



Creating An Inclusive Prosperity

PHL Neighborhood Growth Project Inclusive Growth Agenda

In recent years there has been a renaissance in Philadelphia, bringing new energy and investment to business, technology, and construction. As one of the country's most historic cities and the 6th largest in the nation, the "City of Brotherly Love" is quickly emerging as a global power and international hub.

But while many see us growing into a shining "City on the Hill," others bemoan our "Tale of Two Cities," in which prosperity and opportunity are not widely shared. With a stagnant poverty rate over 25 percent, too many of our fellow citizens have been shut out from progress and growth, and Philadelphia remains America's poorest major city.

Rather than banding together to tackle these challenges, the debate in City Hall over our city's future has been stuck in old-school, zero-sum thinking that pits citizens against each other and draws an artificial line between businesses and neighborhoods. All our civic leaders must work together to ensure Philadelphia's prosperity is more widely shared.

The PHL Neighborhood Growth Project was created to keep the forward march of economic growth and progress in our city while ensuring that every one of our neighborhood residents has the opportunity to bask in its light.

It is our hope that this effort starts the conversation on how to spread inclusive growth to all corners of the city. Over the coming weeks and months, we will be embarking on a listening tour to gather new ideas and develop policies that drive economic growth and bring good jobs to every neighborhood across Philadelphia.

This is within our grasp; it can be resourced with smart policy reforms and the wise use of city budget surpluses.

The four pillars of the Project's Inclusive Growth Agenda are:

- ✓ **Inclusive Growth and Good Jobs**
- ✓ **Education and Workforce Modernization**
- ✓ **Safe and Healthy Neighborhoods**
- ✓ **Putting People First at City Hall**

Inclusive Growth and Good Jobs

For Philadelphia to reach its full potential, we must create more high-quality, high-wage 21st-Century jobs, build an inclusive economy with opportunity for all, and reinvigorate neighborhood commercial districts in all corners of the city.

A. Property Tax Abatement Reform

Philadelphia's 10-year property tax abatement has been a resounding success, driving new investment, creating high-quality construction jobs, and skyrocketing homebuilding in the city by 376%. But after nearly 20 years, we need a reset to ensure its benefits are felt more broadly by the community.

That means keeping the abatement in place but shortening its duration and reinvesting the recouped revenue into a dedicated "Neighborhood Renaissance Fund" (NRF) that will create new jobs in underserved neighborhoods. Bolstered by existing budget surpluses, the NRF should be used for the following:

 **GREEN AND CLEAN:** Beautifying the city will also help attract new business and elevate Philadelphia as a global city. The NRF should, therefore, support the ongoing clean-up and greenscaping of the city by investing in programs to remove urban blight and illegal dumps, as well as providing resources for widespread tree planting, rain gardens, water reclamation, power-washing, and environmental retrofits to boost business "curb appeal" and help reach "green city" goals.

 **PUBLIC SAFETY:** Clean and safe neighborhoods will spur local business development. Therefore, the NRF should support local initiatives and community groups developing and implementing smart policies to reduce crime and connect citizens with public safety officers through community policing, improved public reporting and enforcement feedback loops, neighborhood clean-up efforts including broken window repair and graffiti removal, and a citywide residents' survey to identify under- and over-policed areas and gather feedback for police training and reform.

 **UNDERSERVED NEIGHBORHOOD REVITALIZATION ZONES:** Working with the Philadelphia Department of Commerce and PIDC, this effort should identify high-need geographic areas that experience more than twice the national unemployment rate and work with local stakeholders to increase entrepreneurial activity and spur economic revival. This partnership should work with and encourage venture capital and high-tech investors to find smart business opportunities in these communities that also deliver social responsibility pay off.

 **NEIGHBORHOOD COMMERCIAL DISTRICTS:** The NRF should also be used to jumpstart a new bond initiative to fund loans and grants for neighborhood commercial district infrastructure upgrades championed by CDCs, like lighting, signage and wayfinding aids, safety cameras, and commercial district marketing to elevate and re-boot the local commercial "main streets" that anchor our communities and generate vital jobs. In addition, the Commerce Department's Capital Consortium should prioritize lending and technical assistance to minority-owned businesses looking to start or expand in corridors that may lack sufficient credit, networks, and/or real-estate equity.

 **ART IN THE CITY:** The NRF should also help nurture the creative community in high unemployment neighborhoods and support community-based arts/performance/food and museum activities that will help foster a sense of civic pride and artistic expression among community members eager to engage in an artistic process intended to create a space for reflection, investigation, and a public dialogue.

Inclusive Growth and Good Jobs *continued*

B. Socially Conscious, Progressive Tax Reforms

Philadelphia's cumbersome, outdated tax code drives good jobs out of the city and should be reformed using best practices from other progressive cities that have found ways to modernize and get more out of their taxation system. *Possible revisions include:*



BOOSTING JOBS AND BUSINESS STARTS:

City Council should put in place accelerated wage and business tax reductions for all city residents and businesses.



HEALTH INNOVATION WELLNESS ZONES:

City Council should designate the least healthy zip codes in the city as Health Innovation Wellness Zones, creating valuable incentives for health-related businesses and healthcare innovators to locate there. This will create good jobs in one of the fastest growing sectors of the economy while expanding access to healthcare where it is needed most.



TARGETED TAX CREDITS:

City Council should identify targeted credits that can be used to boost startups and ensure our neediest citizens share in the economic booster fuel of tax reform.

C. Modernize Regulations

Smart regulatory reform will hang an "open for business" sign on the city's most underserved neighborhoods by eliminating outdated red tape. Too many would-be entrepreneurs give up, unable to ride out the year or longer delays that are common in the current permitting process.

By focusing compliance and administrative resources on genuinely needed regulations that truly protect the environment and the health and general welfare of our fellow citizens, we can have a cleaner, safer city, and more businesses, jobs, and growth. *Reforms could include:*

EMPOWER THE REGULATORY REFORM TASK FORCE: Philadelphia's Special Committee on Regulatory Review and Reform should be supported and strengthened, with access to best practices from other cities like Boston, Chicago, and Pittsburgh that have done much of this work. City Council should put in place process guarantees for the Committee that ensure its recommendations will receive timely consideration and a vote, and require the Administration to respond in writing to any executive branch recommendations that it does not fully implement.

PERMITTING REFORM: Philadelphia should lead on permitting reform by reducing the processing time for all business permits with a clear permitting calendar and a "money back guarantee" of fees if permitting authorities don't meet their deadlines.

OCCUPATIONAL LICENSING REFORM: City Council should repeal outdated "occupational licensing" barriers to low-risk and entryway small businesses like barbershops, salons/cosmetology, and food and package delivery.

BUSINESS MENTORSHIPS: Building on the success of the Chamber's CEO Access Network, it will, in partnership with the city, launch a pilot project to connect large business executives with small, neighborhood-based entrepreneurs for mentorship, advice, networking, and help navigate the bureaucracy.

Inclusive Growth and Good Jobs *continued*

D. Small Business Bill of Rights

Starting and running a small business is hard enough and shouldn't be made harder by unnecessary red tape or an inflexible and unhelpful bureaucracy. The PHL Neighborhood Growth Project supports the Sustainable Business Network's Business Owners' Bill of Rights for small businesses, which we believe would clear the way for entrepreneurs to focus on getting off the ground without getting bogged down in city processes or running up costly legal bills. And it would bring fairness, equality, and transparency to the process of business formation so that underrepresented communities and minority small businesses get a guaranteed fair shake in the process.

These include:



**THE RIGHT TO
TRANSPARENT AND FAIR
APPLICATION OF RULES**



**THE RIGHT TO TIMELY
RESPONSES**



**THE RIGHT TO ASSISTANCE
FROM THE OFFICE OF
BUSINESS SERVICES**



THE RIGHT TO APPEAL



**THE RIGHT TO POLITE,
PROFESSIONAL AND
COURTEOUS CONDUCT**

Education and Workforce Modernization

Too many of our citizens just don't have the right skills for the modern workforce or are otherwise shut out from available jobs. That leaves too many adults underemployed – locked into dead-end jobs because they don't have the technical training or digital skills required – or barred by outdated prejudices and hiring practices, even as high-ceiling businesses struggle to find qualified personnel. Furthermore, an educated and diverse workforce is key to the long-term competitive success of the city and acts as a catalyst to attract and retain businesses. To achieve that objective, we need a strong public education system that is adequately funded and professionally managed and governed.

We believe that access to quality education across the continuum, from Pre-K through post-secondary, will assure the region's competitive advantage. We are focused on ensuring that the city's education and workforce development systems are effective, efficient, agile, accountable, and continually produce a competitive, world-class workforce.

That is why every future legislative and regulatory initiative that the city undertakes must consider the potential impact on the competitiveness of our city.

A. Hands on Training for 21st-Century Jobs

With only 55 percent of Philadelphia public school students going on to college from high school, we must find other ways to ensure young people have the skills needed to thrive in the modern economy. Consistent with the city's workforce development strategy, *Fueling Philadelphia's Talent Engine*, the city must invest heavily in state-of-the-art K-12 education, particularly digital education, and continue to work with partners to bring to scale the many technical and creative incubator programs and internships, apprenticeships, and work-study placements to ensure all Philadelphia students are connected to high-quality experiences before graduation to prepare them for college and/or career. We should expand existing partnerships with the School District of Philadelphia's Office of College and Career Readiness, The Community College of Philadelphia, and local universities to increase visibility to opportunities that are aligned with career and technical education, associate degree programs, and private technical training options to boost readiness and employment. Digital mentorships, summer high-tech boot camps, and expanded career and guidance counseling in K-12 can all help fill the gap.

B. Strengthen Workforce Initiatives

Building upon existing initiatives designed to make the city's workforce competitive for 21st-Century digital jobs, we propose having the City of Philadelphia's Millennial Advisory Committee oversee the use of city surplus funds to competitively bid pilot programs and partnerships with our university community to modernize the entire school-to-work pipeline and unlock next-gen jobs for all residents of the city.

We want to continually foster a high-minded pride in civics in our city and reinforce the value of public service. This is part of the larger effort to maintain Philadelphia as a shining "City on the Hill."



Education and Workforce Modernization *continued*

C. Community Schools

In 2016, Mayor Kenney initiated the creation of nine community schools. Community schools often address neighborhood challenges in a school setting and offer expanded medical services, after school programs and job training programs, etc. By 2022, the city hopes to establish 20 community schools. We propose that in addition to job training, an entrepreneurship track be incorporated into this model, partnering with existing programs in order to implement at scale.

D. Career Pathways for Individuals Who Have Paid Their Debt to Society

We need comprehensive reforms and support the City of Philadelphia's recommendations as detailed in the *Fueling Philadelphia's Talent Engine* strategy that include education and job training resources before release, halfway house and transitional support, workplace support and counseling resources, and legal/civil rights reforms to ensure that individuals who have paid their debt to society can find jobs and support themselves and their families. Formerly incarcerated individuals are part of our community and a grossly under-utilized resource. Helping them re-enter the workforce boosts the economy, lowers social welfare spending, reduces recidivism, and makes our communities safer.

E. Education Funding

Local funding of Philadelphia's education system must be coupled with a recognition of the limits of the local tax base and must be accompanied by proper stewardship, greater efficiency and accountability on the expenditure of current public funds. That is why any waste, fraud, and abuse must be stopped, and every effort must be made to find ways to direct every available dollar into the classroom.

F. Meeting the Educational Needs of Today and Tomorrow

The School District of Philadelphia should redouble efforts to ensure that public funds are spent effectively and efficiently. Currently, the facilities and seats don't match the needs of our city's neighborhoods or students. So, in addition to exploring more quality charter school opportunities (coupled with the termination of poor-performing charter institutions), the School District should institute a periodic review process, which would comprehensively audit the district's facilities and infrastructure. This process would craft recommendations on how to better align the facilities and infrastructure with the student population and educational needs of our city, across both the K-12 continuum and all schools (neighborhood, magnet, charter, etc.)

This would help ensure that our public money is spent on educating our children rather than simply maintaining unnecessary facilities, as well as free up funds to boost educational outcomes for all of Philadelphia's students.

G. Efficiency & Innovation

The School District should encourage the deployment of innovative educational models, partnerships, and technologies that might include shared data across public, charter, and parochial schools, to best assess and respond to the current needs for all Philadelphia students. In addition, the School District should bolster consumer and grassroots initiatives that continue learning opportunities for students and families, and innovative "ready to work" strategies for employers, teachers, and students. Additionally, the School District should include business partnership coordinators in every school who can help implement system-wide partnerships to help ensure that Philadelphia's future workforce is properly educated and prepared for success later in life.



Safe and Healthy Neighborhoods

Too many of our neighborhoods and local micro-economies are victimized by crime, gun violence, opioid and drug addiction, and all the disruption, pain, and loss that attend these problems. We need a shared commitment to bring the entire city's resources to bear on these challenges.

A. Stop Gun Violence and Reduce Crime

Gun violence is a public safety issue, a public health issue, and an economic issue. We must address its root causes and expand the tools law enforcement has to deal with it. That means investing in neighborhood and gang violence intervention, judicial Red Flag efforts that temporarily remove firearms from households with individuals in crisis or domestic violence incidents, gun buybacks or amnesty programs, expanded drug treatment, and smart-on-crime approaches to community policing and improving neighborhood-law enforcement relations. And we should all support legislation from the state legislature to reduce crime and gun violence.

B. Combat the Opioid Epidemic

Our city needs to do more to combat the opioid epidemic which has touched every neighborhood and community in Philadelphia. That means funding Naloxone (emergency treatment for overdoses) availability, expanding rehabilitation, counseling and addiction treatment services, and funding a new corps of opioids-expert social workers to help people stay clean and navigate post-addiction challenges and crises. For decades, our city's economy has been described as being built on "eds and meds." We must bring together the experts from our hospitals and research universities, along with community leaders and the business community to address this epidemic head on.





Putting People First at City Hall

City Hall must respect and serve all of Philadelphia's residents, but for too long broken bureaucracy and opaque operations have led people to distrust their own government. To rebuild faith in City Hall, we must embark on a new era of transparency and efficiency, reforming ethics laws and ensuring the government is responsive to all.

A. Local Reforms

We don't want more government than we need but should insist on all the government that is required – the kind of lean, responsive and modern civic enterprise that one would expect in a great international city. By reducing waste and bloat and putting new reforms in place, city budget expenditures can be reduced 3% to 5%. At the same time, the archaic councilmanic prerogative over land transfers should be streamlined to create a more open, transparent, and market-driven process for property use.

B. Open the Council Amendment Process for Scrutiny

The legislative process is unnecessarily unclear: once a bill is introduced, the amendment process offers very little sunlight and often leads to poorly informed legislation. The legislative process must be opened up to scrutiny and transparency by citizens and the press.

C. Responsive Government

City Council members and Administration leaders should hold monthly "office hours" for non-donors and ordinary citizens. Each City Council member should also hold two open, public town halls in his or her district every year. The Administration should create a "Public Advocate" office to help small businesses and ordinary citizens navigate the bureaucracy and resolve problems and complaints.

D. Annual Report and Real Time Dashboard

The Mayor's office should supplement the existing State of the City process by publishing a plain language annual report adherent to the Office's Language Access Plan describing the major budget, legislative, and policy actions taken in the prior year and report on upcoming plans. The office should also maintain an online public "Dashboard" reporting key budget, business, crime, and quality of life metrics in real time, including the "Ease of Doing Business Index" gold standard metric set developed by the World Bank.

E. Office of the Inspector General

City Council should pass a charter change to make the Office of the Inspector General permanent.

F. Increased Oversight of the Philadelphia Budget Stabilization Reserve Fund

Current legislation dictates that a predicted budget surplus of 3% or greater in general fund appropriations requires a .75% transfer into the city's reserve fund. Since its creation in 2011, the city has not contributed to the fund despite ending FY18 with the highest budget surplus in a decade. This is because the transfer is triggered by prediction, not actual surplus. We propose increasing oversight that results in a more accurate prediction rate that will yield fund contributions.