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Fumo's civic fund gets new direction

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The civic organization founded, funded, and then ripped off by disgraced former State Sen. Vincent J. Fumo will live on.

Created by Fumo under the name Citizens' Alliance for Better Neighborhoods, it emerged Tuesday with a new name, a new executive director, and a renewed commitment to assisting fast-gentrifying Passyunk Avenue, east of Broad Street.

The renamed Passyunk Avenue Revitalization Corp. will be headed by Sam Sherman Jr., an experienced housing developer who is to be paid \$77,800 yearly and work a four-day week.

Paul R. Levy, the court-appointed expert who programmed the reboot of Citizens' Alliance, said it could still perform a vital role in cleaning sidewalks and serving as a charitably minded landlord for 15 commercial properties it owns along Passyunk Avenue.

Levy's main job is president and chief executive of the Center City District, the privately funded organization dedicated to the improvement of that part of the city.

By carefully selecting tenants, sometimes helping them by charging rent under the market peak, and even by buying new properties, Levy said, the nonprofit could make sure the avenue maintained the right "mix" - and not turn into an entertainment zone shunned by its neighbors.

The key, he said, was to have businesses that serve local residents, such as hardware stores and groceries, along with the high-end restaurants and trendy shops that draw customers from across the area.

The plan for the new Passyunk Avenue organization was approved by Commonwealth Court, which appointed Levy as overseer after Fumo's corruption conviction.

Long one of Philadelphia's most powerful Democrats, Fumo had used his political muscle to raise about \$30 million for the tiny nonprofit group, whose executive director, Ruth Arnao, was a Fumo legislative aide. Arnao was also convicted on corruption charges.

Fumo squeezed \$17 million from Peco Energy Co. in a secret corporate donation and extracted \$10 million from bridge tolls.

The nonprofit then went on a buying spree, putting down cash to buy \$15 million or so in real estate, mostly, but not all, along Passyunk Avenue.

The rehabs it financed and the tenants it lured spawned a boom along the corridor that now has been gathering momentum for several years. But along the way, Fumo and Arnao used the nonprofit as a personal cash cow and tapped its treasury to pay for political polls and a lawsuit against a Fumo political enemy, among other abuses.

Fumo was convicted in 2009 on corruption charges related to the nonprofit group, as well as for other offenses. He is serving a 55-month sentence in a federal prison in Kentucky.

In all, the judge in the case found, Fumo's wrongdoing cost the charity \$958,000.

In addition, during the FBI investigation, the organization spent about \$3 million to hire lawyers for itself, Arnao, and a now-ousted board of Fumo associates. It appears unlikely that any of that money will be recovered.

Even so, Passyunk Avenue Revitalization Corp. embarks on its post-Fumo journey with assets that might leave other nonprofits envious.

It has about \$3 million in cash in the bank, money Levy raised in part by selling off some of its real estate, such as Fumo's old legislative building on Tasker Avenue.

(Levy was able to sell the lavishly renovated building and companion parking lot for \$500,000, far under the \$1.2 million that Fumo's defense team claimed it was worth while touting his assistance to the nonprofit during his trial.)

The nonprofit owns its remaining buildings free and clear and pulls in about \$400,000 a year in rent from them.

While the nonprofit once provided services across Fumo's sprawling legislative district, Levy said that in the future, it will focus on a smaller area, bounded by Broad, Ninth and Federal Streets and Snyder Avenue.

Working with the area business association, Levy said, the group should begin cleaning sidewalks and street gutters again daily by March. It should also be able to tackle sidewalk cleanups on nearby residential streets, perhaps twice weekly.

To keep the organization on the straight and narrow, its 11-member board will include four members named by the University of Pennsylvania and the Urban Land Institute. Sherman will name the others, drawing them from neighborhood civic groups.

At a news conference Tuesday at the group's offices, Levy said that the nonprofit had much to offer South Philadelphia, despite the taint of Fumo's corruption.

"My job was to pull the baby out of the dirty bathwater," Levy said. "And that baby is now walking."

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