



A Year in Recovery PHA Regaining its Stride

Presented by:

Administrative Receiver/Executive Director **Michael P. Kelly**



Philadelphia Housing Authority
Building Beyond Expectations

An agreement to work together

- On March 4, 2011, the Board of Commissioners passed a resolution cooperatively transferring the operation and management of the housing authority to HUD.
- HUD, PHA and Mayor Michael Nutter's administration have agreed to work together to develop and implement a Recovery Work Plan designed to ultimately restore the housing authority to local control and management.



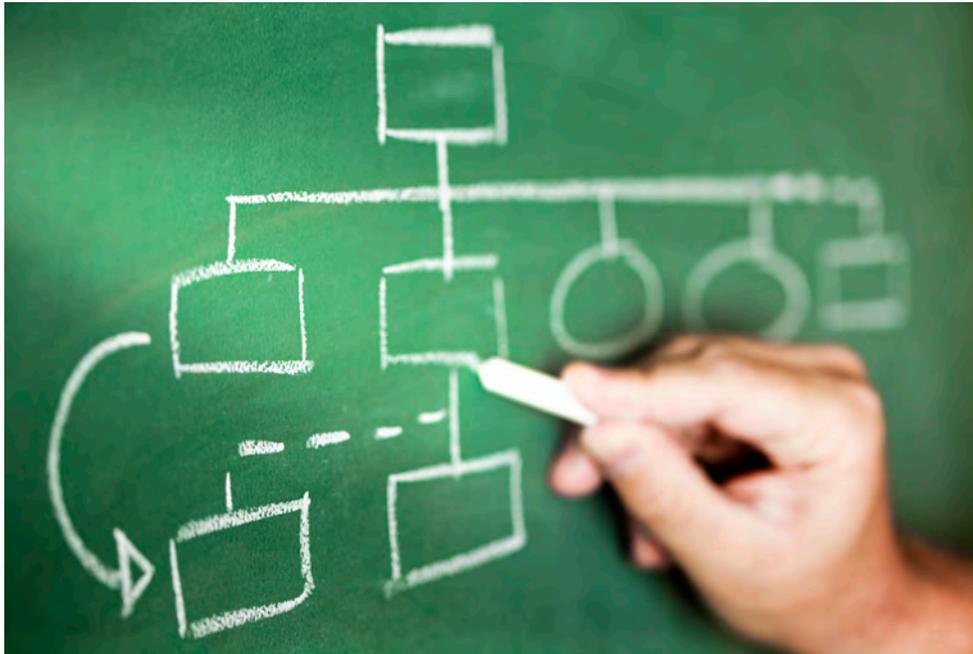
Clear Direction

- Michael P. Kelly was appointed Administrative Receiver in March 2011.
- He was named Executive Director in August 2011.
- He established three priorities to guide all agency initiatives:
 - Building a culture of respect.
 - Refocusing on a “back to basics” approach to property management.
 - Ensuring a commitment to transparency and accountability at all levels.



On Track

- PHA created a Recovery Plan that identifies 12 organizational challenges.
- PHA has spent the past year making corrective actions.
- This includes rebuilding systems, departments and priorities.



Challenge Areas

- Senior Management
- Office of General Counsel
- Policies and Procedures
- Human Resources Department
- Waste, Fraud and Abuse
- Construction Management and Development Operations

Challenge Areas

- Financial Management
- Contracts and Procurement
- PHA's Subsidiaries
- Audits
- Local Control
- Management Action Plan

Restructure Senior Management

- Hired key positions in order to stabilize departments:
 - General Counsel, Barbara Adams
 - Director of Audit and Compliance, Kelvin Jeremiah
 - Deputy Executive Director of Finance, Elias Rosario
 - Deputy Executive Director for Community and Resident Services, Dr. Samuel Little
 - Appointed an acting Director of Human Resources and hired Deputy Director for the department

Establish Office of General Counsel

- PHA built an in-house legal team capable of handling most of the legal work.
 - Recruited key deputies for each of PHA's main areas of legal work.
 - Strengthened procedures for review and approval of outside counsel services.
- Dramatically reduced outside legal counsel expenses.



Barbara Adams
General Counsel

Stabilize Our Workforce

- PHA built a Human Resource Department.
- Created an employee handbook.
- PHA signed new historic contracts with DC 33, BCTC, and DC 47.
- Agreements included reforms to pension program, switching from “defined benefit” to “defined contribution.”



Emphasize Ethics

- PHA has implemented ethical standards and policies training for all staff.
- Strong emphasis on new policies on ethical standards, equal employment, whistleblower protection, hostile workplace prohibition and others.
- Implemented no-gift policy.
- Appointed General Counsel Adams as PHA Ethics Officer.



Fighting Waste, Fraud and Abuse

- PHA fully staffed the Office of Audit and Compliance.
- Established new operation procedures for audit, compliance and investigations units.
- Developed corruption prevention guidebooks for employees and contractors.
- OAC is working closely with law enforcement and investigative agencies to weed out all corruption.



Kelvin Jeremiah

Director, Office of Audit and Compliance

Changing Budget Priorities

- FY 12 Budget:
 - Expanded housing assistance
 - Increased funding to public housing front-line maintenance services
 - Reduced legal expenses
- PHA revised auditing protocols and standards to better accommodate the independent CPAs who evaluate the PHA subsidiaries.
- PHA now makes budget easily available to the public on the website.



Elias Rosario

Deputy Executive Director of Finance

Ensuring Fairness in the Procurement Process

- PHA has revised the contracts and procurement process based on an independent assessment.
- Changes will ensure the process is consistent and has appropriate levels of Board oversight.
- PHA has developed a new Desk Manual for the Contract Department employees and have conducted training sessions for staff.
- PHA Board is scheduled to review and approve revised Procurement Policy at the March Board meeting.

Rebuilding More Neighborhoods

PHA welcomed residents to several new developments over the past year:

- Markoe Street Homes - marked the opening of 23 homes and the completion of the sprawling Lucien E. Blackwell Homes.
- Paschall Village - new construction of 100 rental units.
- Plymouth Hall - rebuilt 53 senior apartments in the Tioga area.
- Mantua Square - replaced high-rise with 101 units.



Paschall Village



Markoe Street Homes

Comprehensive Strategy for Scattered Sites

- PHA is tackling the decades-long problem of vacant properties and lots in our scattered site inventory.
- The goal of the initiative is to bring as many of the remaining long-term vacant properties as possible back into productive use.
- PHA owns approximately 5,900 scattered properties.
- About 3,500 of the properties house PHA tenants (representing 4,100 occupied units).



Scattered Sites Auctions

PHA staged two very successful public auctions.

- Sold 400+ properties for approximately \$10 million.
- Money will act as a stimulus fund to invest in remaining scattered site inventory and rent to own program for scattered site residents.
- We are formulating a strategy for the more than 1,000 vacant properties that remain.
- We anticipate a combination of disposition and renovation over the next several years converting our portfolio into a manageable quality asset.



New Year's Outlook

- As we enter 2012, PHA faces a 20% cut in federal funding.
- Despite the reduction, the reforms and structural changes made over the past year place PHA in the best possible position to accomplish the most with fewer resources.



Thank You



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