



January 10, 2012

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
Attention: Staci Gilliam-Hampton, Director
Economic Opportunity Division
451 Seventh Street, S.W., Room 5232
Washington, D.C. 20410

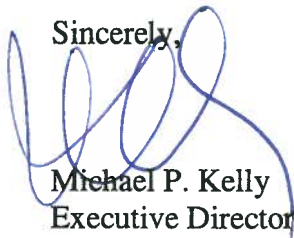
Dear Ms. Gilliam-Hampton:

Enclosed please find HUD Report #60002, Section 3 Summary Report pertaining to Economic Opportunities for Low- and Very-Low Income Persons for the period of January 1, 2011 to December 31, 2011.

Please note that this year, as in 2010, at the start of each construction project all building trade personnel are counted as new hires provided they are working full-time on a project. For projects and contracts that employ building trades, these positions are almost always temporary or project-based. Therefore, it is assumed that building trade positions will be new hires. Were it not for such a stringent approach towards Section 3 construction hiring, PHA would have attained a higher percentage of hires but at a reduced number of actual hires.

Should you have any questions or need additional information, please contact Shelley James, Assistant Executive Director, Supply Chain at (215) 684-5300.

Sincerely,



Michael P. Kelly
Executive Director

Section 3 Summary Report

Economic Opportunities for
Low – and Very Low-Income Persons

U.S. Department of Housing
and Urban Development
Office of Fair Housing
And Equal Opportunity

OMB Approval No: 2529-0043
(exp. 11/30/2010)

HUD Field Office:

Section back of page for Public Reporting Burden statement

PHA Section 3 Hires

1. Recipient Name & Address: (street, city, state, zip) Philadelphia Housing Authority 12 S. 23rd Street, 5th Floor Philadelphia, PA 19103	2. Federal Identification: (grant no.) 23-600-3266	3. Total Amount of Award: \$117,825,443
	4. Contact Person Shelley James	5. Phone: (Include area code) (215) 684-5300
	6. Length of Grant: N/A	7. Reporting Period: 1/01/11 - 12/31/11
8. Date Report Submitted: 1/10/12	9. Program Code: (Use separate sheet for each program code) 3	10. Program Name: Public and Indian Housing

Part I: Employment and Training (** Columns B, C and F are mandatory fields. Include New Hires in E & F) Non-Construction Positions

A Job Category	B Number of New Hires	C Number of New Hires that are Sec. 3 Residents	D % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	E % of Total Staff Hours for Section 3 Employees and Trainees	F Number of Section 3 Trainees
Professionals	32	9	43.3%		10
Technicians	7	6	73.1%		5
Office/Clerical	12	8	74.3%		0
Construction by Trade (List) Trade Brick	2	0	0.0%		0
Trade Carpentry	12	5	42.5%		0
Trade Electrical	4	1	7.0%		0
Trade Laborer	69	46	68.7%		0
Trade Masonry	5	3	54.3%		0
Other (List) Trade - Mechanic	17	5	26.6%		0
Trade - Paint	3	2	66.8%		0
Trade - Plaster	11	2	15.4%		0
Trade - Plumbing	3	3	100.0%		0
Pre-Apprentice	75	73	97.2%		75
Trade - Roofing	3	0	0.0%		0
Service Workers	47	44	90.5%		0
Student Co-Op / Intern	53	21	33.1%		53
Total	355	228	64.0%		143

* Program Codes
1 = Flexible Subsidy
2 = Section 202/811

3 = Public/Indian Housing
A = Development,
B = Operation
C = Modernization

4 = Homeless Assistance
5 = HOME
6 = HOME State Administered
7 = CDBG Entitlement

8 = CDBG State Administered
9 = Other CD Programs
10 = Other Housing Programs

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Construction Section 3 Hires Page 1

1. Recipient Name & Address: (street, city, state, zip) Philadelphia Housing Authority 12 S. 23rd Street, 5th Floor Philadelphia, PA 19103	2. Federal Identification: (grant no.) 23-600-3266	3. Total Amount of Award: \$76,043,142
	4. Contact Person Shelley James	5. Phone: (Include area code) (215) 684-5300
	6. Length of Grant: N/A	7. Reporting Period: 1/01/11 - 12/31/11
8. Date Report Submitted: 1/10/12	9. Program Code: (Use separate sheet for each program code) 3	10. Program Name: Public and Indian Housing

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Professionals	196	4	1.1%		0
Technicians	26	1	4.6%		0
Office/Clerical	13	1	2.5%		0
Construction by Trade (List) Trade Bricklayer	67	4	6.5%		0
Trade Bricklayer Apprentice	1	0	0.0%		1
Trade Carpenter	393	100	23.1%		0
Trade Carpenter Apprentice	16	6	23.5%		16
Trade Driver	7	0	0.0%		0
Other (List) Drywall	46	16	38.0%		0
Drywall Apprentice	2	0	0.0%		2
Electrical	214	18	7.4%		0
Electrical Apprentice	36	13	63.2%		36
Equipment Operator	88	14	10.8%		0
Flooring	120	11	8.0%		0
Flooring Apprentice	12	2	35.7%		12
Laborer	411	113	23.8%		0
Masonry	107	7	12.4%		0
Masonry Apprentice	1	1	100.0%		1
Mechanic	7	1	18.7%		0
Metal Worker	141	24	20.0%		0
Total					

(Continued on next page)

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Professionals					
Technicians					
Office/Clerical					
Construction by Trade (List)					
Trade Metal Worker App.	12	5	50.3%		12
Trade Painter	110	6	9.6%		0
Trade Painter Apprentice	8	1	29.2%		0
Trade Pipe-Fitter	13	0	0%		0
Trade Plasterer	56	5	10.4%		0
Other (List) Plasterer App	3	0	0%		3
Plumber	130	55	33.5%		0
Plumber Apprentice	14	11	89.5%		14
Roofer	53	13	18.8%		0
Roofer Apprentice	1	1	100.0%		1
Service Worker	3	0	0.0%		0
Sprinkler Fitter	26	5	18.8%		0
Sprinkler Fitter Apprentice	7	1	6.0%		7
Steam Fitter	35	5	6.5%		0
Steam Fitter Apprentice	8	3	26.7%		8
Total	2383	447	19.1%		121

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Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$ 41,601,709.00
B. Total dollar amount of contracts awarded to Section 3 businesses	\$ 4,884,658.00
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	11.7 %
D. Total number of Section 3 businesses receiving contracts	6

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$ 16,120,153.10
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$ 598,448.00
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	3.7 %
D. Total number of Section 3 businesses receiving non-construction contracts	2

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Please see attached Summary Report.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Summary Report

In 2010, the Philadelphia Housing Authority (PHA) adopted a structured approach in addressing Section 3 requirements through policy review, training, and outreach. In 2011, PHA was able to build on this momentum and continued to enhance the monitoring and adherence of policies and expansion of training and outreach efforts. Through the combined efforts of PHA staff and external stakeholders PHA was able to vastly improve the number of residents hired. PHA directly hired 355 employees; of these new hires, 228 (64%) were Section 3 resident hires.

A. Policy Review

PHA's objectives in implementing its Section 3 program include: 1) ensuring full compliance with applicable federal regulations and statutes; 2) using HUD program funds to provide a springboard for residents to become economically empowered through direct participation in construction and other activities designed to physically improve and revitalize their neighborhoods; and 3) leveraging and supporting PHA's efforts in strengthening communities, promoting individual responsibility and reducing dependency on federal assistance such as welfare and housing subsidies.

This year, an internal Section 3 Steering Committee met regularly to update PHA's Section 3 policy and identify more efficient methods of tracking hiring and enforcing Section 3 requirements throughout PHA. Thus, PHA monitored such efforts by tracking internal hires and then instructing each of our vendors to do the same through regular reporting.

It should be noted that at the start of each construction project, all building trade personnel are counted as new hires provided they are working full-time on a project. For projects and contracts that employ building trades, these positions are almost always temporary or project-based. Therefore, it is assumed that building trade positions will be new hires. When hiring employees was unrealistic for smaller vendors, PHA negotiated alternative ways with vendors to meet their obligation in a few ways: 1) allowed vendors the opportunity to provide in-kind services such as training to residents; 2) permitted vendors to support educational initiatives for PHA residents and; 3) negotiated internship opportunities for PHA residents.

PHA further provided weekly lists of trained residents available for hire that CMs considered for PHA development projects. This list ensured that CMs maintained ample hiring alternatives. To ensure that CMs selected for PHA projects were better informed of Section 3 requirements, the Workforce Development Department met with each CM to reiterate the significance of Section 3 compliance and to discuss more efficient methods of measuring their hiring efforts. Through site visits and random inspections, PHA also monitored the performance of resident hires to maintain high standards and preserve positive relations with each CM. These resident hires were often graduates of the PHA's Pre-Apprenticeship Training Program.

B. Section 3 Training

To reiterate the importance of compliance with Section 3 program requirements, PHA offered bi-weekly Section 3 training to all current, new, and potential vendors, as well as to the community at large. The training consisted of a review of Section 3 requirements, while educating each vendor on ways to increase Section 3 hiring and fulfilling Section 3 commitments specific to their business models. In so doing, PHA formed a process to sustain Section 3 compliance. This process has permitted resident status verification and pathways to employment for graduates of PHA programming. To date, 133 businesses have been trained, with 31 businesses as current Section 3 Business Concerns.

(i) Pre-Apprenticeship Training Initiative

The Pre-Apprenticeship program provides vocational and educational skills through a hands-on, 21-week training program designed to help participants pass the apprenticeship test for the construction unions. The goals of this program include: 1) preparing public housing residents for entry into approved apprenticeships in the various building trades, 2) creating mechanisms that provide public housing residents access to viable career training programs leading to self-sufficiency, and 3) helping PHA and its vendors meet HUD Section 3 requirements. The Pre-Apprenticeship Program is a joint effort sponsored by PHA, The United Brotherhood of Carpenters and Joiners of America, Metropolitan Regional Council; the International Brotherhood of Painters and Allied Trades, District Council 21; the International Brotherhood of Electrical Workers, Local Union No. 98; and, Plumbers Union Local 690.

Upon completion of the program, graduates work in the construction industry as qualified apprentices. The trainees work with PHA and union contractors to rehabilitate, modernize and build at various Housing Authority properties and private construction projects. Pre-Apprenticeship graduates acquire starting salaries ranging from \$11.00 to \$14.00 per hour as apprentices and, if successful, should expect to see pay increases every six months. After four or five years as apprentices (depending upon the specific union they are in), the graduates are eligible to be full-time members of the union. Once they are full-time members, they will earn a minimum of \$20 per hour in the construction trade, according to union officials.

(ii) Community Partners Program

PHA offered an assortment of self-sufficiency services focused on helping residents prepare for the workforce to obtain jobs and living wage incomes. PHA collaborated with the statewide “welfare to work” system and partnered with numerous job training and educational institutions to help train and place residents in sustainable jobs. Through strategic partnerships with leading workforce development institutions including but not limited to Smith & Solomon, The Professional Healthcare Institute, The Urban League of Philadelphia, EDSI Solutions, The Philadelphia Opportunities Industrialization Center (OIC), Philadelphia Center For Literacy, and JEVS Human Services, PHA has contracted to provide various training programs to residents.

Most training providers operate under performance-based contracts, mandating them to offer job placement services for students that successfully complete the training programs. In addition, workforce developers are informed of resident skills and various trainings that job seekers participate in so that training efforts are targeted to specific areas of interest.

In 2011, 358 PHA residents graduated from the Community Partner programs and 51 were reported as working at the end of the training cycle. Other graduates have gone on to open their own businesses and become self-supporting. Graduates of the Community Partners program have come back to hire other graduates of PHA programs.

(iii) Resident Skills Database

PHA also maintained a database, which highlights the skills of each of their residents available for hire. This database provided an understanding of the education levels and marketable skills of each resident, so that they can be directed towards employment opportunities that fit their unique set of capabilities. PHA's partners use the database as a tool to identify likely candidates for employment. Currently, the database contains skills information on 3412 residents.

C. PHA Section 3 Outreach

In an effort to keep residents and other interested parties informed of opportunities which lead to self-sufficiency, PHA's website has been enhanced with Section 3 information including training, scholarship, employment and educational activities as they become available. Documents and resources are also available for vendors and potential vendors who wish to engage residents or learn more about the Section 3 process. Each PHA resident also received a monthly newsletter, which announced training and employment prospects. However, the most effective means of communication occurred at the open board meetings and pre-board meetings where residents are encouraged to voice concerns, offer feedback and propose solutions to senior management. During these meetings, PHA also informed resident leaders of training, education and employment opportunities available at PHA, which were then conveyed to the community at large.