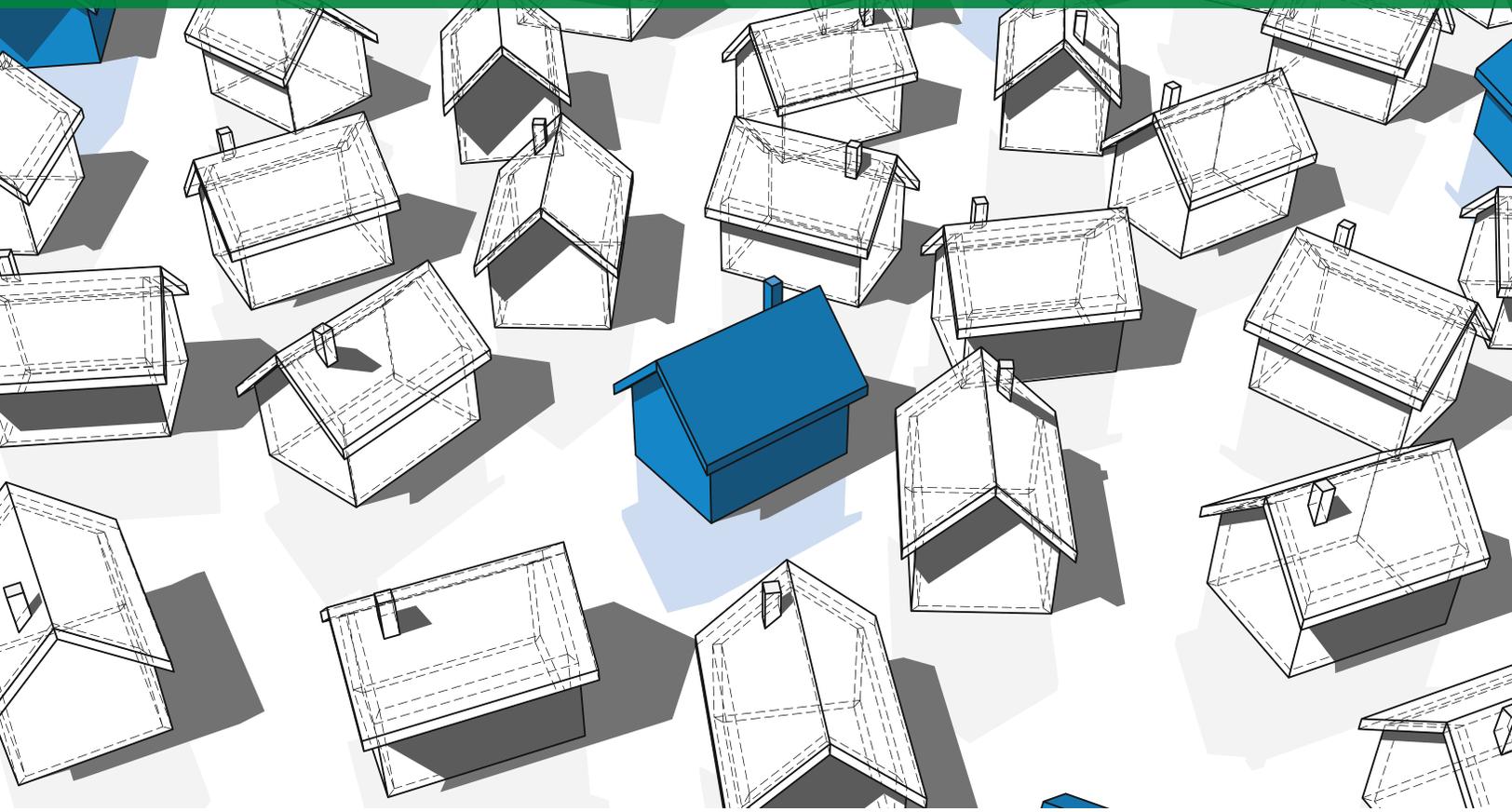


PHILADELPHIA HOUSING AUTHORITY ACT 130 REPORT FOR FY2018



Kelvin A. Jeremiah
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EXECUTIVE SUMMARY

Act 130 of 2012 (Act 130) amended the Pennsylvania Housing Authorities Law (Act 265 of 1937) effective as of September 3, 2012. Act 130 of the requires that the Philadelphia Housing Authority (PHA) annually prepare a written report regarding its operations, administration, management, finances, legal affairs, housing production and development, and other related activities.

This Fiscal Year (FY) 2018 Act 130 Annual Report provides the information required pursuant to Act 130 for the period of April 1, 2017 through March 31, 2018 including:

- Section I provides information on PHA's mission and vision statement, the current organizational structure and profiles of the executive management team and the PHA Board of Commissioners.
- Section II provides an update on PHA's Strategic Directions Plan including progress made in FY 2018 in operations, administration, management, housing production, development and related activities.
- Section III summarizes PHA's planned activities for the next fiscal year across all areas of the agency as detailed in the Moving to Work (MTW) Annual Plan. A copy of the MTW Annual Plan, which is subject to approval by the US Department of Housing and Urban Development, is included as Appendix A.
- Section IV and Appendix B provides information on agency finances including the most recent audit report of PHA financial statements (Fiscal Year 2017) completed by independent, licensed certified public accountants.
- Section V provides an update on PHA legal matters for FY 2018.
- Section VI provides other related information for FY 2018

This report reflects PHA's continuing commitment to inform its stakeholders, partners, residents, staff and the public about the mission, goals, and work the agency seeks to accomplish.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
SECTION I – THE AGENCY AND MISSION	3
BACKGROUND.....	3
MISSION AND VISION.....	3
ORGANIZATIONAL STRUCTURE.....	4
EXECUTIVE TEAM PROFILES	4
BOARD OF COMMISSIONERS PROFILES	7
PHA ORGANIZATIONAL STRUCTURE.....	10
SECTION II - STRATEGIC DIRECTIONS PLAN	11
PRIORITY 1 - PRESERVE AND EXPAND THE SUPPLY OF AFFORDABLE HOUSING AVAILABLE TO PHILADELPHIA'S RESIDENTS WITH LOW-INCOMES	11
PRIORITY 2 - ACHIEVE EXCELLENCE IN THE PROVISION OF MANAGEMENT AND MAINTENANCE SERVICES TO PHA RESIDENTS	13
PRIORITY 3 - CREATE SAFE COMMUNITIES IN COLLABORATION WITH NEIGHBORHOOD RESIDENTS AND LAW ENFORCEMENT AGENCIES.....	14
PRIORITY 4 - ENHANCE RESIDENT WELL-BEING AND INDEPENDENCE THROUGH PARTNERSHIPS FOR EMPLOYMENT, JOB TRAINING, EDUCATION, HEALTH, AND OTHER EVIDENCE-BASED SUPPORTIVE SERVICES	15
PRIORITY 5 - IMPROVE ACCESS TO QUALITY HOUSING CHOICES AND OPPORTUNITY NEIGHBORHOODS THROUGH THE HOUSING CHOICE VOUCHER PROGRAM	18
PRIORITY 6 - INCORPORATE ENERGY CONSERVATION MEASURES AND SUSTAINABLE PRACTICES THROUGHOUT PHA OPERATIONS	18
PRIORITY 7 - IMPROVE CUSTOMER SERVICE, STREAMLINE OPERATIONS, AND CREATE A BUSINESS MODEL THAT IS DATA-DRIVEN AND HIGH PERFORMING	20
PRIORITY 8 - CONDUCT PHA BUSINESS IN AN OPEN AND TRANSPARENT MANNER THAT PROMOTES ACCOUNTABILITY AND ACCESS, ENSURES DIVERSITY, AND ADHERES TO THE HIGHEST ETHICAL STANDARDS.....	21
PRIORITY 9 - STRENGTHEN EXISTING RELATIONSHIPS AND FORGE NEW PUBLIC, PRIVATE AND PHILANTHROPIC PARTNERSHIPS TO SUPPORT PHA'S STRATEGIC GOALS	22
PRIORITY 10 - MAKE PHA AN EMPLOYER OF CHOICE WITH AN ACCOUNTABLE, DIVERSE, TRAINED, AND PRODUCTIVE WORKFORCE.....	22
PRIORITY 11 - ENSURE THAT PHA IS A GOOD NEIGHBOR AND RELIABLE COMMUNITY PARTNER	22
PRIORITY 12 - ENCOURAGE INNOVATION AND PROMOTE PHA'S FINANCIAL HEALTH THROUGH ONGOING PARTICIPATION IN THE MOVING TO WORK PROGRAM	23
SECTION III- MOVING TO WORK PLAN AND REPORT	24
SECTION IV- FINANCIAL SUMMARY	28
SECTION V – OFFICE OF GENERAL COUNSEL	29
SECTION VI – OTHER RELEVANT ACTIVITIES	30
HONORS AND AWARDS.....	30
CONCLUSION.....	30
APPENDICES	31

SECTION 1 - THE AGENCY AND ITS MISSION

BACKGROUND OF PHA

Established in 1937, the Philadelphia Housing Authority (PHA) is the largest provider of affordable housing in the City of Philadelphia and the fourth largest housing authority in the United States. PHA is one of only thirty-nine public housing authorities in the country to be designated as a Moving to Work (MTW) agency. MTW is a demonstration program authorized by Congress that provides PHA with regulatory and funding flexibility in the administration of the public housing and Housing Choice Voucher (HCV) programs.

More than 30,000 households, with approximately 80,000 family members, live in apartments owned or supported by PHA. These affordable units are located throughout the City in the form of conventional and scattered site public housing developments, Low Income Housing Tax Credit (LIHTC) developments, and privately owned properties supported by Housing Choice Vouchers. PHA also operates affordable homeownership programs that assist public housing residents and HCV participants to purchase their first homes.

Within the public housing portfolio, as a result of decades of inadequate federal funding support, PHA has a backlog of unfunded capital needs estimated to exceed \$1 billion. PHA continues to aggressively pursue and implement strategies that leverage its limited capital resources in order to preserve and revitalize the aging public housing inventory. Current efforts include the large-scale redevelopment of the Blumberg/Sharswood neighborhood – formerly the site of one of PHA's most distressed developments - that involves the development of 1,200 affordable and market-rate rental and homeownership units and a comprehensive program of economic development, commercial corridor improvements and supportive service initiatives.

Working in partnership with the City of Philadelphia, PHA is pursuing a comparable transformation strategy in the Norris/ North Central Philadelphia neighborhood that will result in the development of 267 new rental units and 30 affordable homeownership units and extensive community improvements.

In FY 2018 and future years, a key element of PHA's strategy to preserve existing affordable units involves converting public housing units (including those that may currently be vacant and non-viable) to long-term Section 8 project-based assistance through HUD's Rental Assistance Demonstration (RAD) program. Through RAD conversions, PHA is able to generate additional private equity and other resources needed to preserve existing affordable units for the long-term and to collaborate with local organizations to develop new housing that replaces non-viable units. More than 1,200 units were converted through the RAD program by the end of FY 2018, of which 668 involved new construction.

In addition to its inventory of over 13,200 public housing units, PHA provides rental subsidies under the HCV Program to more than 19,000 low-income households who live in privately owned housing. Vouchers are utilized to provide both tenant-based and project-based assistance. In FY 2018, PHA continued its efforts to collaborate with local organizations to fund new multifamily developments supported by long-term, project-based voucher contracts. As of FY 2018, PHA is providing long-term rental subsidies through the HCV program for more than 3,800 apartments. Many project-based units subsidized by PHA are owned by local non-profit agencies that serve special needs populations and provide supportive services for residents.

PHA's voucher programs include Moving to Work (MTW) tenant based vouchers as well as special purpose vouchers authorized by the US Department of Housing and Urban Development (HUD) such as the Veterans Affairs Supportive Housing Program (VASH), Family Unification Program (FUP), Single Room Occupancy (SRO), Moderate Rehabilitation (MOD) and Mainstream programs. In addition to serving veterans and their families, PHA's major focus includes serving homeless families and individuals.

PHA serves many of the lowest-income citizens of Philadelphia: 96% of households receiving a voucher and 91% of public housing households have incomes that are less than 50% of the Area Median Income. Seniors and persons with disabilities head up approximately 69% of PHA households. In light of the enormous needs of PHA residents, including HCV participating households, PHA supports a broad range of supportive service programs designed to promote economic self-sufficiency for families, enhance the education and healthy development of young residents and maximize the potential for independent living among seniors and people with disabilities. Highlights of PHA's FY 2018 supportive service programs, including direct services and partnership initiatives, are included in the body of this report.

MISSION AND VISION

PHA's mission is to open doors to affordable housing, economic opportunity and safe, sustainable communities to benefit Philadelphia residents with low incomes. To accomplish this mission, on December 18, 2014, by Board Resolution No. 11754, PHA adopted a long-term Strategic Directions Plan that focuses on twelve (12) strategic priorities:

1. Improve, preserve and expand the supply of affordable housing available to Philadelphia's residents with low incomes;
2. Achieve excellence in the provision of management and maintenance services to PHA residents;
3. Create safe communities in collaboration with neighborhood residents and law enforcement agencies;
4. Enhance resident well-being and independence through partnerships for employment, job training, education, health, and other evidence-based supportive services;
5. Improve access to quality housing choices and opportunity neighborhoods through the Housing Choice Voucher Program;
6. Incorporate energy conservation measures and sustainable practices throughout PHA operations;
7. Improve customer service, streamline operations, and create a business model that is data-driven and high-performing;
8. Conduct PHA business in an open and transparent manner that promotes accountability and access, ensures diversity, and adheres to the highest ethical standards;
9. Strengthen existing relationships and forge new public, private, and philanthropic partnerships to support PHA's strategic goals;
10. Make PHA an employer of choice with an accountable, diverse, trained, and productive workforce;
11. Ensure that PHA is a good neighbor and reliable community partner; and
12. Encourage innovation and promote PHA's financial health through ongoing participation in the Moving to Work Program.

Section II of this report provides additional information on the Strategic Directions Plan including highlights of activities and accomplishments for each priority area during FY 2018.

ORGANIZATIONAL STRUCTURE

PHA was organized in 1937 under the laws of the Commonwealth of Pennsylvania to develop, acquire, lease, and operate affordable housing programs for low and moderate-income residents of the City of Philadelphia. PHA is the largest landlord in the City of Philadelphia and Pennsylvania.

A nine-member Board of Commissioners governs PHA and convenes at least eleven monthly public meetings per year to address PHA business. PHA's President & CEO reports to the Board, and has full responsibility for the leadership and management of all PHA operations.

PHA employs approximately 1,100 full-time employees and is considered an industry leader in property development, acquisitions, and management of affordable housing. More than 93% of PHA's Annual Operating and Capital budget comes from the federal funds through HUD. The majority of these funds are used to preserve and expand affordable housing and to transform communities throughout Philadelphia through PHA's MTW Program designation. This has resulted in the rehabilitation and revitalization of neighborhoods, the implementation of energy efficiency and green technologies, and support for resident economic self-sufficiency.

Executive Team Profiles

Kelvin A. Jeremiah, President & Chief Executive Officer

Mr. Jeremiah was named President & CEO of PHA on March 14, 2013 after serving as the HUD-appointed Administrative Receiver and the Interim Executive Director since June 2012. He oversees PHA's day-to-day operations. During his tenure, PHA successfully completed a Recovery Plan to address deficiencies in operations and governance, which resulted in the agency returning to local control in April 2013.

Mr. Jeremiah, an affordable housing veteran, originally came to PHA as the agency's first-ever Director of Audit and Compliance in August 2011, after serving as Inspector General for the New York City Housing Authority, the nation's largest housing authority with a portfolio of 178,000 units housing, over 450,000 residents, a Housing Choice Voucher Program with nearly 100,000 participating families, and an operating budget of over \$3.5 billion. As PHA's Director of Audit and Compliance, Mr. Jeremiah developed and implemented policies and procedures that ended a culture of splurge and rooted out waste, fraud, abuse, and mismanagement.

Some of his major initiatives as President & CEO include relaunching an improved Pre-Apprenticeship Training Program for residents and expanding the PHA Police Department for the first time in over a decade to address safety and security issues. Under his leadership, PHA is increasing the number of affordable housing units in Philadelphia by collaborating with public and private organizations to develop 6,000 affordable housing units over five years. Additionally, he has also significantly increased the use of Housing Choice Vouchers by adding over 4,000 new units.

Mr. Jeremiah received a Bachelor's degree in History/Business Administration from Pace University, a Master of Arts in American Social History from Rutgers University, and a Master of Public Administration from American International College, after emigrating from Grenada to the United States as a teenager. Mr. Jeremiah is a Certified Public Purchasing Official, a Certified Public Housing Management Specialist, a member of the Association of Inspectors General, a member of the Mayor's Office of Community Empowerment and Opportunity Oversight Board and a member of the National Leased Housing Association Board.

Annie Cheng, Chief of Staff - Executive Office

Ms. Cheng has been with PHA for over 10 years, starting out as a technical aide for the Housing Choice Voucher Program before serving as a Business Analyst for the Information Systems Management Department.

Ms. Cheng was also Senior Management Specialist of the Strategic Planning Office. In that role, she led the department in tracking and ensuring completion of the PHA Recovery Plan, the development and submission of Moving to Work Plans and Reports to HUD, and the development of the Management Action Plan, which will streamline the agency's business operations and maximize resources.

Currently, Ms. Cheng serves as Chief of Staff and is responsible for managing the office, activities, and key priorities of the agency's President & CEO. She also acts as the President & CEO's representative and primary liaison to external and internal constituents.

Ms. Cheng received a B.S. in Management Information Systems from Drexel University.

Nicholas Dema, Jr. – Executive Vice President, Planning & Development

Mr. Dema has over 30 years of experience in the housing industry. He is responsible for all aspects of PHA's development of public and affordable housing developments, including new developments and modernization/recapitalization of existing portfolio developments, notably two Choice Neighborhoods initiatives in North Philadelphia.

Prior to joining PHA, Mr. Dema was the Finance Director for the Philadelphia Housing Development Corporation (PHDC) where he was responsible for all aspects of the financial operation of the agency, which administers various housing grant programs for low income homeowners.

Mr. Dema has also been employed by the U-S Department of Housing And Urban Development – Office of Multifamily where he worked with FHA approved lenders requesting mortgage insurance for financing of multi-family developments. He also provided overall asset management of affordable and market rate rental projects receiving federal assistance including FHA loans, grants and/or rental subsidy.

Prior to his working at HUD, Mr. Dema was Senior Deputy Executive Director at the Redevelopment Authority of the City of Philadelphia where rose through the ranks over a long career there.

Mr. Dema has a B.S. from LaSalle University in Business Administration. He has also taken training at Temple University's Real Estate Institute, the Appraisal Institute, and the Institute of Real Estate Management (IREM).

Celeste C. Fields, Senior Executive Vice President / Chief Administrative & Financial Officer

Ms. Fields has worked at the Authority since 2000 and is currently serving as the Senior Executive Vice President / Chief Administrative & Financial Officer, where she is responsible for providing strategic direction, leadership, coordination and oversight for all administrative programs and activities of the agency which include Financial Management and Budget, Information Systems Management, Supply Chain Management, Human Resources, Leased Housing and Asset Management.

Ms. Fields develops, oversees and implements the agency's \$400 million budget and implements comprehensive strategies to promote the long-term financial strength and stability of the agency. She currently serves as President for PhillySEEDS Inc., serves as the Vice President of the Philadelphia Asset & Property Management Corporation (PAPMC), both subsidiaries of PHA, and is the Chair of the Pension Board for PHA.

Ms. Fields holds a Bachelor of Science Degree in Business Administration/Accounting from Drexel University.

Kyle Flood, Senior Advisor – Executive Office

Kyle Flood is the Senior Advisor to the President and CEO of the Philadelphia Housing Authority (PHA). He has a wide range of experience in the affordable housing industry as a development officer, program manager for asset repositioning, director of development, development specialist, and multifamily analyst.

Prior to returning to PHA in 2017, Mr. Flood worked for the Michaels Development Company in Los Angeles where he was responsible for creating a new regional office for nation's largest private sector affordable housing development company, developing pipeline of projects across three states.

Earlier, he worked for the Sacramento Housing and Redevelopment Agency where he was responsible for implementation of redevelopment and the private sector disposition strategy. He was also responsible for submitting a successful grant application for a Choice Neighborhoods Implementation grant and overseeing the resulting multi-phase replacement housing strategy. Mr. Flood also launched the Welcome Home Program to renovate vacant single-family homes for sale to first-time homebuyers.

From June 2006 thru April 2014, Mr. Flood worked as a development specialist and director of development at PHA. During that period, he developed and submitted applications for conversion of over 3,000 public housing units through the Rental Assistance Demonstration (RAD) program, successfully applied for a \$30 million Choice Neighborhood Implementation grant, created and implemented the agency's initiative to create or preserve 6,000 housing units in five years, and created and implemented PHA's sustainability policy and working group to benchmark energy usage and set reduction goals.

Huda Brooks-Goldman, Vice -President of Human Resources

Huda Brooks-Goldman joined the PHA team as the Vice President of Human Resources in August of 2017. She has more than 13 years of HR experience, ranging from talent acquisition and employee engagement to strategic workforce planning.

Ms. Brooks-Goldman has a Juris Doctor from the James E. Beasley School of Law at Temple University.

Gregory Hampson, Executive Vice President, Construction & Capital Projects

Mr. Hampson has 25+ years of experience in real estate development, construction, facilities operations, management, and project financing. He recently rejoined PHA after serving as the Deputy Director of Conventional and Scattered Site Operations for the Housing Authority of Baltimore City. Mr. Hampson has a B.S. in Electrical Engineering from Temple University and is in the process of obtaining his Master's Certificate as a Project Management Professional from George Washington University.

Faisal G. Hassan, Executive Vice President & Chief Information Technology Officer - Information Systems Management Department

Mr. Hassan has 27 years of experience in computer technology, 23 of which have been at PHA at various levels. He started out as a system developer and advanced to his current position. During his tenure at PHA, the agency has developed and implemented: local and wide area networks; the PeopleSoft human resource, payroll and time & labor systems, as well as financials; supply chain, E-procurement; PeopleSoft CRM, which includes customer case management and work order/field services; a public housing application system that is used to manage housing applicants, customers, houses/units and occupancy; an Interactive Voice Response system across the organization, e-procurement and electronic invoices; and online reports that provide current financial and operation information for management.

Mr. Hassan has a Master of Science degree in Software Design from Temple University and a Bachelor of Science degree in Computer Science from Rowan University. He also has an Associate Certificate of Project Management from George Washington University.

Bret Holden, Vice President, Leased Housing

Bret Holden supervises the day-to-day operations of our Housing Choice Voucher Program which provides rental assistance to low-income families in the private rental market.

Mr. Holden has worked at PHA since 2000 and was promoted from the Director of Leased Housing's Eligibility and Special Program Department. One of his major initiatives as Director was the delivery of over 4,000 new housing opportunities in the last four years through voucher issuance and securing long-term affordable housing contracts.

Mr. Holden holds Bachelor's Degrees in Labor and Industrial Relations and Political Science from Penn State and Drexel University.

Dinesh Indala, Executive Vice President - Housing Operations

Mr. Indala currently supervises all property management and maintenance activities for PHA. He oversees 800 employees who handle public housing operations. He is ultimately responsible for the maintenance and upkeep of PHA's entire public housing portfolio, including all emergency and routine maintenance issues for nearly 15,000 PHA-related units throughout Philadelphia, as well as the rehabilitation of vacated units.

Mr. Indala earned a B.S. in Mechanical Engineering from DEI University in Agra, India and an M.S. in Industrial Engineering/Quality & Reliability from Rutgers University. He is also Lean/6 Sigma certified by Villanova University.

Janea Jordon, Executive Vice President - Office of Audit and Compliance

As the Executive Vice President of the Office of Audit and Compliance, Ms. Jordon oversees PHA's internal audits, investigations, and compliance-related activities. The department is tasked with helping to identify and reduce risks; ensuring that policies, procedures, laws and regulations are followed throughout PHA; and safeguarding the efficient and effective use of resources. She also serves as the primary point of contact in all external audits and reviews.

Ms. Jordon has worked at PHA since 2005. She previously served as the head of PHA's Quality Assurance Department and then the Deputy Director of Audit and Compliance.

Ms. Jordon is a graduate of Spelman College and the Georgia Institute of Technology.

Lopa Kolluri, Senior Executive Vice President – Chief Development and Operations Officer

Ms. Kolluri has more than 20 years of affordable housing experience. Ms. Kolluri supervises Planning and Development; Construction and Capital Projects; PHA Police Department (PHAPD); Housing Operations; and Community Operations & Resident Development (CORD).

Prior to joining PHA, Ms. Kolluri was Vice President of Operations at Pennrose, a leading real estate development and management company focused on multifamily communities from 2013-2017.

Ms. Kolluri served as Deputy Chief of Staff at the U-S Department of Housing and Urban Development (HUD). While there, she managed the operations of the Secretary's office in conjunction with HUD's program, policy, legislative and communications divisions from August 2011 to June 2013.

She has also served as Vice President of Development for Community Investment Strategies, Inc., the Asst. State Treasurer of Economic Development for the State of New Jersey, and the Director of Housing and Community Resources for the New Jersey Department of Community Affairs.

Ms. Kolluri has a B.A. in Economics and French from Kenyon College and an M.A. in Development Economics and International Development from American University.

Joseph P. Marker, Chief of Police & Director of Public Safety - Office of Public Safety

Chief Joseph P. Marker has been a member of the Philadelphia Housing Authority Police Department (PHAPD) since June of 2015 and has 39 years of experience.

Prior to joining PHAPD, he was a member of the Philadelphia Police Department, where he served for 35 years and attained to the rank of Inspector. He brings with him a wealth of knowledge and experience as some of his assignments included; Commanding Officer roles within Patrol Bureau, Traffic District, Forensic Sciences Bureau, Detective Divisions and Staff Services Bureau.

Chief has an A.A.S. in Criminal Justice from Community College of Philadelphia and has attended police management training programs at Northwestern University, Pennsylvania State University, the F.B.I. National Academy and the Senior Management Institute for Police.

William Myles, Vice President - Community Operations and Resident Development Department

Mr. Myles leads PHA's Community Operations and Resident Development (CORD) Department. CORD's mission is to offer programs to residents that will provide them opportunities to achieve self-sufficiency. The department focuses on education, job training, job placement, job retention, and financial planning. Mr. Myles oversees youth programs, senior programs, community outreach, case management, community partner training programs, and PHA's revamped Pre-Apprenticeship Program.

Mr. Myles came to PHA from the Meridian Housing Authority in Meridian, MS, where he served in a number of positions, including Family Self-Sufficiency Coordinator and Hearing Officer, before being promoted to Director of Community and Supportive Services.

Mr. Myles is a graduate of the University of Southern Mississippi and holds an MBA from the University of Phoenix.

Laurence M. Redican, Esquire - General Counsel

Laurence M. Redican is currently the General Counsel for the Philadelphia Housing Authority (PHA). In 2011, Mr. Redican joined PHA as the Deputy General Counsel for Transactions, Regulatory, and Administrative Matters. Since 2016, Mr. Redican has also served as the Secretary for the PHA Board and was selected to serve on the PHA's Pension Board.

Immediately prior to working at PHA, Mr. Redican was the Deputy General Counsel of the New York City Housing Authority (NYCHA), where he began working in April 2000 and had held other positions in that agency's legal department related to real estate and contractual matters.

Mr. Redican received his B.A. in History from the State University of New York at Binghamton and his J.D. from the St. John's University School of Law. He is married, the harried father of two energetic daughters, and the owner of a dynamic dog who believes in group exercise, and lots of it. In the few hours when not actively engaged in PHA legal matters, he enjoys coaching his daughters' lacrosse team.

Nichole Tillman, Executive Vice President - Communications Department

With over 20+ years of public relations experience, as PHA's Agency Spokesperson and Executive Vice President of Communications, Ms. Tillman oversees all public relations and communications efforts for PHA employees and residents, stakeholders, and the media. Ms. Tillman was also instrumental in managing crisis communications during PHA's highly publicized leadership transition period.

Ms. Tillman began her career as a book publicist in New York City, after which she became the first in-house publicist for USA WEEKEND Magazine, the second largest magazine in the country at the time. In another first, while serving as the Vice President of Publicity for the World Famous Harlem Globetrotters, she implemented over 200 publicity campaigns throughout the U.S. and abroad and secured multiple first-time national media appearances, as well as traditional and trade media coverage.

She has also created and directed partnerships with several media powerhouses including, Viacom, Disney, Paramount, and countless media outlets, broadcast shows, and production companies.

Ms. Tillman is a graduate of Norfolk State University and serves as a member of the PHA Pension Board. Outside of work, Ms. Tillman is active in several charitable organizations.

Nnena Ukwa - Vice President of Finance

Ms. Ukwa has worked at Philadelphia Housing Authority (PHA) for 13 years. She joined PHA as a Compliance Specialist in January 2005 and was later promoted to the Manager of Internal Audit in 2011.

Before joining PHA, Ms. Ukwa worked for a public accounting firm for several years. She received a Bachelor of Science in Accounting from the University of Massachusetts, Lowell, Massachusetts, and a Master of Business Administration in Finance from LaSalle University, Philadelphia, Pennsylvania. Ms. Ukwa is also a Certified Public Accountant.

Dave Walsh, Executive Vice President - Supply Chain

Mr. Walsh has worked at PHA since 2008. Currently, he oversees PHA's procurement, contracts, contract administration, fleet, and warehouse operations.

For over a decade before coming to PHA, worked at Computer Expressions, a Philadelphia manufacturer of computer accessories, where he was Senior Vice President of Purchasing and Operations, heading manufacturing, fulfillment, and IT at the company. He also worked at Cardinal Health in Swedesboro, NJ, an \$8.1 billion a year distributor of pharmaceuticals, where he was the Logistics Manager and was Lean/6 Sigma Project Sponsor certified.

Mr. Walsh began his career as an Officer with the U.S. Army (92A, Commander) spending six years specializing in maintenance, supply, and purchasing and contracting.

Mr. Walsh has a B.A. in Fine Arts and Russian from Kutztown University and is an instrument rated pilot.

BOARD OF COMMISSIONERS PROFILES

Chair Lynette M. Brown-Sow is the former Vice President of Marketing and Government Relations at the Community College of Philadelphia. In 1980, she founded L.M. Brown Management Group, a certified minority/female-owned consulting firm that provides professional services to corporations, non-profits, and governmental entities. As an entrepreneur, Ms. Brown-Sow helped to create Health Pass, one of the nation's first health insurance organizations, in the mid-1980s. In 2008, Mayor Michael Nutter appointed her to the Philadelphia Zoning Board of Adjustment, which she chaired from 2010-2013. In 1991, then-Mayor Edward Rendell appointed Ms. Brown-Sow to the position of Deputy Mayor of Administration to manage appointees to all boards, commissions, and non-civil service positions.

Vice-Chair Herbert Wetzel is the Executive Director of Housing and Community Development for the Philadelphia City Council. He is also a founding member of the board of directors and former executive director of the Greater Germantown Housing Development Corporation. Mr. Wetzel has a long history of community development activities and during the past 20 years he established a small business in the Germantown section of Philadelphia to create neighborhood-based economic development and also served as Director, Deputy Executive Director and, upon appointment by former Mayor John Street, Executive Director of the Philadelphia Redevelopment Authority.

Leslie D. Callahan, PhD serves as Pastor of St. Paul's Baptist Church in North Philadelphia. She received her Bachelor of Arts in Religion from Harvard/Radcliffe, her Master of Divinity from Union Theological Seminary in the City of New York and her PhD in Religion from Princeton University. Her research interests include religious history in the United States, particularly independent African American Christianity and Pentecostal studies.

Rev. Bonnie Camarda has served as Director of Partnerships for the Salvation Army of Eastern Pennsylvania and Delaware since 1999, as a tireless advocate for the underserved. Rev. Camarda co-chaired Mayor Nutter's Faith Leaders Advisory Task Force for Community Safety with the goal of maximizing the neighborhoods' spiritual assets, social capital and civic values. She is a non-violent activist encouraging mutual trust and respect through amnesty programs that provide musical instruments to Philadelphia schools for weapons turned in to authorities. An avid supporter of education, Rev. Camarda serves as Moderator for the Faith and Community Partnerships of the School District of Philadelphia. She is also the past President of the Hispanic Clergy of Philadelphia, which she helped co-found.

Asia Coney is one of two Resident Commissioners who were elected in April of 2014 by PHA residents, pursuant to a process created under the Pennsylvania Housing Authorities Law, Act 130. Commissioner Coney is the President of PHA's Resident Advisory Board. A Philadelphia native, her dedicated community activism over the last thirty-six years has included: advocating for public and assisted housing safety, greater resident input into PHA decision-making, and improvement of existing public housing conditions; conducting local and national workshops; ensuring compliance with federal and state directives regarding the quality of resident life; and working closely with PHA in its creation and implementation of resident programs. She has served on numerous City Boards, including the Redevelopment Authority and the Malt and Beverage Board, and was the Director of Tenant Support Services, Inc., which terminated operations in 2012. Her community activism has included the following marches: being one of two Chairs for the 1997 historic Million Woman March; Chair of the "Sistahs of the Million Woman March" in 2007; and serving as a key organizer of the 1997 Grays Ferry March, to reduce violence and race riots.

Julia Danzy has extensive administrative experience in the area of Social Services, especially child welfare. She has served as the City of Philadelphia's Director of Social Services; Deputy Commissioner of Health; and Operations Director for the Department of Human Services; as well as serving as Deputy Secretary of the Office of Children, Youth and Families, in the Pennsylvania Department of Public Welfare. Her work has included oversight of the creation of a large urban area's integrated data system for all its departments of Human Services, Prisons, and Behavioral Health, which was responsible for the city's homeless housing services, and has worked as a human services consultant, with a focus on spanning area of organizational design, integrated data systems, and program design. She is known as a tireless advocate for children and families and a proven leader in innovative use of human service systems. Commissioner Danzy earned a B.A. at Howard University, an MSW at Columbia University, and a Masters of Government Administration at the University of Pennsylvania. She has published articles on child welfare, made speaking appearances nationwide, served as the President of Black Administrators in Child Welfare, and is an Ex-Officio Board member of the Women's Opportunities Resource Center.

Patrick J. Eiding is currently serving his 6th term as President of the Philadelphia Council AFL-CIO representing over 150,000 working families and 100 local unions in the Philadelphia area. Prior to first being elected President of the Council in January 2002, Eiding served for over 25 years as Business Manager and Financial Secretary of the Insulators and Asbestos Workers Local 14, covering Philadelphia and Southern New Jersey. Eiding has risen through the ranks of leadership throughout his career and currently serves as Secretary-Treasurer of the Philadelphia Building Trades Council; as a member of the Executive Council of the Pennsylvania AFL-CIO; and on the General Board of the National AFL-CIO representing Central Labor Councils in the Northeast. Eiding also represents the interests of working families by serving as an active member of numerous boards and commissions including the Philadelphia Area Labor Management Committee (PALM), the United Way of Greater Philadelphia and Southern New Jersey, the Urban Affairs Coalition (UAC), the Philadelphia Works, Inc., and the Pennsylvania Workforce Development Board. He has also served as a Commissioner on the Philadelphia City Planning Commission for the past 14 years.

Frederick S. Purnell, Sr. is the former Deputy Director for Housing and Community Development for the City of Philadelphia. As the City's Deputy Director for Housing and Community Development, he oversaw, reviewed, and implemented housing policy and strategy across the various housing and housing support/community development agencies throughout the City.

Before joining the City, Mr. Purnell served as the Executive Director of Wilmington Housing Authority for 16 years. He was also a key executive and a long time employee within the Philadelphia Housing Authority for several years. He has been instrumental in several multimillion dollar mixed income and low income developments, and is a recognized leader in community development in this region.

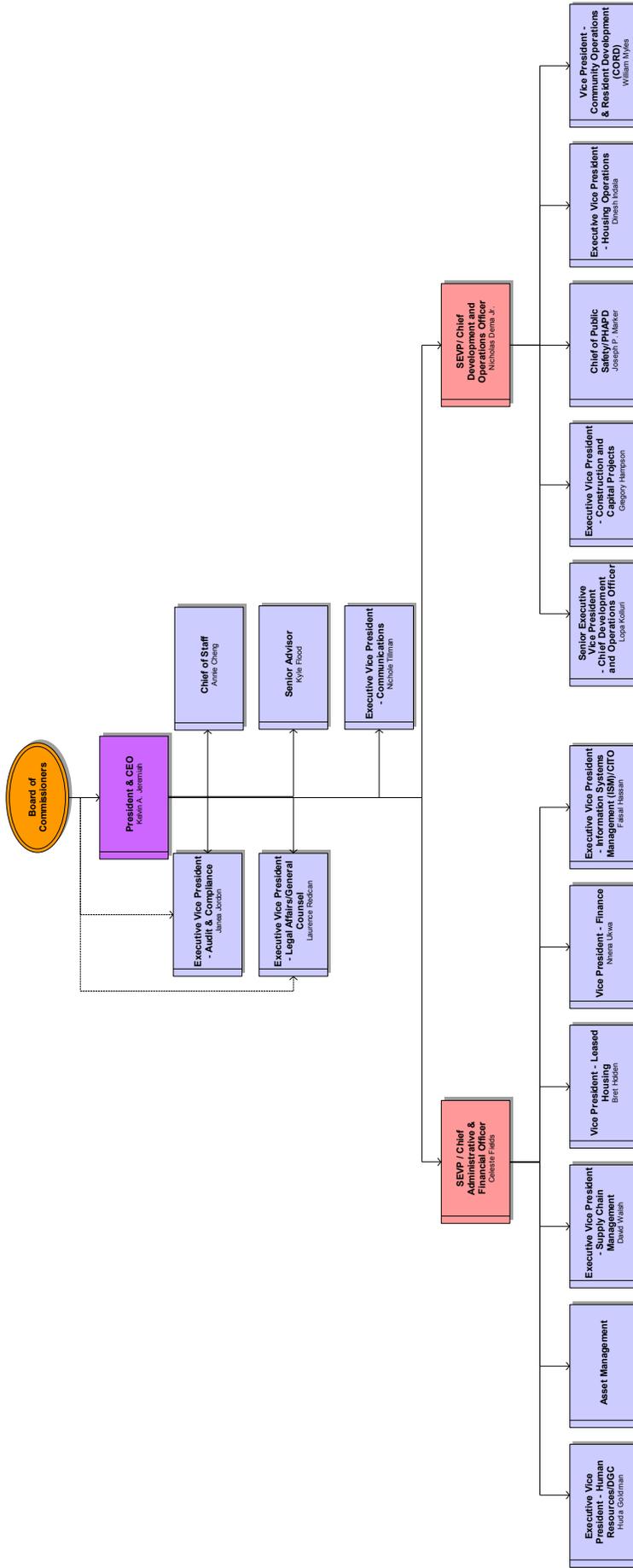
Mr. Purnell is a native of Philadelphia and a graduate of Central High School and Pennsylvania State University. He has received several certifications, commendations, and board appointments relevant to housing and community development, and is a proud life member of Kappa Alpha Psi Fraternity, Inc. He is also a licensed realtor in the state of Delaware and resides in the Overbrook section of Philadelphia.

Ethel Wise is one of two Resident Commissioners who were elected in April of 2014 by PHA residents, pursuant to a process created under the Pennsylvania Housing Authorities Law, Act 130.

Commissioner Wise is President of the Wilson Park Family Resident Council, a native of Philadelphia and has a personal history of involvement, community engagement and commitment to bettering the lives of those in public housing for over 40 years.

As President of the PHA housing development at Martin Luther King for approximately 32 years, Commissioner Wise developed an effective job bank, a food bank and a town watch program that was recognized as one of the best in the country, and, in 1993, she received the Mayor's Community Service Award. Commissioner Wise also created and managed PHA's Lobby Monitor Program, which promoted resident safety and resident employment with a well-defined career path. She has been a leader in providing national and local training for Resident Councils on HUD regulations and also has served as a Democratic Party Committeewoman for the last 25 years.

PHILADELPHIA HOUSING AUTHORITY SENIOR LEVEL



SECTION II - STRATEGIC DIRECTIONS PLAN

In 2014, PHA engaged in a comprehensive strategic planning process involving residents and employees, the Board of Commissioners, social service and advocacy organizations, elected officials, property owners, funders, and other community stakeholders, resulting in the creation of the Strategic Directions Plan. The Strategic Directions Plan reaffirms and enhances PHA's ongoing commitment to preserve and expand the supply of quality affordable housing, support efforts to strengthen families and be an active and engaged partner in building safe, sustainable communities. It also highlights PHA's commitment to conducting business in an open and transparent manner, which adheres to the highest ethical standards.

STRATEGIC PRIORITIES

The twelve (12) strategic priorities described in the Plan provide a framework for PHA's activities and resource allocation decisions for a period of five years, and respond to the challenges and opportunities identified during the planning process.

For each of the strategic priorities, PHA has identified performance measures and series of strategic initiatives and/or projects to be accomplished by 2019. The results of these efforts for FY 2018 are summarized below. It is important to note that accomplishment of the strategic initiatives and projects listed below depend on the availability of sufficient funding and/or other external factors not within PHA's control and may affect the agency's ability to fulfill its plans.

PRIORITY 1 - PRESERVE AND EXPAND THE SUPPLY OF AFFORDABLE HOUSING AVAILABLE TO PHILADELPHIA'S RESIDENTS WITH LOW-INCOMES

This strategic priority encompasses PHA's goal to both increase the overall supply of affordable housing and to preserve and maintain its existing portfolio to the greatest extent feasible. PHA has established the "6 in 5" program with the goal of building or preserving 6,000 affordable units over a five-year period. Towards this end, PHA will continue its own development efforts and work with public and private partners to significantly increase the leverage of PHA's limited resources. PHA's Capital Projects and Development division plans and implements these initiatives. The focus on new development provides quality housing that supports neighborhood revitalization for high priority populations including veterans, people with disabilities, seniors, and homeless families. The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

Choice Neighborhoods for Norris Homes and the North Central Philadelphia in partnership with residents, the City and key stakeholders. Choice Neighborhoods Initiative (CNI) for Norris Homes and the North Central Philadelphia in partnership with residents, the City and key stakeholders. PHA is the housing lead under the \$30 million North Central CNI Implementation Grant awarded by HUD in June of 2014. In partnership with the City's Department of Housing and Community Development, the housing initiative involves the demolition of PHA's existing 147 rental units at Norris Apartments, and the new construction of 297 units (267 rental and 30 homeownership) located on the existing site of Norris Apartments and within the surrounding neighborhood. Substantial progress was made in FY 2018 including the relocation of Norris Apartments households and the commencement of Phase II construction consisting of 89 rental units.

Choice Neighborhoods Initiative Transformation Plan for Blumberg/Sharswood in partnership with residents, the City and key stakeholders. In FY 2018, PHA continued to lead a community-wide effort to transform the blighted and abandoned Sharswood/Blumberg neighborhood into a community of choice and opportunity. The Transformation Plan envisions 1,200 mixed income rental and homeownership units, new commercial and educational facilities, an employment readiness program, small business development initiatives, along with other services.

PHA completed Phase 1 of the housing plan consisting of 57 new construction rental units in the prior fiscal year. In FY 2018, PHA made major progress towards the Transformation Plan goals including: completing planning for the rehab of the Phase II 94-unit Senior Tower and the Phase III 83-unit on-site rental, both of which are projected to begin construction in FY 2019; completed Phase 1 rehabilitation of the Vaux Community Building; began construction on PHA's new Headquarters Building on the Ridge Avenue Commercial Corridor; and, designating a developer for up to 400 off-site rental and homeownership units. As part of the Vaux Community Building grand opening, PHA welcomed the first class of ninth-graders to the new Big Picture Philadelphia High School.

New family housing at Strawberry Mansion. In FY 2018, PHA has substantially completed construction and pre-leasing of the new Strawberry Mansion Apartments development, which consists of 55 affordable rental units. This \$23.6 million RAD development was funded through LIHTC and PHA funds, and receives long-term project-based assistance from PHA.

Preservation and expansion of affordable housing through Rental Assistance Demonstration (RAD) Program. PHA utilizes its MTW Block Grant and MTW programmatic flexibility to support RAD conversions. This includes transferring subsidies through the RAD “transfer of assistance” provision from vacant, non-viable scattered sites to new projects developed throughout the City by PHA and other development partners. Through FY 2018, PHA closed on 1,285 RAD units at existing public housing and new transfer of assistance sites. PHA plans to convert an additional 1,689 public housing units to project-based assistance through RAD in FY 2019.

Scattered Site Asset Repositioning Strategy. PHA has the largest scattered sites portfolio of any housing authority in the country. Many units were acquired in the 1960s and 70s and some were built over a century ago. These properties have become increasingly difficult to manage, given their age, the state of disrepair of some, and the agency’s limited resources. PHA has completed an evaluation study to right-size the portfolio for optimal management. Under the repositioning strategy, PHA evaluates units as they become vacant, preserves units located in areas of opportunity that can be feasibly modernized, and works with City agencies, affordable housing developers, community development corporations, and others to address units that PHA is not able to efficiently operate. The strategy and activities are coordinated with the RAD initiatives previously noted.

In FY 2018, PHA rehabilitated 229 vacant scattered sites units for occupancy. PHA conducted two auctions in FY18 of 172 properties in total that generated over \$12 million in sales proceeds that will be used to preserve and expand affordable housing.

PRIORITY 2 - ACHIEVE EXCELLENCE IN THE PROVISION OF MANAGEMENT AND MAINTENANCE SERVICES TO PHA RESIDENTS

This strategic priority focuses on PHA’s activities and initiatives to manage and maintain the existing, owned housing portfolio. PHA’s Operations staff provides these services for the conventional public housing developments and scattered site locations, while staff from PHA’s Philadelphia Asset and Property Management Corporation (PAPMC) entity supports operations at sites developed using Low Income Housing Tax Credits. Private management entities manage and maintain eleven (11) additional developments under contract with PHA. PHA’s goal is to provide excellent management and maintenance services to all residents, an increasingly challenging task in light of ongoing reductions in federal operating funds and the age and physical conditions of many PHA housing developments. The following are some highlights of PHA’s activities under this priority goal during FY 2018:

FY 2018 Progress Update

Asset Management Consolidation. PHA has implemented an asset consolidation program and asset management model in an effort to streamline property management operations ensuring greater fiscal responsibility at the site level. Implementation included project based budgeting, accounting, management and performance assessment. The consolidation plan was designed to address the unique needs and resource requirements of each property. Under this program, property management services are coordinated and overseen by management personnel who have been assigned responsibility for the day-to-day operations of the properties and who are charged with direct oversight of operations of those properties.

Rent Calculation. PHA previously implemented additional payment options for residents to remit rent payments. In FY 2018, rent collection efforts generated approximately \$30.418 million in revenue.

Public Housing Admissions. PHA successfully housed 330 applicants from its waitlist in the public housing program in FY 2018. Additionally, 82 homeless families that were referred to PHA by the City under the Blueprint Program were successfully housed.

Preventive Maintenance Inspection Program. PHA’s Preventive Maintenance Inspection Program (PMI) was launched in 2013 to ensure that all public housing units meet or exceed the Uniform Physical Conditions and Standards. The program infrastructure was designed to increase operational effectiveness, prevent the failure of building materials and systems, and retain a safe and healthy environment for PHA residents. In order to create a leaner, more cost effective procedure for inspecting each of the required occupied units, PHA trained Maintenance Mechanics, strategically assigned each mechanic to a site with a rotating schedule, and authorized them to perform PMI inspections in each unit. The PMI goal is for 10% of all public housing units to be inspected per month for 10 months during the fiscal year. The areas of concentration for PMI are HVAC System and filter changes, hot water tanks, electrical systems, plumbing systems and fixtures, carpentry, smoke detectors, carbon monoxide detectors, and extermination. In FY 2018, PHA completed 12,273 PMI inspections.

Service Orders. PHA completed over 101,000 maintenance service orders in FY 2018, with an average completion time of 30 days.

PRIORITY 3 - CREATE SAFE COMMUNITIES IN COLLABORATION WITH NEIGHBORHOOD RESIDENTS AND LAW ENFORCEMENT AGENCIES

This strategic priority focuses on the efforts of the PHA Police Department (PHAPD) to ensure that residents live in safe communities. PHA's goal is to reduce crime rates at its public housing developments so that they are lower than the average Part I and II crime rates (under the definitions of the Uniform Crime Reporting Program) for their respective neighborhoods. Therefore, PHA implemented activities designed to maximize the positive public safety impact through close collaboration with residents and local law enforcement agencies. PHA recognizes that law enforcement efforts alone cannot guarantee community safety and that neighborhood residents need to be involved in public safety planning and implementation efforts in a meaningful way.

The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

The PHAPD, working closely with residents, achieved a decrease in crime at its developments over the prior period. Statistics recently released for CY 2017 (the most recent period for which complete data is available) show crime fell in virtually all categories, with decreases in the following categories; Homicide (-12.5%), Rape (-7.1%), Robberies (-49.3%), Aggravated Assault (-9.6%), Burglary (-9.1%), Theft (-34.4%), and Auto Theft (-76.1). Overall, crime at PHA developments decreased in CY2017 by 27.2%.

Improve communications by partnering with residents and law enforcement. In 2014, PHA committed to increasing the number of sworn Police Officers, and ensuring that at least 10 PHA residents be recruited to join the force. These men and women undergo the same training as Philadelphia police officers. Since this time, 9 PHA residents have joined PHAPD, of which 6 are currently employed. There is currently one resident recruit in the police academy who will join PHAPD in June 2018 which will increase the total of resident recruit officers to 7. All resident recruit officers are fully accredited, full-time sworn officers who work in the PHA developments. Having officers concentrated in these areas has allowed the PHAPD to increase community engagement and work more closely with residents.

PHAPD has continued to enhance its efforts, using a community-policing model that ensures a regular police presence and interaction with residents at all PHA facilities. The PHAPD continues to collaborate with the community by engaging with the Police Advisory Board that meets on a quarterly basis, comprised of Resident leaders from across the City. PHA's Board of Commissioners includes two resident leaders, who in turn lead the PHA Police Advisory Board. The concerns of residents are addressed at these meetings. Community meetings at each development are scheduled throughout the year to discuss and instruct the proper procedure for crime reporting, as well as how not to be a victim of a crime.

Community Policing practices. The PHAPD has continued to enhance the Community Policing practices, and organizes the city into two regions of Regional Operational Commands (ROC). An Inspector oversees each region. A member of the Command staff attends all community meetings in their assigned area and provides their contact information to the residents so that potential problems or concerns can be dealt with immediately.

Meetings and Communication/Coordination Protocols between the PHAPD and the PPD. PHA enjoys an enhanced relationship with the Philadelphia Police Department (PPD), which allows PHA to share information and systems. This coordination is instrumental in helping PHA's focused efforts. The PHAPD attends regular planning meetings with the PPD. Weekly Compstat Meetings are held by the PPD and are attended by the ROC Commanders. Crime patterns from all areas, including PHA developments, are discussed, as well as possible solutions. The ROC commanders attend regular meetings with the Captains of the Districts and the PHAPD Investigations Unit deals on a regular basis with PPD Homicide, State Parole, US Marshals, PPD Special Victims Unit, the Drug Enforcement Administration (DEA), and the High Intensity Drug Trafficking Areas Program (HIDTA). In addition, these relations continue to grow in efforts to share technologies that become available in an effort to identify necessary information in a real-time capacity.

Annual Review of Public Safety Needs and Priorities at each PHA Development. The PHAPD has implemented a policy of conducting Site Security Surveys for each PHA development and business offices. These surveys provide a detailed critique of the overall site and indicate deficiencies in the overall security. Recommendations are given to enhance the security of the facilities and to provide a safe environment for the residents and PHA workers. These measures will serve to reduce risk and to improve communication between the PHAPD and its partner agencies. Follow ups regarding the recommendations are performed throughout the year to help ensure that identified deficiencies are addressed.

Upgrading of CCTV and Enhancement of the Communications Center. PHA has invested \$10 million to expand its Closed Circuit Television Safety Monitoring System to a total of 854 cameras across PHA's sites. This is up from 734

during FY16. The cameras are a mixture of fixed, internal and external, as well as external Pan Tilt and Zoom (PTZ) units. The main goal was to establish a CCTV presence in communal and management areas allowing the surveillance of the developments and office areas PHAPD has noted to be of importance. PHA has also invested heavily in multilayered door entry access controls during the reporting period. CCTV monitors were upgraded to ensure continuity and improve reliability. A battery backup system was installed in an effort to insure an uninterrupted power supply in the event of a power failure. The PHAPD communications center was designed and constructed utilizing state of the art technology and broadcast consoles to enhance radio room capabilities with respect to communication with the PHAPD officers and PHA residents. This also allows for the capturing of all communications in a recorded format.

Youth Violence Prevention Plan Strategy. As part of PHAPD's collaboration with the City and a consortium of community agencies on youth violence prevention strategic plan, the PHAPD has taken the following steps to achieve the common goals:

- PHAPD's community relations officers are active participants in the "CHEERS" (Community Health Enrichment Empowerment Resources) program.
- PHAPD worked in conjunction with PPD to dedicate and open mini-stations in North Philadelphia (Harrison Plaza), South Philadelphia (Wilson Park) and West Philadelphia (West Park Apartments).
- PHAPD conducts Operation Blue Santa. This worthy endeavor helps to ensure that identified families needing assistance experience a joyful holiday season. PHAPD also participates in programs at its mini stations that foster youth participation and development in the areas of mentoring and entrepreneurship.

As part of the continuing effort to strengthen training and oversight of the security guard contractors, the PHAPD Compliance Manager handles resident complaints, communicates with contractors about past performance, and ensures that any deficiencies are addressed.

PRIORITY 4 - ENHANCE RESIDENT WELL-BEING AND INDEPENDENCE THROUGH PARTNERSHIPS FOR EMPLOYMENT, JOB TRAINING, EDUCATION, HEALTH, AND OTHER EVIDENCE-BASED SUPPORTIVE SERVICES

This strategic priority reflects PHA's commitment to eliminating barriers to employment, encouraging economic self-sufficiency, promoting healthy lifestyles, and assisting all PHA residents to achieve their full potential. This is an enormous challenge: approximately 91% of public housing residents and 96% of HCV participants earn less than 50% of Area Median Income. Seniors make up 47% of public housing and 37% of HCV heads of households. Recognizing the scope of resident needs and the complexity of intergenerational poverty, PHA, through its Community Operations and Resident Development department (CORD) will continue to enhance its efforts to create and foster partnerships with agencies and institutions that have resources and expertise that can leverage PHA's limited funding to help support families in achieving self-sufficiency and economic mobility.

The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

Youth Enrichment Services - After School and Summer Programs. Youth programming at PHA continued to progress in FY 2018. PHA coordinated a summer program to serve 61,196 nutritious meals and offer Summer Camp at 20 sites, punctuated with activities such as basketball tournaments, spelling bees, and "STEM" (Science, Technology, Engineering and Math) contests. In the Summer Camp program, 380 youth participants read at least 15 minutes per day, in accord with School District of Philadelphia recommendations.

During FY 2018, CORD staff managed the second annual citywide PHA Summer Basketball League, consisting of 88 resident youth on 10 teams. PHA concluded its summer programming by issuing approximately 2,500 book bags filled with supplies to school-aged residents. In addition to the summer programming, PHA competitively procured four vendors to provide year round afterschool services to 375 children residing at 12 sites. All programs meet the PHA standard of homework assistance, literacy and numeracy training, community service, and recreation.

Section 3 Program. Section 3 of the HUD Act of 1968 requires recipients of certain HUD financial assistance to provide job training, employment, and contract opportunities for low (or very low) income residents in connection with certain projects and activities in their neighborhoods to the greatest extent possible. In FY 2018, PHA contractors hired 53 Section 3 residents, while PHA has hired 92 Section 3 residents. In addition to the hiring activity, PHA utilized its Section 3 Job Bank, which is designed to connect residents with employment and training opportunities offered by PHA contractors and

vendors in a variety of different industries.

At the time of publication of this report, 9 jobs were posted to the Section 3 Job Bank, 5 of which have been matched with qualified Section 3 residents.

Jobs Plus Pilot Program. In July 2016, PHA, in partnership with Philadelphia Works Incorporated (PWI), the Resident Advisory Board (RAB), Raymond Rosen Resident Council and other local partner agencies, began implementation of the Jobs Plus Pilot Program for which it was awarded a \$2.7 million HUD grant. The Jobs Plus Program is an intensive program of employment-readiness, job training, job placement, and support services for the residents of the Raymond Rosen public housing development. Grant funds leverage an additional \$6.79 million in PHA and partner agency resources that help eliminate barriers to employment, provide job training and job placement support, reduce unemployment rates and increase household earnings for participating adult residents. The ultimate goal of the program is to enroll 390 Raymond Rosen residents into the program while also enrolling 480 residents into Jobs Plus Earned Income Disregard (JPEID), with the expectation of this leading to financial independence and self-sufficiency. As of the end of FY 2018, the Jobs Plus staff has met with and conducted individualized assessments on 328 residents - more than 90% to its goal, and 300 residents are enrolled in JPEID, after only operating in year 2 of the program. By the end of the program, the staff hopes to assist at least 100 residents achieve increased employment earnings.

Community Partners Programs. The Community Partners Program assists residents with life skills and career training. PHA collaborates with local organizations to provide its residents with educational and workforce training opportunities to help them attain economic independence, empowerment, and self-sufficiency through education and job training. In FY 2018, available training programs included Human Services, Certified Nursing Assistant and Phlebotomy, Dental Technician, Pharmacy Technician, Community Health Worker, Housekeeping, Front Desk and Culinary Arts. Residents also participated in the Workforce Ready program and Entrepreneur Works offered training for residents seeking to start or expand their own business. In FY 2018, a total of 110 residents completed job-training programs and 30% achieved employment.

GED Programs. In an effort to improve the literacy rates among residents, PHA continues to pursue and enhance its partnerships with local universities to help provide more opportunities for public housing residents to achieve their GED and move onto college or receive post-secondary education. In addition, the "PHA Academy" provides direct adult basic education and GED classes and PHA's partnerships with Drexel University, Temple University, and the Community College of Philadelphia provide expanded opportunities for adults and youth to complete their GED and help make college a viable option. In FY 2018, a total of 150 residents completed the adult education courses and 5 residents received their GED.

PhillySEEDS. PhillySEEDS, Inc., established in 2013, is a 501(c) 3 tax-exempt charitable organization and subsidiary to PHA that seeks to promote the welfare of public and assisted housing residents through philanthropic activities, community-based partnerships and other special initiatives. In FY 2018, the PhillySEEDS Scholarship Program awarded \$258,000 in scholarships to support 66 PHA residents in pursuing higher education and vocational training. PhillySEEDS, working with CORD, also assisted 55 residents under its Homeownership Closing Cost Assistance Program, providing closing cost assistance towards the purchase of a first home, and Affordable Rental Assistance Program, providing Housing Choice Voucher residents security deposit assistance towards the execution of a new lease.

Vaux Community School. As part of PHA's commitment to the revitalization of the Sharswood/Blumberg neighborhood, PHA invested \$15 million in the acquisition of the previously-shuttered Vaux School. PHA and PhillySEEDS have partnered with the Philadelphia School District (PSD), the Philadelphia Federation of Teachers (PFT) and Big Picture Schools to reopen the school so that PHA and other area residents have access to a neighborhood high school with wraparound social and medical services. The first class of 126 ninth-grade students were enrolled in September 2017. As part of its continued commitment to youth development, PHA/PhillySEEDS provides a subsidy of \$500 per pupil.

Smoke Free Housing. PHA continued its Smoke Free Housing initiative during FY 2018. PHA is the largest housing authority in the country to adopt a Smoke Free Policy, which bans smoking at all properties, except for designated smoking areas.

Homeownership. In FY 2018, a total of 73 PHA residents became first time homebuyers through the assistance of PHA's Homeownership programs, which include the Housing Choice Voucher Homeownership program, which converts tenant rental assistance vouchers into mortgage subsidies, and the Section 5H program, which allows PHA public housing residents to purchase their scattered site unit.

Financial Literacy. PHA is committed to helping residents become self-sufficient and make the leap to homeownership, by partnering with Santander Bank, PNC Bank, Clarifi, Nueva Esperanza, New Kensington CDC, Intercultural Family Services and the City's Financial Empowerment Center to expand financing options for homebuyers. During FY 2018,

approximately 750 PHA residents received credit and housing counseling to assist in making sound financial decisions that translate into better opportunities in homeownership, employment, and education.

Resident Leadership. On an ongoing basis, CORD spearheads both resident development and capacity building in order to build effective leadership and honor PHA's commitment to resident inclusion in policy and program development, through structured procedures, defined groups, and standing and ad hoc committees that engage in honest discussions. The largest resident forum is the Resident Council monthly "Resident Round Table," to discuss programs and policies, raise issues and offer solutions. Meeting agendas are set by interaction with a "Resident Engagement Committee," which helps to select agenda items to be addressed by the broader body of resident leaders. Resident involvement ranges from conceptualization and planning to implementation and evaluation.

As a result of these regularly scheduled resident opportunities for resident input which occurred throughout FY 2018, as well as issue-specific ones (such as for the Smoke-Free task forces), PHA is better positioned to improve the quality of life for all who live in public and assisted housing.

Resident Council Orientation. CORD and the RAB committed to holding monthly orientation trainings for newly elected resident council members before the Councils and PHA execute their Memorandum of Understanding and enact a tenant participation budget. Each orientation includes pertinent information as it relates to Roberts Rule of Order, HUD CFR 964 Regulations, roles and responsibilities of council members, and PHA's responsibilities.

Resident Empowerment Conference. In FY 2018, CORD in conjunction with RAB hosted a national resident empowerment conference that had hundreds of attendees from around the country. Resident leaders were empowered with information regarding HUD policies, and other information relative to the public housing industry. Several HUD officials and Executive Directors were also in attendance.

Connect Home Initiative. In FY 2018, through a partnership with T-Mobile, PHA worked to close the digital divide of PHA residents as they gain access to technology. PHA is now providing T-Mobile tablets to approximately 4,500 families. This tool will be used to perform job searches, college applications, homework assistance, and other activities necessary for daily living.

PRIORITY 5 - IMPROVE ACCESS TO QUALITY HOUSING CHOICES AND OPPORTUNITY NEIGHBORHOODS THROUGH THE HOUSING CHOICE VOUCHER PROGRAM

This strategic priority incorporates ongoing and planned initiatives designed to maximize utilization of PHA's Housing Choice Voucher (HCV) Program resources, streamline services to owners and participants, and encourage voucher holders to live in areas with employment, educational and other opportunities. HCV is administered by PHA's Leased Housing Division, and is PHA's largest single housing program, providing housing subsidies to over 19,000 low-income households in FY 2018. PHA provides both tenant-based and project-based assistance. Currently over 3,894 housing units are subsidized under the HCV project-based program, including 1,158 through the Rental Assistance Demonstration Program (RAD).

The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

Admissions. In FY 2018, the Housing Choice Voucher Program experienced strong growth in the Unit Based Voucher Program, through which PHA enters into long-term Housing Assistance Payments (HAP) Contracts with non-profit organizations and other property owners to provide rental assistance to special populations including the homeless, veterans and people with disabilities. During the past fiscal year, PHA executed 12 new Unit Based HAP Contracts with property owners creating more than 425 new affordable housing units. The contracts will provide over \$5 million dollars of annual rental subsidy over the term of the HAP Contracts. PHA partnered with several housing providers in the city, including Gaudenzia, Presby's Inspired Life, Project Home, Mission First and Nueva Esperanza who service some of the most vulnerable populations in Philadelphia.

Section 811 program. PHA committed an additional 50 vouchers in FY 2018 to the Section 811 voucher program, a supportive housing program for persons with disabilities. Section 811 is a partnership between the Pennsylvania Housing Finance Agency (PHFA), the City of Philadelphia's Office of Homeless Services and PHA. As of March 2018, 55 disabled individuals have secured permanent housing through the Section 811 program with an additional 30 searching for an HCV unit.

Veterans Affairs Supportive Housing (VASH). In FY 2018, PHA continued to serve our country's veterans, including intensive efforts made through the HUD VASH program. VASH combines HCV rental assistance for homeless veterans

with case management and clinical services provided by the Department of Veteran's Affairs (VA). During the fiscal year, 158 new homeless veterans secured permanent housing through PHA's HUD VASH program, for a total served of 643 veterans. This total includes 14 homeless veterans housed at PHA's first HUD-VASH Project Based site, Hancock Manor. Hancock Manor operates a Shared Housing Model as part of an overall program that has helped formerly homeless Veterans with drug/alcohol dependence issues and mental illness move from homelessness to independence. Shared housing is a single housing unit occupied by more than one assisted person. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted person.

Second Chance Program. In FY 2018, PHA provided HCV subsidies to 10 returning citizens through a partnership with the United States Probation office and the Mayor's Office of Reintegration Services. The program provides comprehensive and collaborative oversight by judges, prosecutors and defense attorneys, and offers a variety of social services to the participants. Through the services and supports provided through the program, PHA's first Second Chance participant, who received his HCV voucher in October 2014, received training, became a licensed plumber apprentice, and no longer needs a subsidy from PHA to afford housing.

Mobility Program. PHA launched the Housing Opportunity Program (HOP), a regional mobility program that encourages HCV residents to consider opportunity areas in Philadelphia and surrounding counties as part of their housing search. HOP provides workshops on budgeting, goal setting, landlord/tenant rights and responsibilities and other topics, which enable participants to be successful renters and prepared to move to their new communities.

HOP has over 350 families enrolled as of FY 2018, and 125 families have moved to an opportunity area since 2014. Participants receive counseling services and other training before, during, and after their move, to help them to succeed and thrive in their new communities. In FY 2018, HOP assisted in leasing approximately 23 participants in opportunity areas throughout the Philadelphia region, opening opportunities to greater economic, educational and social mobility. As evidence of the success of the program model, in FY 2018, the number of HOP participating families living below the poverty rate decreased from 32% to 13% of total families.

PRIORITY 6 - INCORPORATE ENERGY CONSERVATION MEASURES AND SUSTAINABLE PRACTICES THROUGHOUT PHA OPERATIONS

Conserving energy and implementing sustainable materials and practices throughout PHA is the focus of this strategic priority. PHA expends approximately 29% of its public housing operating budget on utilities, making it the single largest expense category outside of personnel costs. Thus, energy conservation has significant potential to reduce PHA's operating costs while enhancing the quality of life for residents. In August 2012, PHA's Board adopted a Sustainability Policy for the agency and authorized the creation of a Sustainability Working Group. PHA is committed to the following:

- Conducting its housing development and property management activities in a socially, environmentally, and economically responsible manner;
- Reducing its energy consumption and increasing its use of alternative energy sources;
- Minimizing its environmental impacts in the areas of waste, water, energy, and air quality;
- Providing leadership and education for its staff and resident families about best sustainability practices and healthy living choices; and
- Increasing the number of opportunities in low and high-skill green jobs.

The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

Building Energy Efficient Housing Developments. PHA incorporates energy conservation and sustainability principles into the design and construction of its new and rehabilitated housing developments. In FY 2018, PHA has substantially developed a 55-unit rental development at Strawberry Mansion that meets LEED standards, exceeds building insulation requirements by 10%, and incorporates Energy Star light fixtures and low-flow plumbing fixtures. PHA also commenced work on 89 units as part of the Choice Neighborhoods Transformation Plan for Norris/North Central Philadelphia. This rental phase, which is projected to be completed in FY 2019, will meet LEED standards and incorporate similar energy conservation components to those found at Strawberry Mansion. Also in FY 2018, PHA completed the rehabilitation of 56 scattered site units that incorporate high efficiency water heaters and mechanical systems (when replaced), Energy Star light fixtures and low-flow plumbing fixtures. PHA also commenced work on the rehabilitation of the 94-unit Blumberg Senior Tower, which will incorporate significant energy conservation components.

Incorporating Energy Efficiency into Neighborhood Revitalization Projects. Energy conservation and sustainability are important components of PHA's neighborhood revitalization projects. As part of the Blumberg/Sharswood Choice

Neighborhoods Transformation Plan, PHA began work on its new 136,000 square foot headquarters building in FY 2018. The building is designed to meet LEED standards, and is projected to be completed in FY 2019. The new headquarters will also consolidate PHA operations, and result in overall cost savings. PHA also began construction on the new Lucien E. Blackwell Community Center in FY 2018, which will incorporate features such as drought-resistant landscaping, Energy Star lighting and low-flow plumbing fixtures.

Portfolio-Wide Strategies to Conserve Energy. PHA engaged a contractor to conduct comprehensive energy-related assessments of PHA developments, which were conducted in FY 2018. This initiative, which generated significant resident employment opportunities, included energy audits, green physical needs assessments, resiliency assessments and Healthy Homes assessments. Based on the findings, PHA developed a multi-year plan to invest \$30 million in energy conservation measures that, upon completion, is projected to generate approximately \$5 million in annual utility savings.

Reducing Utility Consumption and Expenses. In FY 2018, PHA continued its ongoing efforts to reduce energy consumption and expense, an effort that involves both retrofitting of existing housing developments with energy-efficient systems and implementing alternative utility procurement strategies. Within past two years alone, PHA saved more than \$300,000 by procurement gas and electric through a utility broker. A four-year analysis completed in FY 2018 indicates that PHA achieved a 4.1% reduction in electric consumption and an estimated 40% reduction in gas usage. The dramatic reduction in gas consumption reflects PHA's energy savings measures, but was also heavily influenced by weather conditions.

Expanding Recycling Activities. A five-year period analysis completed in FY 2018 found that the City of Philadelphia collected over 60,729 tons of waste from PHA residential units, of which 28% of the waste product was recycled, equaling over 2,145 tons of recycling material. The recycling goal for 2020 is to introduce an educational series to residents to increase awareness and the recycling efforts by at least 10%.

Better Buildings Challenge. PHA continued its participation in, and commitment to, the Better Buildings Challenge (BBC). As a BBC partner with HUD, the Department of Energy and the EPA, PHA is on target to reduce overall energy consumption by 10% in year 2020, compared to the baseline year of 2010.

Utilizing Energy Efficient Vehicles. PHA expanded its initiative to replace agency vehicles with more fuel-efficient alternatives. As of FY 2018, 69 vehicles have been replaced with new vehicles which, on average, are 32% more fuel-efficient than the originals.

PRIORITY 7 - IMPROVE CUSTOMER SERVICE, STREAMLINE OPERATIONS, AND CREATE A BUSINESS MODEL THAT IS DATA-DRIVEN AND HIGH PERFORMING

Under this strategic priority area, PHA utilizes technology, training, and data-driven analysis to improve customer service and create a more efficient, streamlined organization. PHA recognizes that dealing with a large organization can be a complex and sometimes frustrating experience for residents, vendors, job seekers and the public. The agency is committed to improving this experience by, among other initiatives: training staff in customer service standards and requirements; improving its telephone systems, streamlining call center operations; implementing new technologies such as kiosks; and, enhancing the website to increase self-service options. These are ongoing initiatives, reflecting PHA's commitment to continuous improvement.

While many departments are involved in these efforts, PHA's Information Systems Management (ISM) Department takes the lead in the design, implementation and ongoing support for technology-related customer service and data analysis projects.

The following are some highlights of PHA's activities under this priority goal during FY 2018:

Improving Public Safety Services. To ensure continuous service to PHA residents, upgrades were made to the PHAPD Command Center infrastructure in FY 2018 that will ensure full power availability during power outages, and enable a dedicated connection from both the central office and mobile devices to the City's network. PHA's ISM Department also created an Online Incident Report that integrates with other critical public safety systems.

Facilitating Access to PHA Services by Seniors. . New touchscreen kiosks were deployed at three PHA developments in FY 2018, which enable seniors to check-in and register for daily activities and empowering them to place orders from custom PHA-made menus.

Streamlining Access to the PHA Housing Application Process. PHA improved on its existing web-based housing application process by setting up virtual call centers to support the new Blumberg Phase 1 and Strawberry Mansion Apartments initial application intake initiatives. Also in FY 2018, a new case management application to track and streamline requests for handicapped accessible units and features was developed and implemented.

Improving Responsiveness to the Public. Implemented and deployed a new Interactive Voice Response (IVR) system, whereas the system is designed to minimize outages, with the implementation of remote sites' queues. The IVR system is also integrated with PHA's PeopleSoft CRM system for a full 360 degree view of current clients and applicants to provide industry best practices for customer service.

Streamlining the Employment Recruitment Process. PHA implemented a new e-recruit application solutions that allows PHA recruiters to track and plan for recruitment activities. The new system, which was deployed in FY 2018, automates the job offer and hiring process.

PRIORITY 8 - CONDUCT PHA BUSINESS IN AN OPEN AND TRANSPARENT MANNER THAT PROMOTES ACCOUNTABILITY AND ACCESS, ENSURES DIVERSITY, AND ADHERES TO THE HIGHEST ETHICAL STANDARDS

This strategic priority reflects PHA's values as a public organization and a commitment to openness and accountability in all agency matters. In addition to contracting for annual financial audits performed by independent experts, PHA continues to implement a comprehensive internal audit, compliance, and quality control program designed to improve operations, ensure regulatory and PHA policy compliance, and eliminate fraud, waste, and abuse. PHA's Supply Chain Management Department and the Office of Audit and Compliance are intensively involved in these ongoing efforts.

The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

Promote Supplier Diversity. PHA's Supply Chain Management (SCM) Department plays a key role in the business success of the agency and ultimately businesses in the city and region. PHA does business with as many local companies as possible, including some run by PHA tenants. Over the past fiscal year, PHA increased the number of small, minority owned businesses used by PHA, through its affirmative action contracts and compliance programs that work with Minority Business Enterprises (MBEs) and certified Women Business Enterprises (WBEs).

For the reporting year, PHA's participation rate was 61 % for MBEs and 41 % for WBEs, compared to the federal standard of 20% for MBEs and 10% for WBEs. The MBE/WBE figures are based on modernization and management of contracts totaling over \$73 million. Of that total, over \$44 million in contracts were awarded to MBEs while more than \$29 million went to WBEs.

In addition to working with diverse businesses, PHA is committed to working with vendors to meet Section 3 Policy requirements and provide economic opportunities to the communities it serves. Twice per year, PHA holds "Doing Business with PHA," a networking event where vendors can learn about business opportunities and how to register with PHA for those opportunities. This past year's events featured 82 businesses and were attended by 103 participants.

Conduct Audit and Compliance Activities. The Office of Audit and Compliance (OAC), created in 2011, is tasked with monitoring, evaluating, and providing oversight to ensure PHA's regulatory and operating compliance. With reporting accountability to PHA's President & CEO, Board of Commissioners, and, most importantly, to the public, the divisions that comprise OAC – Internal Audit, Compliance, and Investigations – are utilized in various ways to achieve its mission.

- **The Investigations Unit** is tasked with investigating allegations of fraud, corruption, official misconduct, conflicts of interest, abuse of authority and other criminal offenses with respect to employees, residents and persons or entities doing business with PHA. In FY 2018, the Investigations Unit received 426 complaints which ultimately led to the investigation of 161 cases. Furthermore, PHA was awarded restitution or entered into repayment agreements that resulted in \$255,235.80. Finally, the OAC collected \$167,610.25 on repayment agreements for monies owed to PHA that would have otherwise gone uncollected.
- **The Internal Audit (IA) and Compliance Departments** assists PHA's management and the Board of Commissioners through the Audit Committee by determining the effectiveness of PHA's internal control systems. IA's annual agency-wide risk assessment process produces an audit plan that prioritizes audits based on identified risks. By conducting risk-based audits and reviews, PHA's Audit and Compliance functions provide reasonable assurance regarding PHA's:

compliance with laws, regulations, policies, and procedures; achievement of business objectives; reliability of financial and management reporting; and safeguarding of assets. In FY 2018, OAC ensured PHA's efficient and transparent cooperation with various reviews and audits conducted by HUD, the HUD Office of Inspector General, and the Commonwealth of Pennsylvania. OAC's Wage Compliance Unit worked closely with PHA's construction contractors to improve prevailing wage compliance, which was evident through a material reduction in citations issued year over year. Additionally, PHA procured an electronic system for collection of certified payroll reports, which will improve compliance efforts, reduce paper usage and provide a significant cost-benefit to both PHA and its construction contractors. Lastly, based on current projections and data received during the year, PHA should meet HUD minimum annual compliance goals for Section 3 by the close of the fiscal year.

In this time of shrinking federal dollars, OAC's efforts include not only realizing recoupment of monies owed, but also implementing proactive efficiencies in how PHA performs its operations. OAC made numerous recommendations in FY 2018 through Audit and Compliance reports aimed at improving internal controls throughout the agency and optimizing how PHA does its day-to-day business.

PRIORITY 9 - STRENGTHEN EXISTING RELATIONSHIPS AND FORGE NEW PUBLIC, PRIVATE AND PHILANTHROPIC PARTNERSHIPS TO SUPPORT PHA'S STRATEGIC GOALS

To successfully accomplish all of the goals under the Strategic Directions Plan, it is essential that PHA create new partnerships, and sustain and grow existing relationships. PHA's objective for grant-driven programs and partnerships is to continue to cultivate supportive partnerships and secure resources to implement community services and strategic programs that support PHA's core mission, which will result in an improved quality of life for PHA residents and surrounding communities. This strategic priority focuses on the need to identify and secure partners and resources to address the hard costs associated with developing new housing and preserving the existing housing portfolio and the soft costs associated with supporting resident employment, education, health care, youth development, and other supportive service's needs.

The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

PHA successfully sought out new funding and managed the grants listed below during FY 2018, supporting a wide range of neighborhood revitalization, housing and resident development programs. Programs shown with an asterisk reflect new or renewal funding awarded in FY 2018. PHA collaborates with the City of Philadelphia on the Choice Neighborhoods Implementation initiative in North Central Philadelphia. When combined with the more than \$141 million secured as cash and in-kind match committed by PHA and its partners to support the above programs, the total financial impact of FY 2018 active programming is more than \$181 million.

Program	Amount
HUD/DOL Juvenile Reentry Assistance Program	\$ 100,000
Pennsylvania Summer Food Program*	\$ 136,083
HUD Family Self-Sufficiency Program*	\$ 360,000
HUD Veterans Affairs Supportive Housing	\$ 547,200
HUD ROSS Education/Project SOAR	\$ 300,356
HUD Congregate Housing Services Program*	\$ 113,879
HUD Resident Opportunity and Self-Sufficiency Service Coordinator Program	\$ 721,350
PA Senior Community Centers (Wilson Park, Cassie Holley, Emlen Arms)	\$ 31,914
Pennsylvania Redevelopment Assistance Capital Project Funding	\$ 2,000,000
Santander Bank PhillySEEDS Education	\$ 50,000
Santander Bank PhillySEEDS Closing Cost Assistance*	\$ 30,000
Choice Neighborhoods Planning & Action – Bartram*	\$ 1,300,000
Choice Neighborhoods Planning – Blumberg	\$ 500,000
Choice Neighborhoods Implementation – North Central Philadelphia	\$30,000,000
HUD Safety and Security Capital Grant*	\$ 250,000
HUD Jobs Plus Pilot Program	\$ 2,700,000
HHS Assets for Independence	\$ 100,000
Total	\$ 39,240,782

PRIORITY 10 - MAKE PHA AN EMPLOYER OF CHOICE WITH AN ACCOUNTABLE, DIVERSE, TRAINED, AND PRODUCTIVE WORKFORCE

PHA employs approximately 1,100 employees throughout its operations. Ensuring that every employee has the necessary training, tools, and other resources to do their jobs properly is the focus of this strategic priority. On an annual basis, PHA's Human Resources Department establishes and implements a training plan to build employee skills and capacity, and conducts performance evaluations designed to provide employees with meaningful feedback on the job performance.

The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

Recruiting and Training Initiatives. PHA remains committed to recruiting, training, and retaining a diverse and highly qualified work force. In FY 2018, PHA hired over 300 employees, including 38 residents. The Human Resources Department facilitated 29 different training courses including: Enhanced Fleet Training, Equal Employment Opportunity (EEO), Uniform Physical Conditions Standards (UPCS) and various other Maintenance topics.

Recognizing Employee Performance. PHA employees were recognized throughout the year for exemplary performance and excellence in customer service. Additionally, over 60 employees were recognized in various categories, including Milestone Years of Service, at the Annual Employee Recognition Event in December.

Employment Opportunities for Youth. PHA expanded the Summer Youth Employment ("Intern") Program across the Authority. In the summer of 2017, PHA employed 25 student-employees, including six (6) PHA residents.

PRIORITY 11 - ENSURE THAT PHA IS A GOOD NEIGHBOR AND RELIABLE COMMUNITY PARTNER

PHA is committed to being a good neighbor and reliable partner to the community at large and to neighborhood residents in and around PHA's current and planned housing developments. Toward this end, PHA continues to expand opportunities to solicit feedback, listen to, and have constructive dialogues with diverse members of the community. PHA periodically uses feedback surveys from residents, HCV participants and owners, employees, vendors, and others to support these efforts.

PHA has improved coordination with the City and collaborated to issue a joint Request for Proposals for development. This effort helps maximize and leverage resources and create a true, coordinated housing strategy and vision for Philadelphia.

On an ongoing basis, PHA continues to work to engage residents and neighborhood groups at the early stages of planned development initiatives in order to improve the flow of information, share ideas, and provide greater opportunity for input before plans are finalized.

The following are some highlights of PHA's activities under this priority goal during FY 2018:

FY 2018 Progress Update

Bartram Village/Kingsessing Choice Neighborhoods Planning & Action Grant. PHA collaborated with Bartram Village residents, PHA's designated developer and a wide array of community stakeholders from the Kingsessing neighborhood to develop a proposal for \$1.3 million in HUD funding to support an inclusive, neighborhood-wide planning process. HUD awarded the grant to PHA in FY 2018. Over the coming months, PHA and the planning team will engage with the community to develop a comprehensive plan for Bartram Village and the surrounding neighborhood that will incorporate neighborhood vision and goals organized around the three broad categories of housing, neighborhood and people.

Vaux Community Building. PHA joined with the Sharswood community to celebrate the grand opening of Phase 1 of the Vaux Community Building in FY 2018. Developed by PHA, the Vaux Community Building is the centerpiece and focal point for the neighborhood transformation efforts underway in the Blumberg/Sharswood neighborhood, and is a key part of community residents' vision for change and revitalization. The building houses a new high school operated by Big Picture Philadelphia. Health care and other service providers will soon offer an array of services to neighborhood residents.

Strawberry Mansion Learning Center. PHA continued its partnership with the Strawberry Mansion Learning Center. The Center, branded as “A Safe Haven for Youth,” is an education and resource center for the community surrounding PHA’s new Strawberry Mansion development. It offers academic tutoring, professional development, resume writing, leadership capacity building, and computer literacy courses.

PRIORITY 12 - ENCOURAGE INNOVATION AND PROMOTE PHA’S FINANCIAL HEALTH THROUGH ONGOING PARTICIPATION IN THE MOVING TO WORK PROGRAM

Participation in the MTW Demonstration Program provides PHA with a set of tools and resources that are essential to addressing the needs of PHA’s housing portfolio and residents. The regulatory and funding flexibility afforded by MTW has helped shape virtually all aspects of PHA’s housing policies. PHA’s MTW Agreement with HUD extends through 2028.

The innovative uses of MTW Block Grant funding flexibility have been essential ingredients in PHA’s efforts to revitalize deeply distressed public housing developments and their surrounding community; leverage partnerships to build affordable new housing; support the City of Philadelphia’s Blueprint to End Homeless initiative; assist residents to secure job training, job training placements, homeownership, and other opportunities.

PHA’s MTW Annual Plan initiatives for the upcoming fiscal year are summarized in the next section of the report.

SECTION III- MOVING TO WORK PLAN

Moving to Work (MTW) is a demonstration program authorized by Congress, through which PHA and other participating agencies are given the flexibility to waive certain statutes and HUD regulations to design and test approaches for providing housing assistance that address one or more of the following statutory objectives:

- Reduce cost and achieve greater cost effectiveness in federal expenditures;
- Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and
- Increase housing choices for low-income families.

Through MTW, PHA is able to waive certain HUD regulations and provisions of the US Housing Act of 1937 and to combine its major HUD funding sources into a single MTW Block Grant that can be used flexibly for purposes authorized under the MTW Agreement. PHA's current MTW Agreement extends until 2028.

The flexibility afforded by MTW has been a critical ingredient in PHA's FY 2018 and prior period efforts to revitalize distressed public housing, transform Philadelphia's neighborhoods and provide education, training and job placements for residents.

PHA posts the MTW Annual Plans on its website, and provides opportunities for resident and general public input before finalizing each Annual Plan. MTW Annual Plans are subject to HUD approval. PHA's MTW Annual Reports are published ninety days after the end of each fiscal year. Thus, the MTW Annual Report for FY 2018 will be available for review on or after June 30, 2018.

The following narrative provides a summary of PHA's planned MTW initiatives for the next fiscal year.

MTW Long-Term Goals and Objectives

PHA will implement a coordinated, comprehensive program of capital improvements, housing and neighborhood development activities, maintenance and management initiatives, and resident supportive services in FY 2019. PHA's funding for FY 2019 is unknown as of the publication date of the MTW Annual Plan; thus, the activities described below may be modified based on actual funding levels. Highlights of PHA's planned MTW activities include:

- ***"6 in 5" Program*** – The "6 in 5" initiative encompasses an array of initiatives to develop, acquire or preserve affordable housing in the City of Philadelphia including PHA's Unit Based Leasing and Development Program, Rental Assistance Demonstration Program conversions and transfer of assistance developments, and the Partnership Initiative. It involves a range of strategies including PHA-developed projects that provide for redevelopment and/or replacement of obsolete properties; initiatives to ensure the long-term affordability of Low Income Housing Tax Credit (LIHTC) properties; and partnerships with the City, non-profit agencies and local developers on new construction, acquisition and substantial rehabilitation projects. PHA leverages MTW Block Grant and other non-MTW funding to support many of these development projects. In addition to utilizing MTW Block Grant funding, PHA incorporates MTW flexibility in admissions, continued occupancy and other areas.
- ***Neighborhood Transformation at Blumberg/Sharswood*** – PHA will continue and expand its efforts to implement the Blumberg/Sharswood Choice Neighborhoods Transformation Plan in the coming year. The Transformation Plan involves construction or rehabilitation of 1200 affordable and market-rate units, including 420 homeownership units, at on and off-site locations; revitalization of commercial corridors including construction of a new neighborhood supermarket; development of a new PHA office facility; creation of new recreational facilities and green space; and, the establishment of a multipurpose neighborhood health and service center and high performing high school. In FY 2019, PHA plans to: begin rehabilitation of the Phase II senior tower, which consists of 94 rental units, and Phase III, which consists of 83 on-site rental units; finalize plans and financing for Phase IV, a 40-unit off-site rental phase to be developed by Michaels Development Company; begin Phase II of the rehab of the Vaux Community Building, which currently houses a new neighborhood high school, with new health care and other supportive services planned for the facility; implement a 21-unit homeownership phase in partnership with Habitat for Humanity; and, complete construction on PHA's new headquarters building on Ridge Avenue. PHA will also support after school and supportive service programming for low-income youth attending the new Big Picture Philadelphia High School in the Vaux Community Building.
- ***Norris Homes/North Central Philadelphia Neighborhood Transformation*** – PHA is working in partnership with the City of Philadelphia, public housing residents and other partners to implement a Choice Neighborhood Transformation Plan in

the North Central Philadelphia neighborhood that will result in extensive community improvements and construction of 267 rental and 30 homeownership units, of which 147 will be replacement housing. In FY 2019, PHA plans to complete construction of 89 rental units (including 74 replacement units) as part of Norris Phase II and begin construction of an additional 50 Phase III rental units (including 22 replacement units).

- **Rental Assistance Demonstration (RAD)** – In FY 2019, PHA will expand its efforts to preserve existing public housing developments, reposition the scattered site portfolio and expand housing opportunities through the Rental Assistance Demonstration (RAD) program. PHA utilizes its MTW Block Grant and MTW programmatic flexibility to support RAD conversions. This includes transferring subsidies through the RAD “transfer of assistance” provision from vacant, non-viable scattered sites to new projects developed throughout the City by PHA and other development partners. PHA projects that 1,285 units at both existing public housing sites and new transfer of assistance sites will have closed under the RAD program by the end of FY 2018. PHA plans to convert an additional 1,689 public housing units to project-based assistance through RAD in FY 2019.
- **Opening Doors to Affordable Homeownership** – PHA is proposing this new MTW activity to enhance and expand ongoing affordable, first time homeownership activities. The new program will build on and consolidate PHA’s existing 5-h and Housing Choice Voucher Homeownership programs, while incorporating new elements including lease-purchase and down payment assistance options.
 - **Self-Sufficiency and Youth Development Programs** – Youth development, adult education, employment and training, financial literacy and nutritional services are among the supportive service programs that will continue to be provided by PHA and a network of partners in FY 2019. PHA will also continue to operate the SOAR program citywide, and the Jobs Plus Pilot Program at Raymond Rosen, which provides intensive supportive services, job training, job placement and retention efforts focused on work-able residents from the Raymond Rosen community. Additionally, PHA plans to continue its Summer Jobs Program that provides six weeks of employment for youth. PHA will also provide scholarships, afterschool, summer camp, and preschool programming for PHA’s young residents. PHA also plans to continue its Smoke Free Housing program. These initiatives all leverage MTW Block Grant funding to secure additional public and private funding. A critical ongoing objective is for PHA to maximize and leverage its MTW Block Grant investments through innovative partnerships with State, City, and non-profit agencies, universities, and social services organizations.
 - **HCV Mobility Housing Opportunity Program** – The overall goal of PHA’s Mobility Program is to encourage voucher holders to find housing and jobs in areas that provide higher economic, educational, and social mobility opportunities both within and outside of the City of Philadelphia. PHA will continue implementation of the Housing Opportunity Program in FY 2019 and will incorporate portability and homeownership into the program. HUD funded the initial pilot program; however, due to its successes, PHA elected to use MTW funding to continue it indefinitely. Participants are provided with a broad range of supportive services, housing counseling, and other efforts to promote the successful transition to higher opportunity areas.
 - **Second Chance Initiative** – PHA will continue to implement a voucher pilot program to provide supportive services and housing subsidies to formerly incarcerated returning citizens that are active participants in good standing with the Eastern District Federal Court Supervision to Aid Reentry (STAR) Program and Mayor’s Office of Reintegration Services (RISE) Program. The program also involves a partnership with the Pennsylvania First Judicial Court returning citizen programs for public housing households.
 - **Nursing Home Transition** – The Nursing Home Transition activity continues to provide needed housing opportunities for persons with disabilities who are transitioning from nursing home to community-based settings. In FY 2019, PHA will continue to work with the City and State to provide affordable housing opportunities for people with disabilities.
 - **Rent Simplification Initiatives** – PHA does not anticipate adding any new rent simplification activities in FY 2019; however, PHA will continue to implement previously approved MTW initiatives that simplify program administration and provide incentives for economic self-sufficiency.
 - **Local FSS Program** – During FY 2019, PHA will continue to work on the development of modifications to the MTW FSS program. PHA has issued a Request for Proposals for FSS program management services as part of a strategy to leverage additional resources for program participants and to improve educational, employment and other positive outcomes.
 - **Small Area Fair Market Rent Rule** – Under HUD’s rule regarding Small Area Fair Market Rents (SAFMRs), Philadelphia is one of the metropolitan areas selected to transition from a metropolitan area-wide approach to setting FMRs at the zip code level as a means to expand the options PHA’s HCV participating families have to live in higher opportunity neighborhoods. PHA supports the concept of higher payment standards for higher opportunity areas; however,

the HUD rule could impose serious hardships on existing residents. In the coming year, PHA intends to propose MTW alternatives, following consultation with owners and other stakeholders¹.

Along with its MTW implementation activities, PHA will implement other initiatives in FY 2019 that do not specifically require MTW authority or Block Grant flexibility to administer including:

- **Asset Management** – PHA’s goal is to more closely align PHA’s asset management to multi-family industry norms, with allowances for the unique features of PHA’s organization and portfolio. In FY 2019, PHA will continue efforts to consolidate and streamline property management and maintenance operations based on asset management principles and in response to funding levels.
- **Reducing Homelessness Initiative** – As part of PHA’s commitment to service homeless families and individuals, PHA actively collaborates with the City, social service and local non-profit agencies on a series of initiatives to reduce and help prevent homelessness, known as the Blueprint to End Homelessness program. The current Blueprint Memorandum of Understanding between the City and PHA extend to FY 2019. PHA will continue to work with the City to identify future strategies to support the Blueprint goal and may seek Board approval for an updated agreement.
- **Right Sizing Occupancy Initiative** – PHA’s ongoing efforts to “right size” residents who are currently living in units that are too large for their current family composition, primarily residents of scattered site housing, will continue in FY 2019. This initiative is part of PHA’s long-term efforts to ensure that scarce housing resources are used in the most efficient manner possible, while also supporting the scattered site repositioning effort. PHA expects that some residents may elect to purchase their homes rather than move, while other homes will be made available for new families on the waiting list as current residents move to smaller size units.
- **Improving Access to PHA Programs and Services** – PHA’s Board-approved Limited English Proficiency (LEP) Policy continues to serve as the road map to ensure open access to PHA programs to non-English speakers as well as to individuals with hearing/sight disabilities. In FY 2019, PHA will complete a review of the current LEP Policy and, as needed, propose updates to the Plan for Board approval. PHA will also continue to update its list of vital documents and ensure that such documents are translated into required languages. Other forms may include guidance for translation in required languages so that non-English speaking individuals can obtain important program information.
- **Better Buildings Challenge** – PHA has been a participant and partner in the U.S. Department of Energy’s Better Buildings Challenge (BBC) since 2013. In FY 2019, PHA will continue implementing a comprehensive series of capital improvement and management activities designed to reduce energy consumption across the entire PHA portfolio by at least twenty percent (20%) over the 2010 base year by 2020.
- **Smoke Free Initiative** – PHA is one of the largest Housing Authorities in the country to prohibit smoking at all properties except for designated smoking areas. PHA’s smoke free policy differentiates between residents already living in PHA units as of August 2015 and those who subsequently move into new or rehabilitated units. In FY 2019, PHA plans to propose updates to the policy as needed to conform to recent HUD regulations.
- **Prudent Fiscal Management and Internal Controls** – PHA will continue to implement a comprehensive program of internal audit, compliance reviews and fiscal management.
- **Grants and Grant Opportunities** – In FY 2019, PHA will administer existing grants and utilize MTW funds where feasible to leverage new grant opportunities. Existing grants include the Jobs Plus Pilot, Resident Opportunities and Self Sufficiency (ROSS) Service Coordinator, Project SOAR, Assets for Independence, Choice Neighborhoods, Congregate Housing Services and Family Self Sufficiency Coordinator Programs. In FY 2019, PHA will submit applications to continue funding existing programs, if funds are made available, and fund new programs that support PHA’s Strategic Directions Plan. On all grant opportunities, PHA will determine if any MTW flexibilities are required to implement the program and incorporate such flexibilities into future MTW Plans or Plan amendments.

PHA will periodically review and revise ongoing initiatives (both MTW and non-MTW activities) as needed in response to current conditions and priorities and to take advantage of new/emerging opportunities.

A copy of the FY 2019 MTW Annual Plan is included in Appendix A.

¹ On January 2, 2018 - subsequent to the public hearing process and Board approval of the FY 2019 MTW Annual Plan -, HUD notified PHA that the SAFMR Final Rule is effective as of January 1, 2018. This represents a major change and complete reversal of HUD’s August 2017 guidance, which suspended Philadelphia’s SAFMR designation until October 2019. PHA is evaluating options to ensure timely compliance with the SAFMR Final Rule, which may include seeking HUD approval for MTW waivers to implement alternatives to the system mandated under the Final Rule.

SECTION IV- FINANCIAL SUMMARY

Pennsylvania State law requires that all general-purpose local governments and component units publish a complete set of financial statements, presented in conformity with generally accepted accounting principles in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. RSM US LLP, audited PHA's financial statements to complete a Comprehensive Annual Financial Report of PHA for the fiscal year ended March 31, 2017.

The report contained management's representations concerning PHA's finances. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of PHA has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of PHA's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, PHA's comprehensive framework of internal controls are designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The goal of the independent audit was to provide reasonable assurance that the financial statements of PHA for the fiscal year ended March 31, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that PHA's financial statements for the fiscal year ended March 31, 2017, are fairly presented in conformity with GAAP. PHA's Financial Report for FY 2017 is included in Appendix B.

SECTION V – OFFICE OF GENERAL COUNSEL

PHA's Office of General Counsel (OGC) is responsible for ensuring that PHA receives the highest standard of legal representation. The department provides legal advice on a wide range of matters including: interpreting applicable federal, state, and local law, including HUD's rules and regulations; reporting to HUD and the Board of Commissioners; representing PHA in legal disputes and litigation; handling administrative hearings concerning both residents and employees; counseling other departments on corporate, real estate, labor and employment, and regulatory compliance matters; closing development and financing transactions; administering the Boards and Managers of PHA's controlled entities and the PHA Board; managing outside counsel; and advising on ethics matters. OGC also manages PHA's insurance and risk management functions.

Over the past fiscal year, the OGC has successfully advanced many essential business matters for the housing authority. The following are some highlights of PHA's legal affairs in FY 2018:

- **Rental Assistance Demonstration.** The RAD program is critical to PHA's capital redevelopment program and financial viability. OGC's efforts were integral to completing the financing of the Blumberg Senior development and Strawberry Mansion development both of which were RAD transactions. Overall, the OGC has worked on initiating or closing 17 RAD developments, totaling 1,285 low-income rental units.
- **Bond Issuance.** OGC was instrumental in finalizing the bond issuance that will underlie the construction of PHA's new headquarters on Ridge Avenue, a critical component of the Blumberg/Sharswood Choice Neighborhoods Transformation Plan.
- **Vaux Community Building.** As part of PHA's commitment to the revitalization of the Sharswood/Blumberg neighborhood, OGC has been instrumental in working with multiple partners and stakeholders to have the Vaux Community Building available for PHA and other area residents. The first class of a new high school located in the Vaux enrolled and began classes in September 2017.
- **Queen Lane Injunction.** OGC and its outside counsel partner successfully defended PHA against an injunction attempt to block the Queen Lane Development, which PHA successfully defended at trial and on appeal, resulting in the continued construction, completion and occupancy of the development.
- **ACOP/Admin Plan and Lease Updates.** OGC initiated the successful revision of the public housing lease, Admissions and Continued Occupancy Policy (ACOP) and Housing Choice Voucher Administrative Plan (Admin Plan) and provided guidance to departments for enhanced compliance with policies, procedures, laws and regulations, including in the areas of procurement, PHA's utility allowance program, admissions and wait lists, and reasonable accommodations.
- **Risk Management.** The Risk Management Division's loss control initiatives have continued to save PHA money and enhance the safety of PHA's employees and residents, by providing training in areas such as defensive driving, ladder safety, lifting, slips and falls, and fire safety.
- **Expansion of Grievance Program.** OGC expanded its grievance and informal hearing program to include admissions hearings for the Housing Choice Voucher program; formalize the admissions hearing processes; record hearings; make the judicial appeals process more efficient; and assist in improving the dispute resolution processes, all of which has resulted in fewer hearings compared to the period prior to implementation.
- **Reentry Programs.** - In further support of PHA's commitment to helping individuals reenter society following a period of incarceration, in addition to having a HUD-approved Juvenile Reentry Assistance Program, OGC worked on a Memorandum of Understanding with the First Judicial District of Pennsylvania. This new program allows individuals who participate in Mentor program administered by the Court to be referred to PHA for housing, when they would otherwise be denied based on criminal history.

SECTION VI – OTHER RELEVANT ACTIVITIES

HONORS AND AWARDS

In FY 2018, PHA gained recognition for quality work from its industry peers. Below is a list of honors and awards received during the reporting period:

- The National Association of Housing and Redevelopment Organizations (NAHRO) recognized the Norris Afterschool Program with an Award of Merit and nominated it for a National Award of Excellence for Program Innovation: Resident and Client Services.
- NAHRO also recognized the Queen Lane Apartments with an Award of Merit in Housing and Community Development.
- The Middle Atlantic Regional Council of the National Association of Housing and Redevelopment Organizations (MARC NAHRO) recognized PHA's Queen Lane Apartments with a Certificate of Outstanding Achievement, as well as the Norris Community Afterschool Program.
- The Pennsylvania Apartment Association (PAA) recognized the Queen Lane Apartments with a Gold Award for Maintenance Excellence and PHA's Plymouth Hall development with a Bronze Award for Maintenance Excellence in its "Best in Apartment Living"
- The Pennsylvania Association of Housing and Redevelopment Agencies (PAHRA) awarded Certificates of Merit to PHA for the Norris Community Afterschool Program and the Queen Lane Apartments.
- PHA was recognized by the Housing Authority Insurance Group (HAI) for having the most improved claims performance of any large housing authority in the U.S. during the years from 2013 to 2016. HAI insures more than 950 housing authorities.

CONCLUSION

With the presentation of this report, the Philadelphia Housing Authority is pleased to have met the requirements set forth in Act 130 Section 24.1, regarding an annual review of its operations, administration, management, finances, legal affairs, housing production and development, and other relevant activities.

APPENDIX A

APPENDIX B
