

RESPOND
RESTART
RECHARGE
REIMAGINE

An Equitable and Inclusive Economic
Recovery for Philadelphia

September, 2020



Vision

By creating more targeted opportunities for economic mobility and wellbeing, fostering the creation of quality jobs, supporting and enhancing vibrant neighborhood commercial corridors, and capitalizing on our natural assets and strengths, Philadelphia emerges into a post-COVID-19 world with a more inclusive, equitable, and robust economy that will help ensure long-term prosperity for all.



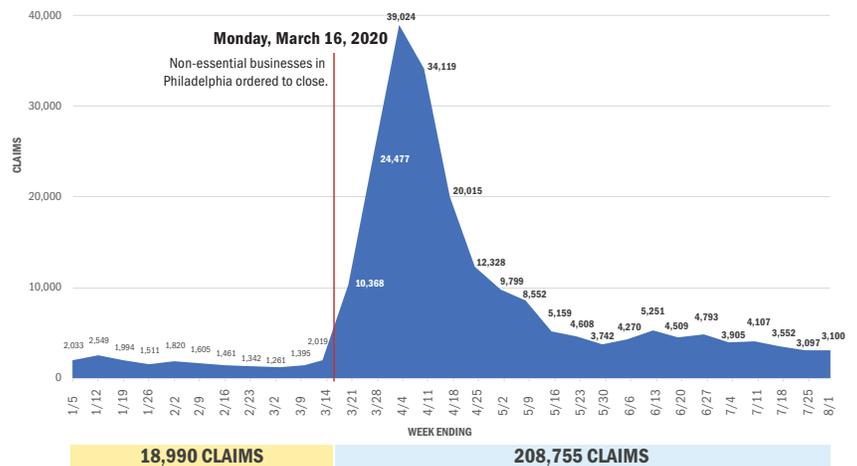
The Impact of COVID-19 on Philadelphia's Economy



The City has been working diligently to respond to the COVID-19 pandemic since early 2020, with a focus on protecting the health, safety, and welfare of all residents, while supporting as many businesses as possible through difficult shutdowns and other impacts. The pandemic is an unprecedented event that required the City and other key stakeholders to develop new and different solutions, policies, and practices in response. While City government and the broader community continue to work to keep infection rates down, and await a vaccine to alleviate the impacts, the COVID-19 virus will continue to impact the city, commonwealth, nation, and world for many more months.

Economic data show Philadelphia needs strategic, sustained solutions to address major challenges caused or in many cases exacerbated by the pandemic—which has had a devastating impact on businesses and jobs.

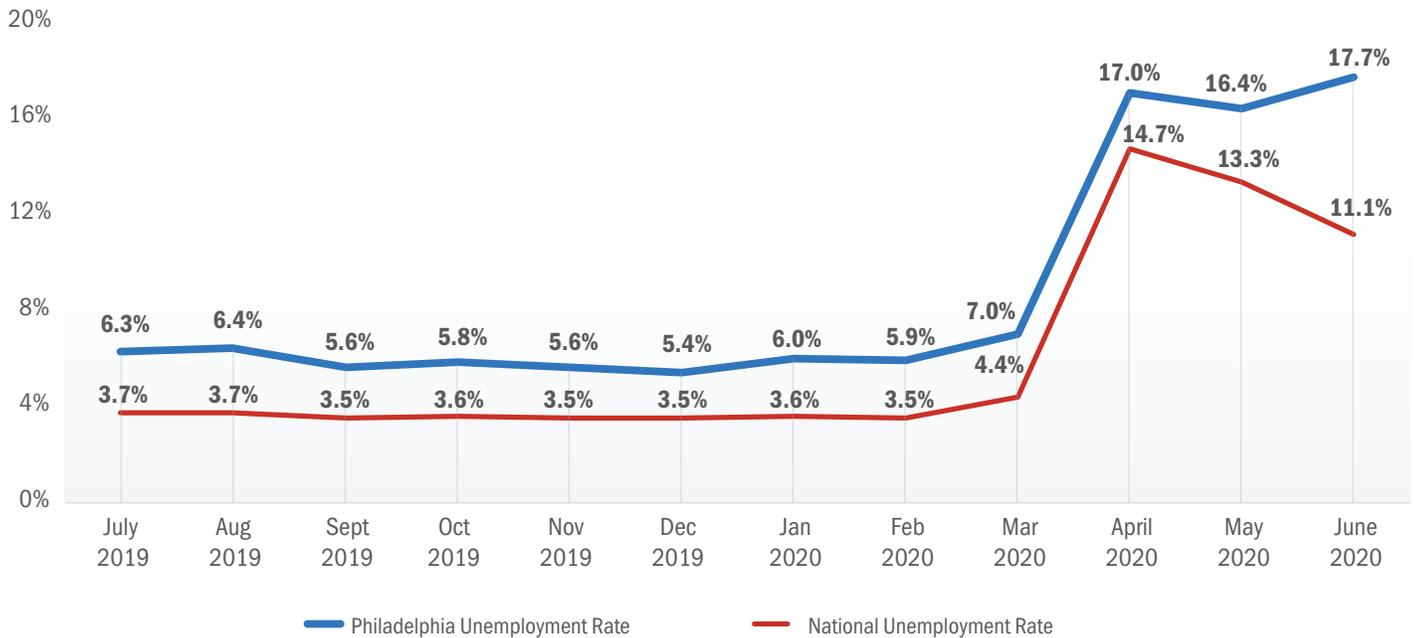
Weekly Unemployment Compensation (UC) Claims by Philadelphians, January 2020 - August 2020



SOURCE: PA Department of Labor and Industry; PA Center for Workforce Information and Analysis

- **More than 208,000 Philadelphians**—including a disproportionate number of minorities— filed initial claims for Unemployment Compensation (UC) between March 15 and August 1, 2020, an average of 10,038 per week, while the average prior to COVID-19 was 1,137 per week.
- **69 percent** of initial UC claimants had less than a high school diploma.
- **42 percent** of initial UC claimants during this period were filed by African American residents, while 32 percent were filed by white residents. This gap has widened as the total number of initial claims filed each week has decreased.

Unemployment Rate, July 2019 - June 2020



SOURCE: [U.S. Bureau of Labor Statistics](#)

Unemployment in the U.S. reached 14.7 percent in March 2020, the highest rate since the Great Depression, and stands at 10.2 percent as of July 2020. Since the onset of the crisis, Philadelphia's unemployment rate has continued to climb and reached 17.7 percent in June. Due to systemic challenges, Philadelphia's unemployment rate traditionally trends higher than the national average, and is even higher among communities of color.

Nationally, nearly 7.5 million small businesses are at risk of closing their doors permanently, according to a survey conducted this spring by Main Street America (MSA).

Minority- and women-owned businesses are the most at-risk, but the least likely to be able to access or benefit from large, federal programs such as the SBA's Payroll Protection Program due to structural flaws that benefit businesses with pre-existing relationships with major banks.

Our Recovery Framework

The City of Philadelphia's Recovery Office, Departments of Commerce and Planning and Development, the Philadelphia Industrial Development Corporation (PIDC), and Philadelphia Works have identified four phases of work to drive an equitable economic recovery in Philadelphia, which will represent a broader, citywide effort.

As the City has responded to the COVID-19 crisis, many economic development initiatives that were already underway or planned have been or are in the process of being re-worked to address the evolving critical needs of residents and businesses in a post-pandemic economy.

01



RESPOND:

Deliver resources to the most vulnerable businesses and communities and maximize opportunities to sustain employment. Provide immediate relief to entrepreneurs and employers in a transparent and efficient way.

02



RESTART:

Build confidence in the market to drive demand and support businesses seeking to adapt to new conditions. Provide clear, actionable guidance and critical resources to entrepreneurs and employers seeking to reopen.

03



RECHARGE:

Regain the momentum that was disrupted by the pandemic by positioning entrepreneurs and employers for growth. Identify and develop new opportunities to drive local business demand and build greater resilience among Philadelphia's most vulnerable businesses and communities.

04



REIMAGINE:

Seize bold opportunities that may have never seemed possible, amplifying Philadelphia's strengths and ensuring equitable growth for the future. Reimagine and reinvent the industries and jobs of the future in ways that increase access and opportunity for all.



RESPOND AND RESTART

Since the COVID-19 health emergency and corresponding economic crisis first began in March, the City has responded quickly and vigorously with various programs and measures to support businesses, workers, and the public at large. Economic response and restart efforts completed, or in the works, to support residents and businesses or promote economic development are detailed on Pages 6-9.

Support and Relief for Residents:

- **PHL COVID-19 Fund.** The [PHL COVID-19 Fund](#)—a joint effort among the City of Philadelphia, the Philadelphia Foundation, and United Way of Greater Philadelphia and Southern New Jersey—formed on March 19 and has already raised and distributed \$17.5 million to more than 500 local nonprofits that serve vulnerable populations.
- **COVID-19 Rental Assistance Program.** Two rounds of rental assistance that will distribute \$38.45 million to help more than 10,000 households remain in their homes.
- **Philadelphia Worker Relief Fund.** Raised more than \$1.7 million from philanthropy to provide [emergency direct cash assistance](#) to workers and families impacted by COVID-19 who were left out of all federal and state relief. Partnered with community-based organizations to identify applicants.
- **Mortgage Foreclosure Prevention.** The City's nationally recognized Mortgage Foreclosure Prevention Program has continued to operate remotely. It assists homeowners facing foreclosure, including those who have lost income due to COVID-19. From March 15 through August 31, 349 homeowners have received free legal assistance, 166 have had their cases resolved, and 103 are new program participants.
- **Shallow Rent for Tenants.** The City has created a rental assistance program for tenants for whom even an income-restricted rental unit is unaffordable. It is currently assisting 394 households, at least 20 percent of which have lost income due to COVID-19.
- **Home Improvement Programs.** Philadelphia Housing Development Corporation's (PHDC) Basic Systems Repair, Adaptive Modifications, Targeted Housing Preservation and LIHEAP Crisis Heating programs continue to provide much-needed home repairs and assistance to low-income homeowners and renters. The City has directed more than \$4.6 million – emergency federal Community Development Block Grant (CDBG) funds and additional funding from the Commonwealth – to these programs.



- **Restore, Repair, Renew.** PHDC and its partners have continued to process loan applicants remotely. The average borrower in this low-interest home repair program is at 60 percent of Area Median Income, 84 percent of borrowers are minorities, and borrowers have a default rate of zero percent. The program has closed 106 loans for nearly \$2 million and has 625 loans in progress.
- **Housing Production/Preservation.** Thirty-five affordable housing production or preservation projects are under construction or moving through the development pipeline. These projects will produce or preserve 2,081 affordable homes and have a total development cost of approximately \$276 million.
- **New Models for Homeless Housing.** Planning and Development is working with the Office of Homeless Services and the Philadelphia Housing Authority to develop innovative approaches to housing our most vulnerable residents, including tiny home congregate living and modular units. PHA has redeveloped a total of 10 properties, 25 units are underway, and the parties are discussing how to add more than 100 units to the development pipeline.
- **Philly First Home.** PHDC and its program partners have continued to process applicants to this first-time homebuyer program remotely. Eligible participants earn less than 120 percent of Area Median Income, and 80 percent of them are minorities. Due to its popularity the funding for this program has been exhausted and it is no longer accepting applications. Applications will be reopened should additional funding be identified.
- **Exploring the Nexus Between Health and Housing.** The City has engaged The Reinvestment Fund to quantify the cost to the healthcare system of medical conditions attributable to low quality and unaffordable housing, a connection that COVID-19 has made clearer. The Reinvestment Fund will also assist in developing a strategy of housing interventions.
- **Employment Resources to Support Re-Attachment to the Workforce.** Philadelphia Works partnered with the City on a short-term transitional jobs program in early spring that provided 50 dislocated workers immediate income while supporting the City's efforts to stand up neighborhood based food distribution sites. Simultaneously, Philadelphia Works launched a website to list immediate job openings in order to connect residents to opportunities and support essential businesses in meeting unpredicted staffing needs. Moving forward, Philadelphia Works and the City continue to enhance their virtual job search and training resources to meet the unprecedented need for employment services.



Support and Relief for Employers:

- **Philadelphia COVID-19 Small Business Relief Fund.** Immediately after business restrictions were enacted, the City and PIDC distributed [\\$13.3 million to 2,083 small businesses](#), with 66 percent of awards going to minority-owned businesses and 32 percent to woman-owned businesses.
- **Business Services Support.** Since business activity restrictions were announced in March—and throughout the reopenings—the Commerce Department's Office of Business Services (OBS) has been answering business owners' questions and providing assistance regarding business resources and reopening guidance on a daily basis. Since mid-March, the team has fielded more than 6,000 inquiries from businesses through its telephone hotline and email account. Additional outreach and support has been provided through community organization and business association partners.
- **Restore and Reopen Program.** A total of \$1.58 million in grants was awarded to more than 180 small, independently-owned businesses that suffered property damage, vandalism, or inventory losses during the recent civil unrest—with a focus on those in historically disadvantaged communities; 91 percent of awards were made to minority-owned businesses.
- **Reopening with Care: Philadelphia's Strategy for Moving to Green.** Developed [industry-specific health and safety guidance](#) to help businesses safely reopen during the modified Green phase, and partnered with North Broad Renaissance to create a [pledge](#) for small businesses.
- **Neighborhood Business Personal Protective Equipment Program.** Through a [partnership with City Council](#), the Department of Commerce assembled and distributed 10,000 PPE starter kits to small businesses on commercial corridors to help them reopen safely.



- **Outdoor Dining Modifications for Restaurants.** Spearheaded a complex effort to allow restaurants to operate with [new outdoor dining options](#) to earn much-needed revenue.
- **Restart PHL Loan Fund.** This program, recently launched by PIDC, provides flexible low-cost capital to small businesses with less than \$5 million in revenue for costs associated with improved business resilience or growth, including working capital, fit-up, inventory, technology, mobilization, re-hiring, and employee training.
- **Loans for Landlords.** The City and Impact Loan Fund have launched two loan programs for small landlords. Both provide working capital to landlords to improve rental housing stock while keeping rents affordable. Both include HAPCO recommendations designed to assist small landlords. Sixty-two loans worth \$657,743 have been closed or pre-approved since March 15.

Economic Development Initiatives:

- Keeping Development Moving.** The Department of Licenses and Inspections (L&I) acted decisively as the COVID-19 crisis loomed to ensure the City's permitting operations would proceed uninterrupted. Thanks to the launch of online permitting just before the shutdown, permitting never stopped. L&I also improvised new processes to leverage the eCLIPSE platform so that electronic permits could be issued to customers who submitted paper applications and plans in person before the shutdown. L&I continued to roll out customer service initiatives, including automated scheduling of inspections and appointments for safe in-person assistance. A grant awarded to L&I over the summer will promote the continued growth of the online customer base by expanding the department's remote support capacity.

All the boards and commissions that review and approve development applications—the City Planning Commission (PCPC), Civic Design Review Committee, Zoning Board of Adjustment (ZBA), Historical and Art Commissions—continue to meet to consider projects and are doing so in a way that allows broad public participation. PCPC continues to participate in the rezoning process that supports development and business opportunities and transportation planning projects that will create a more competitive city. PCPC has also set up a help desk to assist Registered Community Organizations (RCO) to play their role—remotely and safely—in the development process.

- Developer Services.** Planning and Development's Development Services Division has been an active link between the development community and the permitting departments within the City. It has assisted developers through the introduction of L&I's eCLIPSE system, providing information to the development community on what was or was not working, delivered feedback from the development community to relevant City agencies, and assisted affordable housing developments as they move from conception to construction.



- Navy Yard RFP for Development.** Successfully positioned the Navy Yard to initiate next phases of development of 4.3 million square feet and \$2.3 billion of private investment in the life sciences, research and development/production, office, and mixed use with a strong commitment to diversity, equity, and inclusion in all aspects of these projects.
- Community Revitalization.** Commerce, Planning and Development, PIDC, and City Council will partner to implement community-driven neighborhood economic development plans for some of the City's most impoverished communities, including Southwest, Fairhill/Kensington, and Broad/Germantown/Erie. Efforts will focus on building local wealth and provide incentives for business and property ownership. The City and PIDC intend to develop models for place-based community revitalization to attract additional philanthropic investment.

Coordinating Efforts:

In addition to these local efforts, as business relief programs have been launched by the federal and state governments—such as the Paycheck Protection Program, Economic Injury Disaster Loans, and the COVID-19 Relief Pennsylvania Statewide Small Business Assistance program—the City has coordinated closely with PIDC, Philadelphia Works, and community partners, including chambers of commerce, Community Development Financial Institutions (CDFIs), Business Improvement Districts (BIDs), and Community Development Corporations (CDCs), to ensure that Philadelphia businesses have an opportunity to access this funding. We continue to advocate for additional relief for our local business community.



RECHARGE AND REIMAGINE

As the City, along with our economic and workforce development partners, continues working to restart and recharge the local economy, we're also capitalizing on a chance to reimagine it. To that end, the City is involved in three related initiatives:

01

The Regional Recharge and Recovery Taskforce.

Led by the Chamber of Commerce for Greater Philadelphia, the Taskforce was launched in collaboration with the Department of Commerce, PIDC, and the PA Department of Community and Economic Development. Through this partnership, the Taskforce assembled eight distinct sub-committees, composed of more than 130 business and economic development stakeholders. The individuals engaged in a total of 16 group sessions to identify priorities for recovery and recommendations for long-term, inclusive economic recovery and competitiveness to drive growth across the region. The next step for this process is to identify roles and responsibilities across the public and private sectors, to ensure coordination as we move into implementation.

02

Equitable Entrepreneurship Assessment and Strategy.

The United Way of Greater Philadelphia and Southern New Jersey, the City, and PIDC are partnering on a comprehensive assessment of the existing local entrepreneurial landscape. Findings from that assessment will help develop actionable recommendations to increase effectiveness, fill gaps, and address opportunities for further investment, with a specific focus on funds and technical assistance available to diverse business owners—especially people of color, immigrants, and women—who have traditionally been underrepresented in the business community. The consultant team will produce its assessment and recommendations for an improved equitable entrepreneurial ecosystem by early 2021.

03

Workforce Respond and Recharge Plan.

The City and Philadelphia Works are engaged in a joint planning process to identify and implement key short and long-term strategies to address the unprecedented unemployment crisis spurred by the pandemic. Collaborative efforts are focused on addressing the disproportionate impact of unemployment on residents of color and individuals lacking a high school credential. As part of this process, the newly-consolidated Workforce Division within Commerce is finalizing its key priorities for the next 12-18 months.



FUTURE INITIATIVES TO REIMAGINE OUR ECONOMY

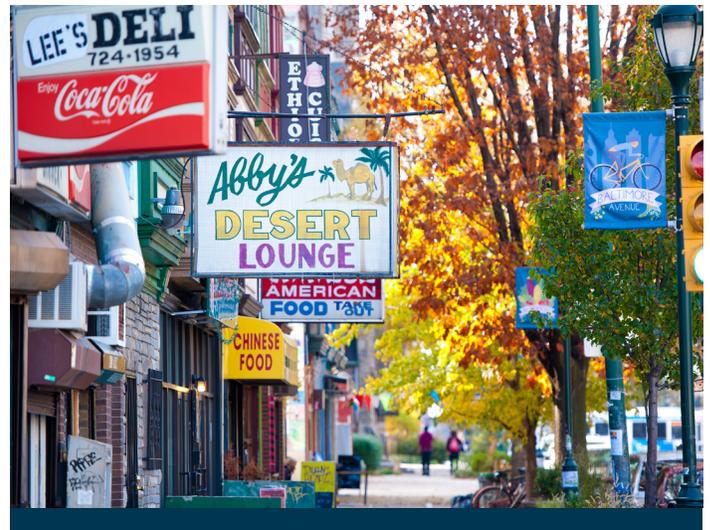
As work continues to reimagine Philadelphia's economy, the City will capitalize on its natural strengths to ensure that Philadelphia and its surrounding region become a new national model to learn, apprentice, and work in the jobs of the future.

Preparing Our Workforce for Jobs of the Future:

- **Connecting Residents to Opportunity.** Commerce is partnering with Philadelphia Works on the publication of a seasonal workforce resource guide to help residents of all ages navigate free education and training resources, as well as connect to job opportunities. The [inaugural guide](#), published in July 2020, was made available electronically in six languages and 4,000+ hard copies were distributed in communities through the Police Department, the Office of Violence Prevention, the Office of Community Empowerment and Opportunity, and Parks and Recreation's PlayStreets program.
- **Workforce Development Initiatives.** Commerce will invest \$1 million in innovative workforce development interventions to connect residents laid off from low wage jobs to sustainable, living wage positions in growing industries. Through a partnership with the West Philadelphia Skills Initiative, PIDC has initiated new workforce development strategies to prepare and connect un- and under-employed Philadelphia residents to employment opportunities in the Navy Yard.
- **Continued Investment in the Community College of Philadelphia.** The City dedicated \$44.1 million in funding for FY21. A portion of FY21 funds will be used for the new Octavius Catto Scholarship, an anti-poverty initiative that makes CCP tuition-free for eligible full-time students and drastically improves college access, persistence, and degree attainment.
- **Career Connected Learning.** The City is launching a partnership with the School District to build a citywide Career Connected Learning system that will engage employers, workforce training providers and higher education institutions to provide students with career exposure and experience, preparing them for post-secondary success.
- **Digital Access Plan.** As Philadelphia recovers from the pandemic, the City is prioritizing equity and committing to solving the digital divide. [Three core strategies](#) include: ensuring all K-12 public school students have consistent access to the technology, internet, and support that they need to engage in remote learning in the fall of 2020 and beyond; reimagining the future of public computing centers, including KEYSPOTS; and guaranteeing that all Philadelphians have access to affordable and reliable digital solutions. The [PHLConnectED](#) program will connect up to 35,000 K-12 student households with internet service in Philadelphia.

Ensuring Long-Term Housing Affordability:

- **Eviction Diversion Program.** In early September, the City, PHDC, Philadelphia Legal Assistance, Community Legal Services, and Good Shepherd Mediation Program launched an Eviction Diversion Pilot Program to assist tenants facing a COVID-related hardship work out a payment agreement with their landlord to avoid eviction.
- **New Affordable Housing Financing.** The City and PHDC have created the Philadelphia Accelerator Fund, a new investment vehicle to support affordable housing and community development. It will offer products to fill funding gaps for projects that promote social impact and equitable neighborhood growth. It plans to start making investments in late 2020 or early 2021.
- **Funding for Affordable Housing Tax Credit Projects.** Ten developments that include affordable housing will advance with a combination of \$33 million in City funds and \$11.88 million in Low Income Housing Tax Credits allocated by the State. Those funds and tax credits are expected to leverage nearly \$110 million in private sector investment. The developments will produce or preserve 1,958 affordable units, 184 of which will serve people who are experiencing or have experienced homelessness.
- **Re-Imagine Philadelphia: The Next Comprehensive Plan.** Philadelphia's Comprehensive Plan is a collaborative vision and strategic plan that guides 10-25 years of physical development and capital investment in the city. Re-Imagine Philadelphia will create a foundation for the next Comprehensive Plan that outlines an iterative approach to planning led by residents. The outcome will be a more fully engaged, equitable and collaborative planning process that points Philadelphia toward achieving justice.



Investing in Neighborhood Commercial Corridors and Minority Businesses:

- **PHL Taking Care of Business Commercial Corridor Cleaning and Workforce Program.** In the coming months, the City will launch an expanded \$7 million commercial corridor cleaning program that will create small business contracting opportunities, especially for minority- and women-owned businesses, workforce training and job opportunities for residents, and clean sidewalks to revitalize neighborhood corridors.
- **Mentor-Protege Program for Minority Businesses.** Working with the private sector, the Office of Economic Opportunity (OEO) will launch a mentor-protege program to build capacity in minority businesses and help position them as prime contractors.
- **Investments to Grow Local, Small, and Black- and Brown-Owned Businesses.** Guided by the work of the Equitable Entrepreneurship strategy, the City and PIDC will focus our collective commitment on new investments and resources to grow local, small, and Black- and brown-owned businesses. This will include more affordable and flexible capital and targeted business support resources to support small business owners seeking to acquire real estate to build assets and wealth in their businesses. It will also include new models of patient capital and equity or equity-like funding to ensure that businesses have access to the resources they need to fund their growth.



Ensuring Long-Term Economic Competitiveness:

- Positioning Philadelphia as the Most Diverse Tech Hub and the Cell and Gene Therapy Capital of the World.** The City, PIDC, and partner organizations are investing in building and positioning Philadelphia as a leader in these areas through grants to underrepresented startup founders, supporting internships and career pathways for Black and brown students in Philadelphia tech companies, supporting acceleration programs targeting historically disadvantaged business owners, growing a Tech Industry Partnership, and partnering on promotional campaigns positioning Philadelphia as a destination for tech talent and cell and gene therapy. This work will advance pre-development activities for projects with long-term potential for thousands of new jobs, with a focus on repositioning the Lower Schuylkill to support cell and gene therapy manufacturing.
- Rebuild Tourism, Trade, and Connectivity to the World.** Together with Philadelphia International Airport, PhilaPort, and our tourism industry partners, we'll work to secure the return of suspended direct air and sea connections and add new routes to foster movement of cargo, business, and investment connections worldwide. These industries, and the infrastructure that drive them, support thousands of jobs in the region and produce billions of dollars of economic impact. The airport also provides the gateway for travel, tourism, and meetings—another sector with tremendous economic impact including nearly 200,000 jobs in the region.
- High-Impact Job Creation Projects.** Commerce, Planning and Development, and PIDC are working closely to support the development of key job creation projects that represent unprecedented opportunities to revitalize vast land parcels in Philadelphia, including the Hilco redevelopment of the former refinery site, PhilaPort expansion, Navy Yard development, Airport cargo and air service, and others. The City is committed to putting diversity, equity, and inclusion, along with opportunities for local businesses, at the forefront of these large-scale projects.
- Social Impact Development Projects.** Commerce, Planning and Development, PIDC, and PHDC are committed to facilitating projects that emphasize social impact and community wealth building. Working with both local nonprofit and industry for-profit developers, these agencies will continue to coordinate with and invest in development projects and businesses that maximize economic benefit to communities and the residents of Philadelphia. Specific emphasis will continue to be placed on efforts that ensure long-term or permanent affordability, equitable employment, education access, and minority business development.
- Global Market Prioritization Strategy.** The Department of Commerce is coordinating with our economic development partners, with support from an MBA team from Wharton, to develop an updated strategy for international business attraction in a post-COVID-19 economy by identifying key markets.
- Philadelphia Global Identity Partnership (PGIP) Brand Toolbox.** PGIP is a diverse coalition of engaged organizations, businesses (including technology and innovation hubs), and universities in the Greater Philadelphia area committed to developing a cohesive and compelling global identity that positions the Philadelphia region as a top tier global destination for investment, business, and talent. The online Brand Toolbox will showcase why Philadelphia is an attractive place to work and live in order to help recruit new businesses, investment, and talent from around the world.



Philadelphia's Reimagined Economy

These long-term, large-scale initiatives will help drive Philadelphia's potential to become the most inclusive, liveable, and thriving community in the country. By creating more targeted opportunities for economic mobility and wellbeing, fostering the creation of quality jobs, supporting and enhancing vibrant neighborhood commercial corridors, supporting our residents housing needs, strategically planning for the future and capitalizing on our city's natural assets and strengths, we can reimagine and reinvent the industries and jobs of the future in ways that increase access and opportunity for all.