



# CITY OF PHILADELPHIA

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MICHAEL A. NUTTER  
Mayor

February 15, 2013

J. Shane Creamer, Jr.  
Executive Director  
Philadelphia Board of Ethics  
1515 Arch Street, 18<sup>th</sup> Floor  
Philadelphia, PA 19102

Dear Mr. Creamer:

As you've no doubt learned from media reports, the William Penn Foundation has informed the City-related nonprofit organization, the Mayor's Fund for Philadelphia (Fund), that the Foundation has suspended grantmaking to City-related agencies. The Foundation's letter to the CEO of the Fund, which addresses a particular grant the Fund and the City's Department of Parks and Recreation had sought to support work on the first phase of design for the proposed Bartram's Mile Riverfront Trail and Park, expresses concern that the Foundation's grantmaking would constitute lobbying under the City's Chapter 20-1200 and Regulation No. 9 of the Board of Ethics, triggering registration and reporting requirements on the Foundation.

I write to urge the Board of Ethics, which regulates and enforces the City's lobbying ordinance, to clarify that the ordinance does not apply to grants that are made at the request of City departments or City-related agencies and seek to advance Administration goals. The City and City-related agencies such as the Fund solicit and secure millions of dollars in grants to fund many City initiatives. Funders should not be deterred from continuing their support because of any confusion that their grants constitute lobbying.

The City's lobbying ordinance and accompanying regulations exist to shine light on the communications between citizens or businesses who seek particular legislative or administrative action from City officials. Grant making by foundations and other philanthropic organizations, however, is not lobbying. Instead, it is the City and its related agencies that seek out grants to promote City initiatives not only from philanthropic foundations such as William Penn, but to an exponentially greater extent from federal and Commonwealth agencies. These grants help fund research about, offer strategies for addressing, and help implement City priorities such as creating and maintaining urban sustainability, encouraging logical development, improving citizens' health and welfare, and encouraging more local high school students to attend college. In fact, I established the Mayor's Office of Grants last year to centralize and formalize this critical mission.

The City solicits grants through applications to competitions set up by funders or by identifying and approaching funders for support for City initiatives for which the City lacks resources to fund adequately and which research, planning, and pilot programs would promote. Both government and private grant makers determine whether the City's proposals align with their spending priorities and guidelines, and the City approaches these funders with proposals that we hope match those priorities and comply with those guidelines.

Both government and private grant makers monitor the spending and implementation of the grant funds, requiring periodic reports from the City and weighing in as needed to ensure that the objectives of the grants are met. In this way, government officials and foundation staffers uphold their fiduciary responsibilities to taxpayers and the trusts through which grants are made.

An example of a grant competition that the City enters is the City's recent application to the Bloomberg Philanthropy's Mayors Challenge, which solicited creative and innovative solutions to vexing urban problems from cities like Philadelphia. In that case, the funder will determine whether the City's proposal matches the funder's criteria. But it was the City's choice to enter the competition, and if we succeed, our proposed project will be funded. The United States Department of Education's Race to the Top grant competition, in which the School District has submitted an entry, works in the same way.

Another example of the City approaching a philanthropic funder for support of a particular initiative is our request for help in planning the Bartram's Mile project. In this instance, the City's Department of Parks and Recreation approached the William Penn Foundation for grant funding to plan the pedestrian and bicycle trail along the west side of the Schuylkill River including Bartram's Garden, the completion of which is a City priority. This project would result in a report containing recommendations for designing and constructing the Bartram's Mile trail, which the City would consider, along with

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public input, in determining how best to complete the pedestrian and bicycle trail along the river.

Neither of these examples constitutes an attempt to influence administrative or legislative action.

In light of our concern that recent articles about the WPF's decision could chill grantmaking to the City and City-related agencies, I ask that the Board promptly issue a statement confirming that Chapter 20-1200 does not apply to grants made by philanthropic or government organizations to the City and City-related agencies.

Thank you for your prompt consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "M. A. Nutter", with a horizontal line extending to the right.

Michael A. Nutter  
Mayor