



# CITY OF PHILADELPHIA

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**JAMES F. KENNEY**  
Mayor

May 11, 2020

Honorable Robert Casey  
U.S. Senate  
393 Russell Senate Office Building  
Washington, D.C. 20510

Honorable Patrick Toomey  
U.S. Senate  
248 Russell Senate Office Building  
Washington, D.C. 20510

Honorable Dwight Evans  
U.S. House of Representatives  
1105 Longworth  
Washington, DC 20515

Honorable Brendan Boyle  
U.S. House of Representatives  
1133 Longworth House Office Building  
Washington, DC 20515

Honorable Mary Gay Scanlon  
U.S. House of Representatives  
1535 Longworth HOB  
Washington, DC 20515

Dear Members of Congress,

On behalf of the City of Philadelphia and its nearly 1.6 million residents, we thank you for your continued leadership and providing us with much-needed support and resources to respond to the ongoing COVID-19 pandemic. As of May 7, 2020, Philadelphia has 17,047 confirmed cases and has tragically lost 816 Philadelphians.

The City took necessary and decisive action to slow the spread of the virus and save lives including:

- March 12, 2020 – Prohibiting gatherings of 1,000 or more people.
- March 16, 2020 – Restricting commercial activity to only essential businesses and services.
- March 23, 2020 – Issuing a stay-at-home executive order.

We have been working tirelessly to ensure our residents stay safe and follow the health guidelines provided by the local health department and Pennsylvania Governor Wolf's Office. We have been coordinating with the state administration to ensure guidance are aligned, while also creating local strategies, given our unique metropolitan region in comparison with the rest of the state. Through the CARES Act, the City has been able to secure critical funds to support life-saving and emergency services and provide resources and economic relief to our most impacted residents, including:

- \$276 million in Local Stabilization Funds for financial assistance of COVID-19 related expenses and \$4.5 million in CDC Crisis Response Funds for preparedness and response activities.
- \$12 million in Health Resources and Services Administration (HRSA) Grants to support our local health centers.
- \$117 million to the School District of Philadelphia to provide remote learning and distribute student meals while school is not in session and \$95 million to our region's higher education institutions for student aid and operations support, including \$17 million to support the Community College of Philadelphia and its students.

- \$26 million in Community Development Block Grant (CDBG) and \$13 million in Emergency Solutions Grants (ESG) to support our homeless population and families.
- \$25 million to support our local Public Housing Authority operations and response activities.
- \$116 million to support the Philadelphia International Airport (PHL).

While the CARES Act provided critical funding for necessary response activities, more assistance and more flexible funding is needed to enable recovery. **For the City of Philadelphia, COVID-19 has turned what was projected to be a fund balance of over \$300 million into a deficit of almost \$650 million.** It has upended years of careful financial planning by my Administration that resulted in increased reserves, higher fund balances and a more positive outlook from rating agencies. We are taking measures to address this budget shortfall, including reducing spending, utilizing reserves, and increasing taxes. But it is not enough to avoid painful consequences resulting from our need to protect public health by issuing a stay at home order; the City has already begun employee layoffs and is preparing for cuts to services for residents, for example reducing programming in recreation centers and libraries and eliminating a planned citywide street sweeping program.

There are still critical gaps that need to be addressed to ensure our most vulnerable populations continue to be protected including **the need for flexible federal funding to address lost revenue due to COVID-19.**

In order to continue services and programs to protect our residents and ensure a robust and equitable economy recovery, we would like to urge you and Congress to consider the following requests to be included in the fourth COVID-19 response package.

**Direct and flexible funding:** Of Philadelphia's projected \$649 million budget shortfall, \$535 million stems from lost revenue due to COVID-19. We believe that the two most effective forms of relief that can be offered to help local governments cover costs associated with the response to COVID-19 and to help the City restart the economy are providing direct, flexible funding and replacing lost revenue resulting from this crisis. Please [click here](#) for further explanation.

**Personal protective equipment and supplies:** Based on previous requests, burn rates, current inventory, and incoming orders, our Department of Public Health has identified a need for 20,000 face shields, 200,000 gowns, 80,000 gloves, and 100,000 N95 masks, 200,000 procedure masks, and 1,500 coveralls. This is in addition to supply needs for emergency first responders. We urgently request to be provided with additional personal protective equipment and resources to expand testing capacity. Please [click here](#) for further explanation.

**Housing:** Before the COVID19 pandemic, nearly 300,000 households faced some form of housing instability and most renters were cost-burdened, with 53 percent of renters spending more than 30 percent of their income on rent, and 31 percent of renters spending more than half of their income on rent. 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](#) for further explanation.

**Safety net benefits for the most vulnerable:** Before the pandemic, 648,000 Philadelphians relied on Medicaid to cover their health care costs and 450,000 Philadelphians relied on SNAP to help feed their families. As of last week 78,000 Philadelphians were receiving Unemployment Compensation. Our City needs additional resources to meet the basic needs of those who are traditionally most vulnerable. There is an increased and urgent need to expand 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:** To date, the School District of Philadelphia anticipates a decline of \$60 million in local revenue for the remainder of Fiscal Year 2019-2020. The local revenue impact will be even more severe for Fiscal Year 2020-2021. The Community College of Philadelphia also estimates declining revenue due to low-enrollment as students and families face uncertain financial situations. To ensure that the Community College of Philadelphia can maintain tuition at current levels additional funding is needed. 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](#) for further explanation.

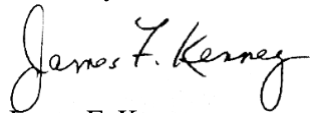
**Small Business Relief:** An additional \$70 million is needed to address the needs of small businesses in Philadelphia. Our small business relief fund provided over \$9.5 million in grants to nearly 1,900 Philadelphia small businesses. Despite this significant deployment of local resources, we received over 7,000 applications between March 23rd and April 15th, with total demand for the fund exceeding \$70 million. Significant expansion of the economic interventions from the first three coronavirus packages is needed to reflect the continued magnitude and duration of disruptions impacting small businesses in the Greater Philadelphia Region. Please [click here](#) for further explanation.

**Workforce Development:** Pennsylvania is number 8 in the nation in the percentage of its workforce that has filed for unemployment, with more than 1 in 4 workers submitting claims since the onset of the pandemic. Unemployment in Philadelphia is disproportionately destabilizing African American and Latinx communities and is increasing the likelihood of economically vulnerable households falling into sustained poverty. Workers need access to high quality training to secure and succeed in sustainable jobs that pay a family sustaining wage. Please [click here](#) for further explanation.

**Fair Elections:** An additional \$3 million is needed to ensure Philadelphia can implement safe and 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. 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. More funding for outreach will be required to ensure everyone can exercise their right to vote. 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

CC: Honorable Nancy Pelosi, Speaker, U.S. House of Representatives  
Honorable Steny Hoyer, Majority Leader, U.S. House of Representatives  
Honorable James Clyburn, Majority Whip, U.S. House of Representatives  
Honorable Kevin McCarthy, Minority Leader, U.S. House of Representatives  
Honorable Steve Scalise, Minority Whip, U.S. House of Representatives  
Honorable Mitch McConnell, Majority Leader, U.S. Senate  
Honorable John Thune, Majority Whip, U.S. Senate  
Honorable Chuck Schumer, Minority Leader, U.S. Senate  
Honorable Dick Durbin, Minority Whip, U.S. Senate

## **CITY OF PHILADELPHIA**

### **LEGISLATIVE SOLUTIONS FOR CARES 2.0**

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 appreciate the support for testing capacity and funding for the public health infrastructure that was included in CARES 3.5 and we request that Congress continue to work to ensure that the testing and contact tracing resources be targeted directly to the communities, proportional to their number of cases.

Based on previous requests, burn rates, current inventory, and incoming orders, our Department of Public Health has identified a need for 20,000 face shields, 200,000 gowns, 80,000 gloves, and 100,000 N95 masks, 200,000 procedure masks, and 1,500 coveralls. This is in addition to supply needs for emergency first responders. We urgently request to be provided with additional personal protective equipment and resources to expand testing capacity.

## ***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, with modernized, streamlined eligibility requirements.

## ***Supporting the Most Vulnerable***

Our City continues to needs additional resources to ensure we can meet the basic needs of our most vulnerable: low income children, seniors and people with disabilities even as we face reduced City revenue to support City services and group of those in need grows to include those workers who may have never needed assistance in the past, but now find themselves suddenly without income.

## ***Safety Net Benefits***

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

**Medicaid:** 648,000 Philadelphians rely on Medicaid to cover their health care costs. Facing historic declines in revenue, the state will be struggle to cover the costs of this critical program. We urge Congress to authorize further increases in the Federal Medical Assistance Match Percentage (FMAP).

**SNAP:** 450,000 Philadelphians currently rely on SNAP to help feed their families. 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, that the additional Pandemic Unemployment Compensation (PUC) does not disqualify individuals from SNAP, and to correct FNS interpretation of several CARES act provisions, so that all SNAP households receive extra support during the pandemic without burdensome verification. Finally we ask Congress to prevent the Administration from finalizing several harmful proposed rules regarding SNAP that were under consideration before the pandemic.

**TANF:** We urge Congress to create a \$5 billion emergency fund modeled after the TANF Emergency Fund created during the Great Recession to provide rapid assistance to families with children and 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.

Finally, we request that Congress act to suspend the “public charge” rule during the pandemic, so that all individuals are able to access the services they need to keep themselves and our community healthy, without fear of jeopardizing their immigration status.

### ***Homelessness***

The Philadelphia Homeless Services system helps approximately 17,000 people each year and the need for services has grown during the crisis. The City and providers are working urgently to make changes to address the health and safety of those who live in congregate settings and those who are unsheltered. The need for additional shelter space that can support isolation, quarantine and social distancing has created additional cost, at a time when the City's revenue has plummeted.

- We urge Congress to provide additional \$20 million in homeless assistance and flexible emergency assistance to allow us to meet the needs of our those who are without a home.

### ***Economic Impact Payments***

We continue to urge Congress to extend and expand the CARES Act economic impact payments program to make an additional round of automatic payments, focused on middle and low-income households, and to make this important payment available to more residents:

- 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
- Ensure that individuals are not limited to one payment in 2020, if adjustments are needed, for example, to add dependents.
- Require the IRS to provide county level data regarding the number and type of individuals who have received the payment.

### ***Unemployment Benefits***

As part of this fourth package, we ask Congress to further bolster the important UC provisions to assist those who will continue to be impacted by the economic downturn by increasing the federal share of funding for UC. We request \$8 billion in federal funds to support UC benefits to Pennsylvanians. Congress should 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.

As of last week 78,000 Philadelphians were receiving Unemployment Compensation. That figure should be even higher, but many workers have been unable to complete their applications as the state's system struggles to keep pace with demand, highlighting the continue need for resources to support state infrastructure. We also urge that, given the nature of the crisis, federal legislation should provide states with flexibility to offer benefit recertification at less frequent intervals than is typical and using mechanisms outside of outdated unemployment insurance processing systems where appropriate.

### ***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.
- Specifically, for K-12 Education, we support an additional federal allocation of \$175 billion in Educational Stabilization Funds distributed to the local level through the Title I formula. We also urge Congress to provide an additional \$13 billion for IDEA, \$12 billion in additional Title I program funding, \$2.0 billion for E-Rate, and emergency infrastructure funds that include public schools.
- For higher education, we request the allocation of an additional \$46.6 billion in Stimulus 4 legislation, provided through the formula contained in Section 18004(a)(1) of the CARES Act. This funding should be as flexible as possible, allowing institutions to serve all students (including DACA and non-credit students) equitably, and allowing institutions to fill revenue gaps created by low enrollment.
- To address needed workforce training, we also request an investment of \$1.0 billion per year for at least two years for vital workforce education programming at Community Colleges. This could be modeled on the highly successful Trade Adjustment Assistance Community College and Career Training Program, such as the Strengthening Community College Training Program, created in FY 2020 appropriations legislation. The Perkins Career and Technical Education Act is another possible vehicle to provide targeted workforce development assistance to community colleges.

Increased funding must be matched by policies that ensure that states maintain their financial commitment to education. We encourage language that ensure states supplement and not supplant funding so that state funding to education continues to receive a proportionate share of state budget funds.

### ***Small Business Relief***

An additional \$70 million is needed to address the needs of small businesses in Philadelphia. Our small business relief fund provided over \$9.5 million in grants to nearly 1,900 Philadelphia small businesses, including \$3.9 million to 278 businesses with annual revenue between \$500,000 and \$3 million and \$5.6 million to 1600 businesses with annual revenue less than \$500k. Additionally, we partnered to provide \$3 million in zero-interest loans to businesses with less than \$5 million in annual revenue. Despite this significant deployment of local resources, the need is still great. We received over 7,000 applications between March 23rd and April 15th, with total demand for the fund exceeding \$70 million, and much of this need remains unmet.

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.

### ***Workforce Development***

Philadelphia needs a significant federal investment in job training to build a pipeline of local talent equipped with the skills employers need to compete in a post-COVID-19 economy. We are asking Congress to invest in a jobs program that will rapidly upskill and reskill workers to meet immediate workforce needs in education, healthcare, manufacturing, transportation, information technology, distribution and logistics. Additionally, Philadelphia will need access to significant investments in subsidized jobs, worker training and digital skill development specifically targeted towards low wage workers currently making too little to support themselves and their families, and at a high risk of losing their jobs all together as industries hasten their push to automation.

### ***Fair Elections***

In order to ensure the implementation of safe and fair elections, we request \$3 million in funds. 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. A dedicated \$3 million in funding for outreach will be required to ensure everyone can exercise their right to vote.