



CITY OF PHILADELPHIA

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JAMES F. KENNEY
MAYOR

April 10, 2020

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi:

On behalf of the City of Philadelphia and its nearly 1.6 million residents, we thank you for your leadership and providing us with much-needed resources to respond to the ongoing COVID-19 pandemic. However, **as Congress considers a fourth COVID-19 response package, we urge you to provide direct and flexible funding and resources to local governments including the Local Coronavirus Relief Funds.** We would like to urge you to consider the following priorities for Philadelphia as you move forward with additional legislative solutions:

Direct and flexible funding: We believe that the two most effective forms of relief that can be offered to local governments are providing direct, flexible funding and replacing lost revenue resulting from this crisis. [Please click here](#) for further explanation.

Personal Protective Equipment and Supplies: The federal authorities have identified the Philadelphia region at-risk of experiencing a surge in COVID-19 infections. We urgently request to be provided with personal protective equipment and resources to expand testing capacity. [Please click here](#) for further explanation.

Housing: Philadelphia is already facing a housing crisis, with nearly 300,000 housing facing housing instability. The COVID-19 health crisis has magnified the housing crisis and there is need for additional housing funds for low-income renters facing eviction, homeowners facing mortgage payment crisis, HUD related funding for LIHTC and CDBG funds. [Please click here](#) to look at our comprehensive housing related legislative solutions.

Supporting the most vulnerable: Our City needs additional resources to meet the basic needs of those who are traditionally most vulnerable. There is an urgent need to increase support to Medicaid, SNAP, and TANF, as well as flexible emergency assistance for homeless services,

and increased support for programs to help the unemployed. [Please click here](#) for further explanation.

Education: Additional support beyond the investment in the CARES Act is needed to stabilize the impact and close the gap in learning due to schools and institutions of higher education being physically closed. [Please click here](#) to look at our comprehensive education related legislative solutions.

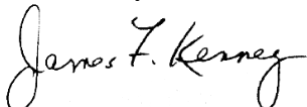
Small Business Relief: Significant expansion of the economic interventions from the first three coronavirus packages to reflect the continued magnitude and duration of disruptions impacting small businesses in the Greater Philadelphia Region. [Please click here](#) for further explanation.

Fair Elections: Pennsylvania has recently established universal vote-by-mail, which will be available for the first time in the upcoming primaries (delayed to June). This system will be critical to reduce the risk of infections spreading at the polls. [Please click here](#) to further understand why more funding for outreach will be required to ensure everyone can exercise their right to vote.

Pension Relief: We request funding be provided to state and local pension funds to compensate for the losses, caused by sudden downturn in the markets in March directly related to this pandemic. [Please click here](#) for further explanation.

Thank you again for the bold leadership you and your colleagues have demonstrated as the nation has grappled with this unprecedented public health and economic crisis. Cities and states cannot effectively address and recover from this pandemic without a robust federal partnership and response. While I am grateful and appreciative of all that has been done so far, much more is needed to ensure that Philadelphians can safely survive the crisis and thrive beyond it.

Sincerely,



James F. Kenney
Mayor, City of Philadelphia

Enc: Memo on legislative solutions for fourth COVID-19 response package

CC: Senator Bob Casey
Senator Pat Toomey
Representative Brendan Boyle
Representative Dwight Evans
Representative May Gay Scanlon

CITY OF PHILADELPHIA

LEGISLATIVE SOLUTIONS FOR FOURTH COVID-19 RESPONSE PACKAGE

One-quarter of Philadelphia residents have income below the federal poverty line – the highest rate of any major city in the nation. As a result, Philadelphia will face unique challenges recovering from COVID-19, and it is clear that the impact of this pandemic will fall more heavily on vulnerable populations.

Early data on the effects of COVID-19 shows more severe impacts in communities of color, who represent nearly half of those in poverty in Philadelphia. In addition, compared to other large, high-poverty cities, a higher proportion of Philadelphians in poverty have disabilities (25 percent) or are not in the labor force (65 percent). More than 90,000 people in Philadelphia's labor force also live in poverty and will need assistance as unemployment levels increase.

Direct and Flexible Funding

As Congress considers a fourth COVID-19 response package, we urge you to provide direct and flexible funding and resources to municipalities including the Local Coronavirus Relief Funds. As we work to protect our local residents, businesses, and economies by making significant financial investments towards COVID-19 response efforts, simultaneously, we are experiencing increased costs and massive and unprecedented declines in revenue as a result of the economic downturn.

Local governments' revenue streams are particularly hard hit at this time. Municipalities are experiencing a shrinking tax base from the abrupt and steep decline in consumer spending and business activity, as well as from the drastic increase in unemployment. Our employers are forced to close and make other difficult decisions in order to protect public health. Additionally, necessary delays in tax filing and payments to provide relief to employers are creating a delay in receiving these revenues. These same factors are also impacting state revenue streams, meaning that local governments cannot rely on their state governments for relief. Accordingly, we support expansion and extension of programs providing federal aid that will ensure employers retain or rehire their employees.

We believe that the two most effective forms of relief that can be offered to local governments are providing direct, flexible funding and replacing lost revenue resulting from this crisis. Without these interventions, local governments will be forced to make drastic cuts, which will deprive residents of needed services, exacerbate the damage being done to local economies and lessen the possibility of a speedy economic recovery.

Given these considerations outlined above, in addition to flexible spending and lost revenue relief, we urge you to consider the following priorities for Philadelphia as you move forward with additional legislative solutions:

Personal Protective Equipment and Supplies

We urgently request to be provided with additional supplies, including personal protective equipment and resources to expand testing capacity and funding for the public health infrastructure that is needed to address the virus in the short and longer term.

Housing Resources for Renters and Homeowners

Even before the pandemic Philadelphia had a housing crisis, with nearly 300,000 households already facing some form of housing instability. Swift and decisive federal action is necessary to combat the crippling effects of the COVID-19 pandemic on our housing market and our residents.

- A new flexible funding source for local governments to offer rental assistance to low-income renters and people with disabilities affected by this crisis.
- Homeowners should be offered up to 12 months of mortgage payment forbearance with the payments added to the end of the mortgage term.
- Congress should provide targeted funding to ensure that communities can maintain and expand their low-income household drinking water and wastewater assistance programs, which help households address issues with affordability and help protect public health throughout the community.
- HUD should double the amount of Nine Percent Low-Income Housing Tax Credits allocated for FY2020-21, provide a 30 percent basis boost, take steps to increase the effectiveness of tax-exempt private activity bonds, and extend key LIHTC deadlines.
- HUD should provide flexibility by permanently waiving the Public Service cap on all CDBG funds, and the federal government should remove utility caps for federally funded programs.
- Congress should reauthorize the Department of Treasury to purchase mortgage-backed securities issued by Fannie Mae and Freddie Mac.
- Treasury should distribute the \$3 billion in non-formula CDBG funds as quickly as possible and explicitly allow rental assistance as an eligible expense.

Supporting the Most Vulnerable

Our City needs additional resources to ensure we can meet the basic needs of our most vulnerable: low income children, seniors and people with disabilities. Additionally, we need resources to help those workers who may have never needed assistance in the past, but now find themselves suddenly without income.

Safety Net Benefits

Additional Congressional action should ensure that critical Federal safety net programs can continue to provide essential healthcare coverage, food aid and income to those in need.

- *Medicaid:* We urge Congress to increase support to State Medicaid programs. Authorize increases in the Federal Medical Assistance Match Percentage (FMAP). We also need additional support ensure people with disabilities are able to receive food and medical treatment at home.
- *SNAP:* We urge Congress to increase the SNAP benefit amount by at least fifteen percent to ensure households keep food on the table and to boost consumer spending.
- *TANF:* We urge Congress to create an emergency fund modeled after the TANF Emergency Fund created during the Great Recession to provide rapid assistance to families with children and providing funding to states to set up subsidized jobs programs during the recovery period. Medicaid, SNAP and TANF funding to states should also require states to invest in technology to upgrade IT systems and modernize benefits access.

Homelessness

Providers are working urgently to stop the spread of the virus among the approximately 17,000 people served by our homeless services system. In the weeks and months ahead, the system will need to help the thousands of individuals who become homeless as the economic distress unfolds.

- We urge Congress to add more homeless assistance and flexible emergency assistance to allow cities to meet the needs to their most vulnerable.
- Congress should also direct HUD to suspend to the McKinney Continuum of Care competition and authorize continued funding at existing levels to allow communities to focus on the public health.

Recovery Rebates

We urge Congress to extend and expand the CARES Act recovery rebates program to make this important payment available to more residents:

- Require the IRS to use federal data so that SSI recipients do not need to file affirmatively to receive the payment
- Allow payments for dependents who are over 18
- Do not require all household members to have a Social Security Number in order for some in the household to receive the benefit.

Unemployment Benefits

As part of this fourth package, we ask Congress to act now to assist those who are suddenly out of work.

- Ensure the new unemployment benefits are extended through the end of the economic downturn, and do not require further Congressional action to extend the dates into the future.
- The impact of these benefits is limited when states do not have the resources to quickly and efficiently process workers' claims. Congress should ensure that state unemployment programs receive adequate funds for program administration.

Furthering our Commitment to Education

Additional financial support beyond the investment in the CARES Act is needed for our education systems to stabilize the impact and close the gap in learning due to schools and institutions of higher education being physically closed.

- Additional stimulus efforts should include investments in the education systems that serve our city - early childhood education, K-12, and Higher Education.
 - These investments should include technology, teacher training, and funding to convert traditional classroom instruction into online modalities.
- Limit waiver and states should be encouraged to do all it can to maintain its funding to education.
 - The maintenance of effort clause in the CARES Act only requires that states maintain their funding of education throughout fiscal year 2020-2021 at a level of average funding over the past three fiscal years and waivers are allowed through the US Department of Education for “precipitous decline in financial resources.

Within the CARES Act, there are additional distributions to minority serving institutions (MSI), but the specific mechanism is not determined. The funding to minority serving institutions should be done directly to institutions, using existing formulas. If competitive programs are used for this funding, we encourage the application process to not be burdensome so that funding can be quickly disseminated to these institutions.

The definition of “students impacted by COVID-19” in the CARES Act should be interpreted broadly to allow institutions of higher education the discretion to disseminate emergency funds to students quickly and broadly to mitigate the vast toll COVID is having on students. Reporting related to this should hold institutions accountable but not be complicated with extensive reporting requirements and/or eligibility procedures that could result in barriers for those students needing the aid the most.

Finally, increased federal support for job training and re-training for the impacted workforce is vital. Many individuals who lost their jobs as a result of COVID will need retraining and support to improve their education and skill sets to pursue job opportunities that rebound in the economy after the health crisis is over.

Business Relief

As part of this fourth package, we urge Congress to provide vigorous support to small businesses, and significantly expand the economic interventions from the first three coronavirus packages to reflect the continued magnitude and duration of disruptions impacting small businesses in the Greater Philadelphia Region.

- Business disruption insurance
- Increase funding for the SBA Payroll Protection Program
- Include CDFIs as eligible lenders in Payroll Protection Program

- Employee Retention Tax Credit
- Emergency Family Medical Leave Act
- Emergency Paid Sick Days program
- Paid Leave Tax Credits
- Loans for mid-sized businesses
- SBA Economic Injury Disaster Loans for businesses non-profit organizations
- Emergency EIDL grants for businesses and non-profit organizations

Philadelphia is also uniquely positioned in that we own and operate our own international airport. Airports across the nation have been devastated by the loss of air travel and travel restrictions placed by the Federal government. We would request that additional direct aid also be given to airports themselves, in addition to the support provided to airlines and operators.

Fair Elections

COVID-19 has challenged election administrators nationwide, putting pressure on the most essential components of democracy in the United States. In Philadelphia, voter turnout has been increasing, a sign of thriving civic engagement and interest in local and national politics. More than half a million voters turned out to vote in the 2018 midterm elections. In the 2019 municipal elections, turnout reached 28 percent, outpacing turnout in the previous two municipal elections (20 percent in 2017, and 26 percent in 2015). The number of registered voters has increased by 60,000 over the past four years.

Pennsylvania has recently established universal vote-by-mail, which will be available for the first time in the upcoming primaries (delayed to June). This system will be critical to reduce the risk of infections spreading at the polls. However, stay-at-home orders and social distancing will put more strain on this system than was anticipated when it was created. There are currently 1,073,575 registered voters in Philadelphia. Many of these voters do not have reliable internet access and cannot easily print out and complete applications to vote by mail. This is especially true for the 24.5 percent of Philadelphians living in poverty. ***More funding for outreach will be required to ensure everyone can exercise their right to vote.***

Pension Relief

Philadelphia has made significant progress on its pension reform plan, and in strengthening the pension fund, however the sudden downturn in the markets in March led to substantial losses for public pension funds nationwide, including for Philadelphia. That downturn will require state and local governments to make unbudgeted contributions to their pension funds that are directly related to the pandemic. This will further require Philadelphia to make cuts in in other essential services areas and to eliminate jobs, inhibiting our ability to rejuvenate the economy. ***We request that funding be provided to state and local pension funds to compensate for the losses.***