending TIF execution*

In addition to the projects above, Commerce has also collected job creation information from the Office of Housing and Community Development (OHCD), related to jobs created through Community Development Block Grant (CDBG) funded projects throughout the city. CDBG is a federally funded program through Housing and Urban Development (HUD) that supports local community development activities such as affordable housing, services to the low and very low income individuals and the creation of jobs through the expansion and retention of businesses.

Note that with respect to these jobs, OHCD operates under Section 3 of the Housing and Urban Development Act of 1968, which dictates the job creation practices for CDBG funds. Section 3 mandates recipients of CDBG funding to target economic opportunities flowing from HUD-assisted projects to lower income residents and businesses in those jurisdictions and areas where HUD is investing public resources. This law requires that the City take affirmative steps to meet this objective. Section 3 seeks to ensure that “to the greatest extent feasible,” training, employment and other economic opportunities generated by federal financial assistance for housing and community development programs are directed to low and very low income persons in the area where the project or activity takes place.

Reporting for jobs created under Section 3 is included in the following section of this report in the form required by HUD. The report that is included is for FY15 as this is the report that is most current.