



Philadelphia Housing Authority
Building Beyond Expectations

Carl R. Greene

July 7, 2006

Ms. Dominique Blom
Acting Deputy Assistant Secretary
Office of Public Housing Investments
U.S. Department of Housing & Urban Development
451 7th Street SW
Washington, DC 20410

RE: MOVING TO WORK PROGRAM YEAR V ANNUAL REPORT

Dear Ms. Blom:

Enclosed please find the Philadelphia Housing Authority's Moving to Work Year V Annual Report.

Should you have any questions, or require additional information, please contact me at (215) 684-4174.

Respectfully,

Carl R. Greene
Executive Director

Enclosure

cc: Ms. Rosemary Hocking, Office of Public Housing, U.S. Department of Housing and Urban Development, Philadelphia Office

PHILADELPHIA HOUSING AUTHORITY

**MOVING TO WORK ANNUAL REPORT
YEAR FIVE**

CARL R. GREENE
EXECUTIVE DIRECTOR

MAY 2006

**PHILADELPHIA HOUSING AUTHORITY
MOVING TO WORK
YEAR FIVE REPORT**

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2005-2006
Accomplishments Report



Philadelphia Housing Authority
Building Beyond Expectations

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This is the fifth Annual Accomplishments Report prepared by the Philadelphia Housing Authority (PHA) under the Moving To Work (MTW) Demonstration Program. PHA is one of 32 participants nationwide in the MTW Demonstration Program. Through designation as an MTW agency, PHA and other participating Housing Authorities are given substantial budget flexibility and regulatory relief. Under the terms of its MTW Agreement with the US Department of Housing and Urban Development, PHA is required to publish an Annual Plan and Annual Report. This Annual Accomplishments Report provides a summary of the extensive initiatives undertaken and accomplishments achieved by PHA over the one-year period ending March 31, 2006.

While focusing on the most recent year's activities, the Accomplishments Report makes reference to PHA's major activities and accomplishments during the first five years of the MTW Demonstration Program, the period from April 1, 2001 through March 31, 2006.



Moving To Work and the City of Philadelphia



Executive Director Carl R. Greene

During PHA's five years in the Moving to Work program, an extraordinary, wholesale transformation of the agency and its programs has occurred. In every PHA community and at every level of the organization, dramatic change and improvements have been accomplished, spurred on by a strong sense of urgency. As described below, PHA is nearing completion of its plan to newly construct or modernize 6,100 housing units. This effort totals more than \$1.2 billion in capital expenditures. Over the next five years, PHA plans to reinvigorate nine more communities at a cost of more than \$500 million.

In parallel, and in large measure because of PHA development activities, the City of Philadelphia as a whole is experiencing a historically significant renaissance of unprecedented proportions. The extent to which PHA development programs have generated hundreds of millions of additional dollars in economic benefits to the community and the City and State governments has now been documented by economists who studied the impact of PHA revitalization activities on the regional economy and surrounding communities.

PHA Executive Director, Carl R. Greene cites MTW designation as a critical component in both PHA and the City's revitalization efforts. "When I took over leadership of

the PHA," said Greene, "I realized that the magnitude of our physical, management and social challenges would require a totally new approach, one that freed PHA from the constraints associated with typical Public Housing Authority operations. In some respects, the deplorable conditions of PHA housing that existed as recently as eight years ago can be traced directly back to the inflexibility and inadequate funding of the national public housing program. We needed to change this, and MTW designation has served us well in effecting that change."

As a result of the flexibility afforded by the MTW designation, PHA has been able to flexibly utilize all available funding in support of the agency's overall goals and to waive numerous bureaucratic requirements that add unnecessary cost and delay progress. Before MTW, use of funding was strictly limited within specific programs, MTW designation allows PHA to establish a single "block grant" for housing and other authorized agency purposes.

"The financial flexibility afforded by MTW has been crucial to our success," said Executive Director Greene. "It has allowed PHA to act in a responsible and entrepreneurial manner to attract other partners and equity investors. The investment community has embraced PHA's vision for change and the MTW program by providing over \$200

million in private equity investments, \$200 million in bond financing. I think results speak for themselves."

As described in the report, the investment community's confidence in PHA has proved to be prudent and well placed. Independent reviews and audits by Standard & Poors and qualified CPA firms have demonstrated the fundamental soundness of PHA's strategic and financial management operations.

The entire Philadelphia community has also benefited from PHA's revitalization efforts as documented in the "Creating Wealth" study. Said Greene, "We have proved what no one thought possible ten years ago: that the PHA can serve as an engine for citywide change – and that private property near PHA redevelopment sites increase value way beyond the citywide average. We have turned the entire paradigm upside down by showing that public housing can be a positive force for private property revitalization."

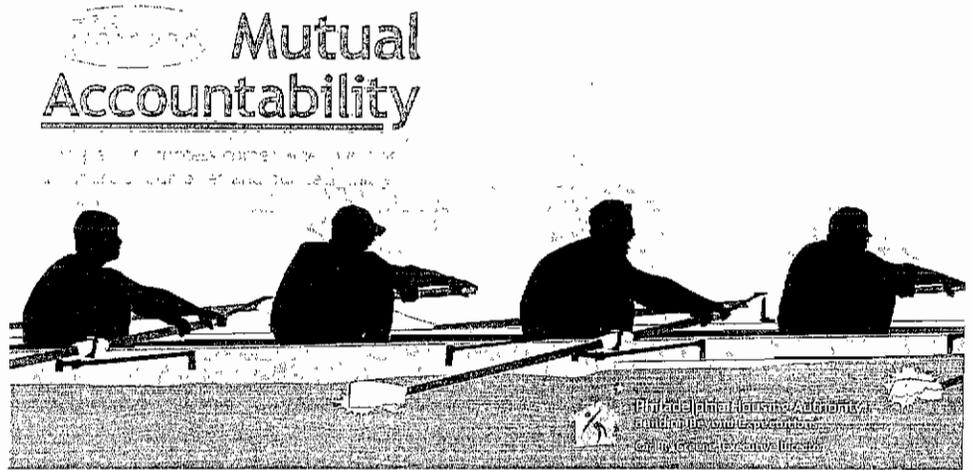
The MTW Annual Report describes PHA's accomplishments in implementing one of the largest affordable homeownership programs in the history of the City and State. PHA has sold over 550 affordable homes to first time homebuyers over the past several years. This past year brought the greatest success to date in that regard as PHA began selling hundreds of homes that it was developing. In addition, PHA's Housing Choice Voucher Homeownership Program is one of the largest and most successful in the country.

PHA has changed the face of Philadelphia neighborhoods. It has also transformed the culture of the organization itself. Over the term of the MTW program, PHA has implemented an aggressive strategy of teambuilding, process simplification and technological change. Projects discussed in this report include PHA's rent simplification, Field Service automation, Interactive Voice Response (IVR) and other major initiatives. These improvements have allowed PHA to simplify workflow and monitor real

time performance data on all project-level operations.

Carl Greene cites these re-engineering and technology efforts as a critical part of the agency's go-forward strategy. "PHA is facing substantial cuts in federal operating subsidy at a time of soaring costs, including energy. The changes we have made to our processes and technology will help us to lower the cost of our transactions while meeting the needs of our customers and vendors," said Greene. "We have also placed the concepts of teamwork and customer satisfaction front and center at PHA. The fact that 85% of residents surveyed expressed satisfaction with their PHA housing units shows that we are doing something right."

As PHA submits this MTW Annual Report, the agency continues to advocate for continuation and expansion of the MTW Demonstration Program. "We could not pos-



sibly have achieved this level of accomplishment without the flexibility afforded to PHA by the MTW program," said Carl Greene. "We intend to do everything we can, working with our elected officials and community

leaders, to see that the progress achieved by PHA as part of the MTW program is not reversed."

Annual Report



MTW Year Five was a time of extraordinary accomplishments in the transformation of PHA and the creation of hundreds of new low-income homeowners. PHA's investments have focused on the following general areas:

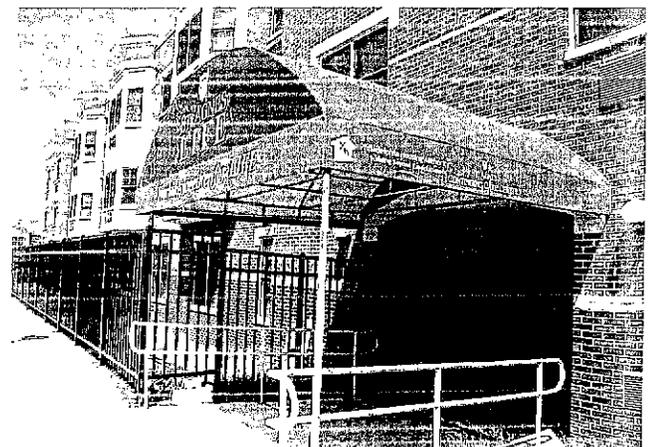
- *Comprehensive rehabilitation and neighborhood revitalization activities* – PHA is moving into the final year of its \$1.2 billion effort to build or modernize 6,100 housing units. In addition to the hundreds of millions of capital dollars already successfully invested, PHA plans to invest an additional \$519 million in construction spending over the next five years. The multiplier effect of these upcoming investments will generate over a billion dollars in economic activity within the city and state.
- *Creating community wealth* – The quality of PHA communities and the intensity of PHA development efforts are helping drive the economic resurgence of the City of Philadelphia. A recent study of real estate values concluded that, while city-wide property values grew by 55% over a recent five-year period, the neighborhoods surrounding five PHA redevelopment sites experienced increases of 142%. For the first time in its history, PHA began selling newly constructed homes to the public – primarily families earning below 80% of Area Median Income – in early

2005. To date, more than 250 new homes have been sold at Lucien E. Blackwell Homes, Greater Grays Ferry Estates and Martin Luther King Plaza. In addition to new home sales, PHA expanded its groundbreaking efforts to promote community wealth and homeownership through sales of existing housing and through the Housing Choice Voucher Homeownership program.

- *Customer service focus* – PHA accelerated its efforts to improve service to residents, program participants, vendors and the public at large. Using intensive staff training and new technology, PHA is upgrading its “interface” to the public. Intensive training and technology initiatives have been implemented to enhance PHA's response to the diverse needs of Philadelphia's residents including people with disabilities, non-English speakers and other community members. A major project started in the past year will install a system-wide Interactive Voice Response system to provide streamlined,

automated responses to customers, vendors and public inquiries and better tracking of problems and issues.

- *Support for resident economic self-sufficiency and independent living* – PHA continued to expand its efforts to promote resident economic self-sufficiency and senior independent living through a wide variety of new and ongoing programs, including linkages with community partners and the statewide “welfare to work” system. This past year, more than 400 residents completed PHA sponsored employment-training programs. PHA significantly expanded its existing training programs and partnerships, and implemented one of the largest and most successful affordable homeownership programs in the country. PHA also established the Living Independently For Elders (LIFE) program at Greater Grays Ferry Estates in partnership with the State of Pennsylvania and the St. Agnes Continuing Care Center. This program is setting a model for combining subsidized housing and subsidized health care for seniors, and serving nursing home eligible residents while allowing them the independence of remaining in their own apartments. This new idea saves the government substantial funds by averting more expensive nursing home care while giving residents a lifestyle many prefer.



The LIFE Center has 65 seniors now enrolled. The program has worked so well that PHA is already building a second LIFE Center and planning a third.

▪ *Community service* – PHA staff and communities are an integral part of the Philadelphia community. As such, PHA has taken the lead in numerous large-scale volunteer efforts, including its Sparkle Plus program. Most recently, PHA opened its doors and hearts to survivors of the Hurricane Katrina disaster, equipping temporary housing facilities, providing food and other basic needs, and facilitating placement of 50 families into permanent housing.

▪ *Process simplification and standardization* – Through MTW, PHA continued its efforts to streamline program administration including eliminating outdated systems, standardizing operating practices, and updating all policies and procedures. All PHA sites now have Site-Based Management Plans that provide standard operating procedures, site-specific benchmarks and performance indicators, office standards and other relevant information. A new initiative to improve and simplify the housing application and admissions process is underway. Implementation of a simplified rent system and two-year recertifications were two prime examples of this type of activity.

▪ *Continuous management and administrative improvement efforts* – PHA continued its ongoing management improvement efforts designed to increase administrative efficiency and improve service to our residents. As evidence of the strength of PHA's financial and administrative operations, PHA received unqualified opinions or clean audits on all audited financial statements from 2003 to 2005.

PHA also has received a “strong” rating based on a thorough review of PHA

operations conducted by Standard and Poor's rating service.

Strategic Operating Plan

All MTW activities are incorporated into PHA's comprehensive, agency-wide Strategic Operating Plan, which provides a detailed “blueprint” for agency goals, objectives and tasks in every major area of agency operations. The Strategic Operating Plan is regularly updated to report progress and reflect new agency initiatives including those undertaken as part of the MTW Demonstration Program. PHA utilizes a state-of-the-art project management system to track and report on Strategic Operating Plan progress.

To ensure continuous progress in each goal area, PHA convenes regular inter-departmental goal meetings for each of the nine goals. The goal meetings are working sessions that provide an opportunity for staff to work on key objectives, address operational challenges, and identify solutions to strategic plan tasks. In addition to goal meetings, PHA established a Leadership Council which meets weekly to review strategic plan progress and to identify and resolve obstacles to achieving all identified goals. The Accomplishments Report for 2005-2006 highlights and summarizes the accomplishments achieved by PHA under each of the nine Strategic Operating Plan goals during the fiscal year from April 1, 2005 through March 31, 2006.



PHA Executive Director Carl Greene is joined by PHA Board Chairman, Mayor John Street and HUD Secretary Alphonso Jackson at Wanamaker Middle School, which was converted into a shelter and processing center for evacuees from Hurricane Katrina

Goal 1 Accomplishments Summary

1. Achieved 96.47% rent collection rate at conventional, scattered sites and PAPMAC managed sites
2. Increased overall occupancy by 450 units
3. Conducted HQS/UPCS inspections on 100% of housing units
 4. Completed 100% of emergency work orders within a 24-hour time period
 5. Completed preparation of 385 conventional housing units
 6. Completed lease up of the final 40 units at Cambridge Plaza Phase I
 7. Leased 40 units at Martin Luther King Homes Phase I
 8. Leased 30 rental units at Lucien E. Blackwell Homes Phase I
 9. Leased 103 units at Greater Grand Ferry Estates Phase 1B
 10. Completed 244 scattered site home at through the Green Point Initiative

Strategic Operating Plan Goal 1 Achieve Excellence In Property Management.

As one of Pennsylvania's largest residential property owners, PHA is committed to providing industry-standard, high quality management and maintenance services to all residents. Every day, PHA maintenance and housing management staff strive to respond promptly and efficiently to the service needs of residents and to ensure the continued operation of the citywide network of facilities. The results are clear: more than 85% of residents are satisfied with and feel safe in their PHA homes according to the most recently completed 2006 survey.

PHA currently owns and manages a total of 20,367 housing units in thirty-one (31) conventional public housing developments, ten scattered site management areas, eight alternatively managed developments and ten newly renovated or constructed Low Income Housing Tax Credit sites. PHA's portfolio includes units managed by its subsidiary, Philadelphia Asset and Property Management Corporation (PAPMAC).

During the past year, PHA showed improvement in key indicators of management excellence including vacancy reduction



PHA recorded an impressive rent collection rate of 96.47%

and rent collections. This continuous improvement effort is fueled by an ongoing program of staff training, combined with process improvements designed to efficiently deploy needed resources on-time and on-budget.

While maintaining all of its ongoing housing operations, PHA opened its doors to the families displaced by Hurricane Katrina. Working with the City of Philadelphia's Operation Brotherly Love, PHA set up an Admissions unit from September through October 2006 at the Wanamaker School. During this period, over 300 evacuees visited the office of which 44 were housed through PHA's HCV and public housing programs.

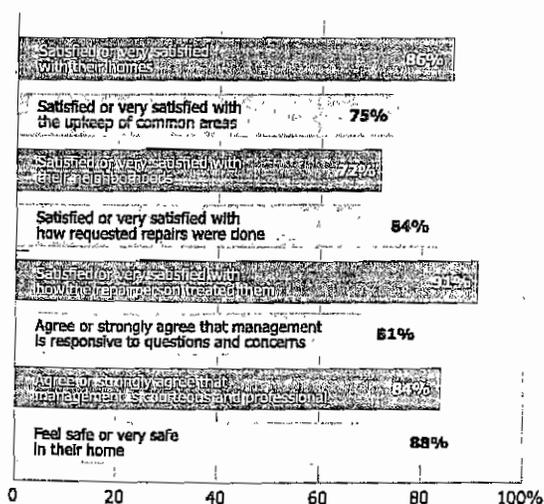
As noted in prior Accomplishments Reports, PHA's professional management has been endorsed by the Standard & Poor's rating service, which gave PHA a "strong" rating, the highest rating awarded to any Public Housing

Authority in the country.

PHA continued to emphasize standardization of all operational policies and procedures and increased accountability at the sit level. During the past year, a new desk manual for the PAPMAC managed sites was developed and updates were made to Sit Based Management Plans on a system-wide basis. Other significant accomplishments in the area of housing management excellence during MTW Year Five included:

- Rent Collections: PHA continued to improve its overall rent collection efforts, resulting in a 96.47% collection rate. High rent collection rates are a critical factor in generating resources to maintain and improve PHA properties.
- Occupancy: PHA continued to increase the overall number of residents served through the rental housing programs. Adjusted occupancy rates increased to 94.2% with a net increase of 450 occupied units
- Unit Inspections: Efforts to pro-actively identify and correct problems or deficiencies with PHA housing units remained a

Resident Satisfaction Survey



Goal 1 Accomplishments Summary

1. Achieved 96.47% rent collection rate at conventional, scattered sites and PAPWA managed sites
2. Increased overall occupancy by 457 units
3. Completed 1,200 PFI inspections on 100% of housing units
4. Completed 100% of emergency work orders within a 24-hour time period
5. Completed preparation of 860 conventional housing units
6. Completed lease up of the final 40 units at Cambridge Plaza Phase III
7. Leased 42 units at Martin Luther King Homes Phase IV
8. Leased 80 rental units at Lucien E. Blackwell Homes Phase II
9. Leased 103 units at Greater Grays Ferry Estates Phase IIB
10. Upgraded 244 scattered site homes through the Sparkle Plus Initiative



top priority. This past year, PHA staff inspected 100% of all rental units. As needed, field service requests were generated and follow up maintenance work performed.

- **Unit Rehabilitation:** As part of its ongoing effort to improve housing quality, PHA staff completed preparation of 860 public housing units during the past year.
- **New Lease Ups:** PHA redevelopment efforts resulted in lease ups of 265 new units at Cambridge Plaza Phase III, Martin Luther King Homes Phase IV, Lucien E. Blackwell Phase II, and GGFE Phase IIB.
- **Sparkle Plus:** PHA's award winning Sparkle Plus initiative to beautify and upgrade existing public housing units continued including upgrades to 244 scattered site units.
- **Policies and Procedures:** Training and roll-out of the revised Admissions and Continued Occupancy Plan (ACOP) took place during the year, helping to increase staff knowledge and awareness of all applicable occupancy policies. Revised Desk Manuals including rent collection procedures and inspection protocols were also provided to staff.

- **Implementation of Two Year Recertifications:** PHA completed the transition from the current annual recertification system to a two-year recertification cycle.
- **Implementation of Simplified Rent System:** PHA completed the second phase of the transition to a new rent calculation system for public housing residents that modifies the current deduction system, decreasing the percentage of income paid towards rent based on family size and providing incentives for resident savings and asset building.

During MTW Year Five, PHA continued to implement a number of ongoing property management initiatives related to its public housing conventional and scattered site

portfolio that have been operational during the demonstration period. These ongoing initiatives include:

- **Enhanced vacancy rehabilitation efforts** that, combined with the Home Selection Day process, allow PHA to more efficiently reoccupy vacant housing.
- **Enhanced lease enforcement** to improve the quality and safety of PHA communities and Philadelphia's neighborhoods.
- **Publication of PHA Experience resident newspaper:** This publication was prepared by PHA's Communications Department and distributed to public housing residents, HCV participants and employees. Four highly successful quarterly editions were published.



Goal 2 Accomplishments Summary

1. Provided rent subsidies to approximately 17,000 low income households
2. Leased a total of 716 housing units under the Unit-Based program.
3. Assisted a total of 105 HCV participants to achieve homeownership, including financial support to 24 families with disabilities.
4. Assisted a total of 209 households to increase their incomes, resulting in voluntary termination from the HCV program
5. Inspected 100% of all scheduled units for Housing Quality Standard compliance
6. Conducted housing fairs attended by over 715 voucher holders and 215 property owners this year, resulting in approximately 230 housing placements
7. Assisted 360 formerly homeless households to obtain permanent housing
8. Continued to support the Tenant/Landlord Advisory Board as a forum for ongoing community input to PHA HCV program policies and procedures and hired second community liaison
9. Assisted over 7,200 households in preparing and implementing Family Economic Development Action Plans

10. Continued implementation of the
Housing Choice Voucher program
and the Family Economic Development
program to assist low income
households.

Goal 2 Accomplishments Summary

1. Provided rent subsidies to approximately 17,000 low income households
2. Leased a total of 716 housing units under the Unit-Based program
3. Assisted a total of 105 HOV participants to achieve home ownership including financial support to 24 families with disabilities
4. Assisted a total of 202 households to increase their incomes resulting in voluntary terminations from the HO program
5. Inspected 100% of all scheduled units for Housing Quality Standard compliance
6. Conducted housing fairs attended by over 715 voucher holders and 215 property owners this year resulting in approximately 230 housing placements
7. Assisted 350 formerly homeless households to obtain permanent housing
8. Continued to support the Tenant Landlord Advisory Board as a forum for ongoing communication with HOA HOV program policies and procedures and other social community issues
9. Assisted over 7,000 users with preparing and submitting Farm Economic Development Action Plans

10. Continued implementation of the HOV Quality Initiative including provision of extensive staff training and development of new automation tools

Plans. This Plan helps establish self-sufficiency goals for the entire family in order to assist them in improving their overall economic status. PHA staff collaborates with local community partners to provide employment, training and other supportive services to HCV program participants.

Ongoing efforts in the area of achieving excellence in management of the Housing Choice Voucher program included:

- PHA continued to provide timely payments to owners through Direct Deposit.
- PHA continued to implement a number of fundamental changes to the HCV program. These initiatives were made possible by the regulatory flexibility allowed PHA under its Moving To Work Demonstration Program. For example, PHA established a seven-year time limit for HCV program that applies to all households except for seniors, persons with disabilities who are unable to work, and households where the head of household is the sole caregiver for a disabled dependent. PHA has also implemented a two-year recertification program to reduce

administrative burdens and promote economic self-sufficiency.

- PHA continued full implementation of its rent simplification program.
- Implementation of the Quality Initiative for the HCV program continued. Several major trainings were conducted to ensure staff is fully compliant with existing regulations and procedures. Staff has been trained on the revised Administrative and

Desk Manual Policy and Procedures, Site Based Management Plan, Rent Simplification, Recertification, Verification and File Management. In addition to the training, automated worksheets were developed for income calculations and verification tracking. Quality control staff continued to work with site office staff to carefully review and ensure the integrity of program files.



Goal 3 Accomplishments Summary

1. Continued effective management and oversight of approximately \$1.2 billion in ongoing redevelopment activity, including planning for \$519 million in construction activities scheduled for the next five years
2. Completed construction of 125 homeownership units at Greater Grays Ferry Phase II
3. Completed the final 103 rental units in Greater Grays Ferry Phase II, for a total of 184 Phase II rental units
4. Completed construction of 40 rental units at Cambridge Plaza III
5. Completed 257 units adapted for mobility-impaired households
6. Completed construction of 74 of 80 Phase II rental units at Lucien E. Blackwell Homes
 7. Assumed developer role for 80-unit homeownership program at Wainwright Park Phase I and rental Phase II. Completed construction of 42 Phase II rental units
 8. Completed 75% of modernization construction for 120 low-income units at Germantown House
 9. Completed 12 units of expanded program at Center for the Arts
 10. Completed 100% of Phase II of the 100-unit program at Center for the Arts

Strategic Operating Plan Goal 3 Develop Affordable Quality Housing that Supports Balanced Communities

PHA development activities are transforming the physical and social landscape of Philadelphia. In public housing communities and throughout the City, evidence of PHA's ambitious development activity is pervasive. In addition to the development activities directly undertaken and/or funded by PHA, the agency is also serving as a catalyst for master planning and design in many other neighborhoods.

PHA has entered the final year of its transformation plan to build or renovate 6,100 housing units. This Strategic Operating Goal encompasses both the redevelopment of existing PHA communities as well as the implementation of new development initiatives that complement Philadelphia's neighborhood revitalization efforts. MTW funding flexibility has allowed PHA to leverage capital dollars in support of public housing and neighborhood revitalization.

There are numerous accomplishments and activities under this area, including the following highlights through the end of MTW Year Five:

- PHA is administering capital budgets totaling \$1.2 billion. This includes funding for recently completed redevelopment, new construction and modernization as well as projects scheduled over the next five years. Overall, PHA has raised more than \$204 million in private equity funding

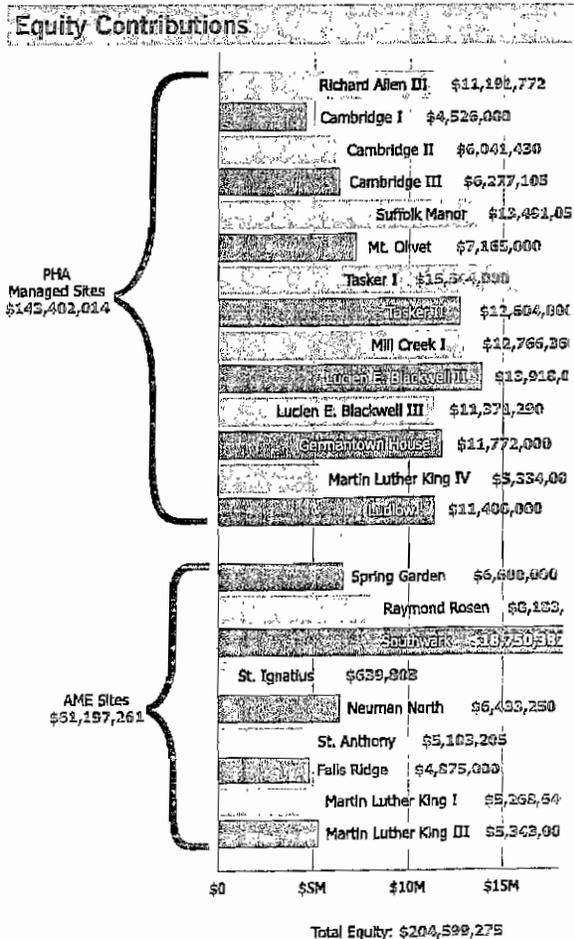


Cambridge III



through Low Income Housing Tax Credits awarded by the Pennsylvania Housing Finance Agency (PHFA). PHA has served as developer on a total of 20 projects including five new transactions: Falls Ridge Phase IIA, Lucien E. Blackwell Homes Phase VI, Ludlow HOPE VI Phases III and IV and Ludlow modular homes.

- At Greater Grays Ferry, PHA completed construction of Phase II homeownership units and 103 Phase II rental units during the most recent period. The transformation of the former Tasker site is now nearing completion.
- PHA completed construction of 40 rental units at Cambridge Phase III during the past year.
- As part of its commitment to expanding access to housing for people with disabilities, PHA completed work on 257 units adapted for mobility-impaired households. This



Goal 4 Accomplishments Summary

1. Achieved an 11% decrease in Part II quality of life crimes
2. Conducted investigations in response to over 1,100 public or staff complaints related to the HCV program
3. Continued partnerships with Philadelphia Police Department, the Department of Homeland Security, Narcotics Task Force, DEA and HUD-OIG to ensure coordination of resources and effort.
4. Managed security contracts at 33 sites
5. Conducted criminal records checks on over 10,000 households members
6. Conducted 344 investigations as part of the Lease Enforcement and Compliance Unit activity including filing 38 pending narcotics complaints and enforcing 174 evictions
7. Coordinated over 1,600 court cases resulting in payments to PHA of over \$1.1 million
8. Implemented DARE/GREAT and Explorers youth program activities at elementary schools involving over 1600 youth
9. Established voucher program in collaboration with the District Attorney's office to assist in the relocation of victims or witnesses to violent crime
10. Provided security enhancements to PHA properties including installation of integrated digital security systems at several sites

Strategic Operating Plan Goal 4 Implement Public Safety Programs That Promote the Well-Being Of Our Neighborhoods and the Accountability of Program Participants.



PHA's public safety focus under Strategic Operating Plan Goal 4 encompasses management of security for all PHA housing communities, offices and other facilities. In addition, PHA provides a broad range of public safety related services including support for resident crime prevention efforts, investigation of complaints, coordination of lease compliance activity, criminal records checks and other critical tasks. Highlights of PHA activities through MTW Year Five in the area of public safety programs include:

- Part II "quality of life" crimes at PHA developments dropped by approximately 11% in the past year. This category includes primarily non-violent crimes such as fraud, simple assault, stolen property, narcotics violations and disorderly conduct. The level of Part I crimes at PHA developments remained basically the same over the past year; however, in light of the overall citywide increase in these types of crimes, the fact that they did not increase at PHA developments is a positive sign.
- PHA continued to respond effectively to reported incidents and complaints

involving the HCV program. During the past year, PHA conducted over 1,100 investigations of which 368 resulted in a requests for termination. The balance were successfully resolved, unsubstantiated or

found to be related to non-HCV tenants or property.

- PHA continued to work in partnership with the Philadelphia Police Department and other federal and state law enforcement agencies.

Regular meetings are held between the PHA Police Department Chief and the Philadelphia Police Department management to review crime statistics and identify joint strategies.

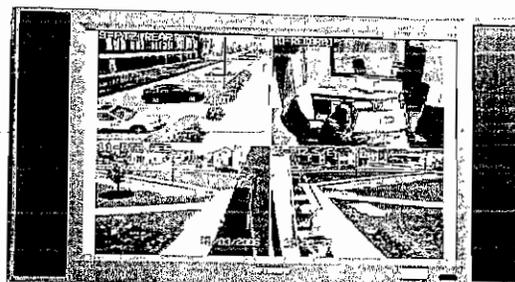
PHA will soon be linked to

the Police Department's new crime tracking and analysis software system, which will assist in planning and responding to public safety issues at PHA communities.

- The PHA utilized and managed privately-contracted security at 33 sites during the year.
- PHA Police Department staff has conducted over 10,000 criminal records checks as required by federal and local policy. This process helps to strengthen the fabric of Philadelphia's neighborhoods by screening out serious criminal offenders from participation in the HCV program.
- As part of its lease compliance efforts to promote quality of life in public housing, PHAPD continued to implement expedited complaint and investigation processing procedures. In the past year, 344 public housing related investigations were conducted, resulting in 174 enforced evictions and filing of 38 narcotics complaints.
- PHA Police and Legal staff collaborated on over 1,600 court cases with very high results favoring PHA. While 174

evictions were enforced as a result of these court cases, a much higher number resulted in settlements which involved payments of overdue balances to PHA totaling over \$1.1 million.

- PHAPD continued implementation of the D.A.R.E., Explorer and G.R.E.A.T. programs to incorporate health and public safety concerns into youth programs. Last year, more than 1,600 youth participated in one or more of these program activities.
- As part of its collaboration with local law enforcement, PHA has established a voucher program to assist victims of and witnesses to violent crime who are identified by the District Attorney's office.
- PHA continued to provide enhanced Tenant Responsibility MTW Training. As part of its local leased housing MTW program initiative, PHA requires all Housing Choice Voucher Program participants to participate in Tenant Responsibility Training at both the initial lease-up and at every recertification period. This effort will help improve residents' understanding of their roles and responsibilities as good neighbors and PHA program participants.
- PHA provided security enhancements to PHA properties including installation of integrated digital security systems at Wilson Park Community Center, John Street Community Center, Greater Grays Ferry and the Bartram warehouse. Additional systems are under construction at Cambridge Plaza III and Germantown House.



Goal 5 Accomplishments Summary

1. Assisted 174 households with the purchase of newly constructed homes at PHA redevelopment sites in the past year
2. Assisted 105 households with the purchase of homes through the Housing Choice Voucher program, including 22 in the past year
3. Assisted 314 public housing residents with the purchase of homes through the Turnkey III and Section 5h programs
4. Provided first time homebuyer workshops to over 1,300 PHA residents
 5. Created a Resident Mortgage Assistance Program (RMAP) comprehensive benefit package to assist residents in achieving homeownership
 6. Graduated a total of 444 residents from the Pre-Apprenticeship Program, including 60 in the past year. Since inception, 80% of graduates have found jobs either in the building trades or other industries.
 7. Graduated 443 residents from the Community Partners program this year, of which 239 are currently employed
 8. Provided health care, meals, transportation and other services to over 4,700 seniors at PHA Senior Centers and through other PHA senior programs this year
 9. Provided a range of program services to more than 4,000 residents at the Brainerd Life Skills Center this year
 10. Provided support and assistance to approximately 1,112 PHA tenants

Strategic Operating Plan Goal 5 Engage Other Institutions to Leverage Resources and Assist in Promoting Economic Enhancement and Support Services for PHA Residents

Serving and supporting residents is at the heart of PHA's mission. Approximately 80,000 people reside in PHA owned or subsidized units. They encompass a wide spectrum of ages and interests including almost 39,000 children, 5,500 seniors and thousands of people with disabilities. Strategic Operating Plan Goal 5 incorporates the numerous programs and activities undertaken by PHA and its network of community partners to promote resident economic self-sufficiency, encourage the healthy development of children, support seniors and people with disabilities, and maximize resident potential for independent living.

Programs under this goal area include affordable homeownership, youth and senior programs, employment training and job placement initiatives. Because the scope of need among PHA residents is so great, PHA cannot do this job alone. Therefore, central to PHA's approach is leveraging resources, collaborating with resident leadership, and partnering with qualified agencies and institutions to bring the best available program services to PHA residents. Key partnerships have been established with numerous local banks including Wachovia, Citizens and Sovereign Banks; a network of 26 housing counseling agencies; the Pennsylvania Housing Finance Agency, Temple University, Penn State, the Philadelphia Health Institute, Department of Human Services, PCOA, PWDC, and others.

PHA's Communication Department supported and enhanced these efforts through community events, media spots and publications, including the successful "PHA Experience" quarterly newspaper. These efforts are designed to promote resident



awareness of community opportunities, to promote positive role models, to inform residents of PHA policy issues, and to strengthen and reshape PHA's image in the larger community.

Through the non-profit Tenant Support Services Inc. (TSSI), PHA expanded efforts to involve public housing and other community residents in improving PHA communities. TSSI is an integral partner in all of PHA's service planning and implementation initiatives.

Significant accomplishments related to this goal area through MTW Year Five included:

- PHA's Program Compliance division secured over \$3.2 million in new funding over the past year. This included funds from various sources for youth and senior programs, employment training, case management, mentoring and other areas. In addition to these direct funding sources, millions of additional leveraged funds and resources were provided by PHA partners to support resident self-sufficiency efforts.

- PHA's unprecedented commitment to affordable homeownership accelerated during the past year.

The Homeownership Division experienced its most successful year on record, selling 174 homes during the past year, with sales at Lucien E. Blackwell Homes Phase I, Greater Grays Ferry Estates, and Martin Luther King Plaza.

- Twenty-two of PHA's homeownership sales this past year were in the Housing Choice Voucher (HCV) Program, five to disabled families. PHA is one of the leading housing authorities in the nation in HCV homeownership sales. To date, 105 homes have been sold under the HCV Program, 24 to disabled families.
- In addition to the above activities, PHA has sold 204 homes to public housing residents under the Turnkey III Program. Under the Section 5h Program, public housing residents have purchased a total of 110 scattered site houses, including eight sold this past year.
- PHA sponsored first-time homebuyer workshops attended by over 1,300 PHA residents. The Homeownership and Communications Divisions received an overwhelming response from marketing efforts, including more than 2,100 applications from prospective homebuyers for new developments.

Goal 5 Accomplishments Summary

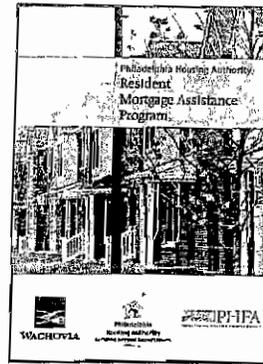
1. Assisted 174 households with the purchase of newly constructed homes at PHA redevelopment sites in the past year
2. Assisted 105 households with the purchase of homes through the Housing Choice Voucher program, including 22 in the past year
3. Assisted 314 public housing residents with the purchase of homes through the Turnkey Inland Section 8 programs
4. Provided first time homebuyer workshops to over 1,300 PHA residents
5. Created a Resident Mortgage Assistance Program (RMAP) comprehensive benefit package to assist residents in achieving homeownership
6. Graduated a total of 444 residents from the Pre-Apprenticeship Program, including 60 in the past year. Since inception, 80% of graduates have found jobs either in the building trades or other industries.
7. Graduated 443 residents from the Community Partners program this year, of which 289 are currently employed
8. Provided health care, meals, transportation and other services to over 4,700 seniors at PHA Senior Centers and through other PHA senior programs this year
9. Provided a range of program services to more than 4,000 residents at the Blumberg One Stop Center this year
10. Provided support and facilities for computer labs at 12 PHA sites

- PHA has made a special commitment to fulfilling its objective of providing homeownership opportunities to public housing residents. PHA created a Resident Mortgage Assistance Program (RMAP) comprehensive benefit package to assist residents in achieving Homeownership by providing closing cost assistance, writing down the cost of the home and providing free financial counseling. To promote affordable homeownership, PHA has established partnerships with major banks including Wachovia Bank, Bank of America, Citizens Bank, Commerce Bank, Sovereign Bank and Wells Fargo. PHA also maintains relationships with 26 certified housing counseling agencies throughout the city of Philadelphia.
- PHA continued to operate the Pre-Apprenticeship Training Program initiative in partnership with building trade unions. This past year, 60 residents graduated from the program. The program has four curriculum areas: General Education Diploma, Adult Basic Education, Life Skills and Shop. Instructors from Community College of Philadelphia coordinate the General Education Diploma program. The programs offer two advanced and one intermediate class. During the 14 program cycles, PHA has sponsored and placed approximately 220 graduates into the Building trades.
- PHA provided services to residents under the Community Partners program. PHA works with and provides financial support to Community Partners who provide employment and training opportunities for PHA residents. Training is currently provided in a wide range of industries including medical billing, building trades, hospitality, pharmacy technician, and certified nursing assistants. Last year, 784 PHA residents enrolled in Community Partner programs. Of this group, 443 graduated from their respective programs, and 289 were reported as working at the end of the training cycle. The average rate

- of pay for graduates was \$10.67 per hour.
- PHA served over 4,700 seniors through the Congregate Housing Services Program, LIFE, Senior Centers at Wilson Park and Liddonfield, satellite senior centers at Cassie Holley and Emlen Arms, the Service Coordinator program, and PHA Senior Transportation program. These programs play a critical role in helping seniors to live healthy and productive lives, maximizing their potential for extended independent living. The new LIFE program is part of PHA's ongoing initiative to assist frail and/or at-risk seniors with intensive "assisted living" services.
- Residents actively participated in various social service, literacy and economic self-sufficiency programs operated at the PHA Blumberg One Stop Self-Sufficiency Center. PHA and its partners provided

more than 4,000 units of service during the past year.

- PHA continued to support a citywide network of on-site computer technology labs available to residents as well as continued its mobile computer lab program. New labs were added this year at Norris Homes and Spring Garden. Computer labs are utilized by residents of all ages including youth participating in the Skills for Life program. PHA Police Department personnel sponsor over 200 training sessions at the computer labs.
- PHA collaborated with the Point Breeze Performing Arts Center to bring youth after-school and summer camp program as well as intergenerational programs for youth and seniors to the John Street Community Center.
- PHA served over 58,000 meals at 26 sites as part of its Summer Food Service Program for low-income children.



Pre-Apprenticeship Training Program

Goal 5 Accomplishments Summary

1. Achieved a 13% reduction in fuel used to heat PHA properties
2. Implemented a number of energy conservation measures to achieve estimated annual savings of \$320,000
3. Implemented tighter utility management controls estimated to result in \$509,000 in two-year savings
4. Achieved a reduction of 68% in the number of property claims made against PHA
5. Increased percentage of property claim financial claims covered by PHA insurers from 19% to 45%
6. Reduced the size of the PHA vehicle fleet by 4%
7. Achieved a 14% decrease in fuel consumption of PHA vehicles
 8. Implemented an agency-wide Teambuilding Initiative
 9. Introduced an employee pre-screening program to more precisely identify candidates who meet PHA's unique needs
 10. Achieved a physical to book inventory accuracy rate of 99.997% for fiscal 2005-2006 with aid of new cycle count procedure for inventory items at PHA's warehouses.

Strategic Operating Plan Goal 6 Improve the Productivity and Cost Effectiveness of PHA's Operations.

In a time of dwindling resources and increasing need, PHA remains committed to enhancing productivity and reducing the overall cost of operations. PHA continued to undertake efforts to improve productivity, fully utilize available resources, and identify opportunities for cost savings. Heightened attention to the management of utility costs and implementation of energy conservation measures also bore fruit. PHA also continued a series of automation initiatives designed to improve service delivery while reducing transaction costs. Accomplishments related to Strategic Operating Plan Goal 6 through MTW Year Five included:

- By implementing strict monitoring controls, PHA reduced fuel usage last year from over 558,000 gallons to approximately 484,000 gallons – a 13% reduction. This action helps to limit the overall increase in utility costs resulting from dramatically increased fuel costs.
- PHA's newly constructed units incorporated state-of-the-art energy conservation measures including installation of solar panels at Greater Grays Ferry Estates and Lucien E. Blackwell Homes. To reduce energy consumption in older units and buildings, PHA completed a series of improvements including replacement of toilet fixtures and replacement of lighting fixtures, estimated to result in annual savings of \$320,000.
- PHA implemented new procedures to monitor and manage utility usage and charges. Savings from these efforts are estimated at \$509,000 over a two-year period.
- PHA Risk Management worked to reduce the frequency and cost of property claims against PHA. Last year, the number of claims fell by 68% to 98 claims. The total damage claim amounts decreased from \$92 million to \$76 million, while the



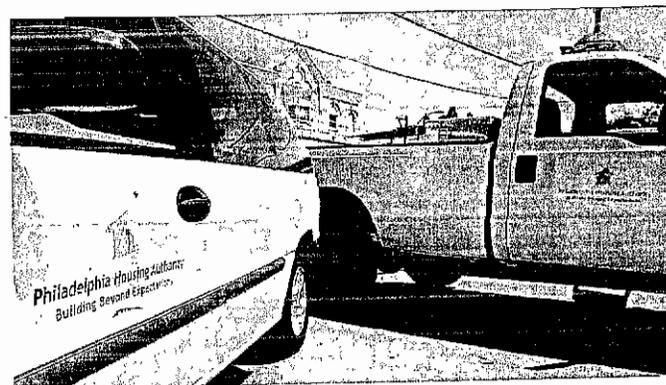
Contracting Department

percentage covered by PHA insurers increased from 19% to 45%.

- PHA implemented more stringent controls on vehicle usage and maintenance while achieving zero accidents resulting from mechanical malfunction. The size of the PHA fleet has been reduced by 4%, providing significant savings in fuel, insurance and repair costs. Through careful monitoring of vehicle usage, vehicle fuel consumption decreased by 14% last year, which partially offsets the increased cost of fuel.
- Implementation of the PeopleSoft integrated fixed assets module eliminated the need for spreadsheet tracking, improved tracking of depreciation and enhanced PHA's ability to quickly and transparently view all of its assets.
- Implementation of the new PeopleSoft Treasury module resulted in several operating efficiencies.

PHA now has the capacity to view its cash position on a daily basis and reconcile its bank statements on the first day following the end of the reporting month. Further, as part of this initiative, PHA implemented the Check 21 system that allows site managers to scan checks at the site and immediately transfer funds into the bank. Since checks are deposited immediately and accurately, PHA has faster use of available funds and enhanced capacity to generate interest income.

- In support of PHA's belief that that an informed, motivated workforce produces



PHA reduced the size of its fleet by 4%

Goal 6 Accomplishments Summary

1. Achieved a 13% reduction in fuel used to heat PHA properties
2. Implemented a number of energy conservation measures to achieve estimated annual savings of \$320,000
3. Implemented tighter utility management controls estimated to result in \$509,000 in two-year savings
4. Achieved a reduction of 68% in the number of property claims made against PHA
5. Increased percentage of property claim financial claims covered by PHA insurers from 19% to 45%
6. Reduced the size of the PHA vehicle fleet by 4%
7. Achieved a 14% decrease in fuel consumption of PHA vehicles
8. Implemented an agency-wide Teambuilding Initiative
9. Introduced an employee pre-screening program to more precisely identify candidates who meet PHA's unique needs
10. Achieved a physical to book inventory accuracy rate of 99.997% for fiscal 2005-2006 with aid of new cycle count procedure for inventory items at PHA's warehouses.

the best results, the agency launched a Teambuilding Initiative in 2005, modeled after successful best management practices in the for-profit sector. The program – based on the fact that people accomplish more as teams than individuals – was developed jointly by the Communications Dept. and Office of Strategic Management. The 18-session curriculum was conducted in bi-weekly strategic operating plan (SOP) goal team meetings, and included sessions on conflict resolution and problem-solving techniques. The program was reinforced through quarterly workshops for all participants and focused on topics such as communications style and diversity. Teamwork training will continue in FY '07 with an initial focus on employee empowerment.

- On an ongoing basis, PHA continues to implement its MTW rent simplification system that requires less frequent recertifications and provides more opportunities for residents to save money.
- In order to identify candidates who would meet PHA's unique needs, the Human

Resources Department introduced a pre-screening program to accomplish the following objectives: Identify characteristics and competencies that help predict workplace performance at any level of the organization; determine a candidate's analytical thinking and reasoning aptitude in addition to their skills and emotional intelligence; understand how individuals perceive one another and how this will translate into team behavior and success; provide insight into career development opportunities for candidates/employees. Full program rollout was scheduled for May 2006.

- Supply Chain Management implemented a cycle count procedure for inventory items at PHA's two warehouses. As a result, PHA achieved a physical to book inventory accu-

racy rate of 99.997% for fiscal 2005-2006. Therefore, PHA was not required to perform a full physical inventory at the close of the fiscal year, resulting in substantial savings in overtime costs.

- To precisely track all fixed assets at PHA developments and offices, Supply Chain Management planned, executed and implemented a bar coding system.



Human Resources Department

Goal 7 Accomplishments Summary

1. Received unqualified opinions on PHA 2004 and 2005 audited financial statements
2. Received unqualified opinions on all of the business units 2003 and 2004 audited financial statements
3. Received unqualified opinions on the Defined Contribution and Defined Benefit Plans for 2004
4. Achieved 100% compliance with Davis Bacon and Prevailing Wage requirements by PHA contractors
5. Submitted required cost certifications for Cambridge Plaza II, Richard Allen III, Mill Creek I and Mount Olivet
6. Implemented funding-based activity codes to better track development expenditures
7. Awarded 33% of contract dollars to minority and woman-owned businesses
8. Implemented new reporting systems to track expiring contracts, task orders, and active contracts
9. Established enhancements to HCV quality control automation system
10. Developed plans for Public Housing quality control initiative

Strategic Operating Plan Goal 7 Improve program compliance, reporting, performance and accountability.

PHA incorporates quality assurance, program compliance and performance monitoring into all of its program operations. On an ongoing basis, staff members from PHA's Office of Strategic Management provide quality control reviews of program files, assist operating units to assess and re-engineer business practices to promote efficiency, and provide regular monitoring of strategic goals and objectives. PHA also utilizes a leading-edge project management system to track and report on all program initiatives. This system is updated monthly and reviewed by senior management. Significant accomplishments related to this goal through MTW Year Five included:

- PHA continued to receive unqualified opinions based on detailed independent audits of its financial statements. Audits also were conducted of PHA business units and the PHA Deferred Compensation and Defined Benefit Plans and resulted in unqualified opinions. These audit results reflect the high priority placed on internal controls and tight accounting procedures at PHA.
- PHA, in cooperation with the City of Philadelphia Labor Standards Unit, continued to monitor and enforce the Davis Bacon Act and Prevailing Wage regulations for all construction contracts. This effort resulted in 100% compliance by prime and sub-contractors.
- PHA conformed to all required investor and funding source requirements including timely submission of cost certifications for Cambridge Plaza II, Richard Allen III, Mill Creek I and Mount Olivet. These actions illustrate the careful attention PHA pays to conformance to regulatory and other funding covenants.
- As part of its PeopleSoft automation initiative, PHA implemented funding-based activity codes to improve tracking of



- development expenditures. This is a key enhancement in light of the enormous scope of PHA's development activities.
- PHA continued its commitment to working with minority and woman-owned businesses. During the past year, PHA awarded 33% of contract awards to MBE and WBE firms (22% MBE, 11% WBE), totaling \$60,906,954.
- In an effort to strengthen contract management, PHA Contracts Administration implemented new reporting systems to track all active and expiring contracts and task orders.
- PHA continued to enhance its industry-leading quality control initiatives including improving the computer tracking system used by HCV quality control reviewers. PHA also established plans to roll out enhanced quality control measures for admissions and the public housing program during the coming year.
- PHA's Contracting Department developed and delivered a seven-hour training session entitled, "The Procurement Process: Understanding Your Role." All staff in Supply Chain, including Procurement and Contracts, Contract Administration and Warehouse Operations took this course, based on Steven Covey's *Seven Habits of Highly Effective People*.

- PHA's Contracting Department developed and began implementation of an organizational plan with the following features: commodity/client based contracting team to improve customer service and increase commodity knowledge; strategic sourcing model to increase market participation in PHA acquisitions and drive cost savings; distribution of acquisition support services (e.g., Affirmative Action compliance reviews, pre-qualification approval processing, etc.); and departmental reporting to facilitate establishment and monitoring of departmental performance goals.
- PHA's Office of Inspector General (OIG) conducted multiple audits and investigations during the past year. A compliance audit of Housing Choice Voucher Program client files showed there was significant improvement in file maintenance compared to the results of last year's review. In addition, OIG opened 28 cases of under-reported income by PHA clients recovered \$7,973 from a landlord who had been overcharging clients and debarred the landlord from the program; completed an investigation, which led to criminal proceedings against two residents who under-reported their income, leading to recovery of \$16,794. Both tenants were also sentenced to seven years probation.

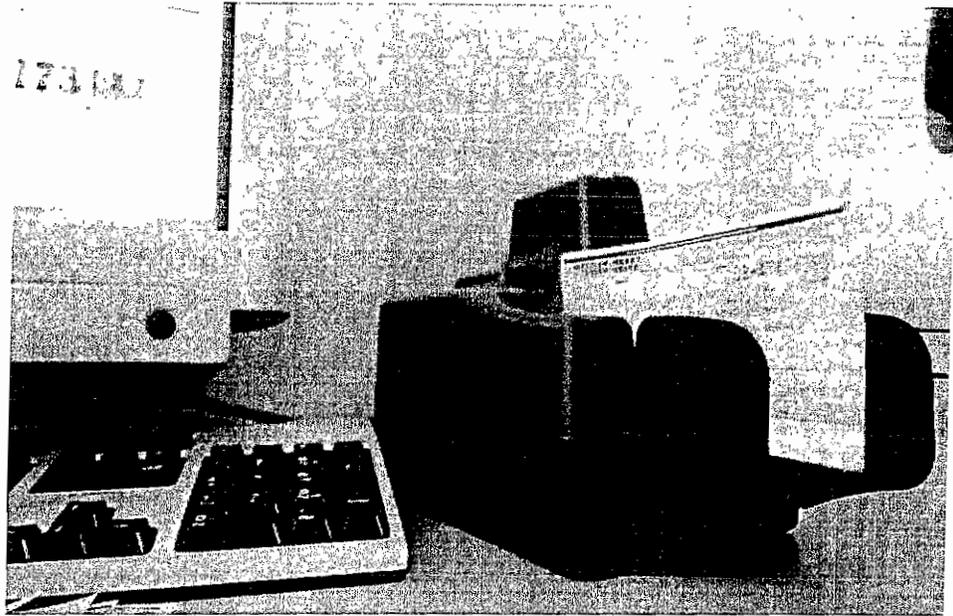
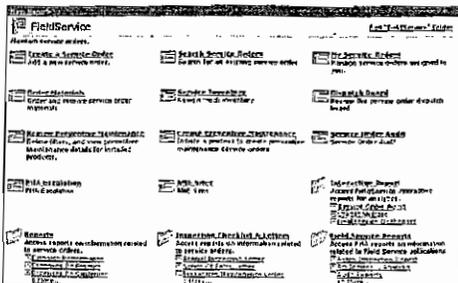
Goal 8 Accomplishments Summary

1. Implemented PeopleSoft Field Service CRM module
2. Implemented PeopleSoft CRM Support module
3. Implemented PeopleSoft Accounts Receivable module for public housing rent collections
4. Implemented PeopleSoft Treasury Module
5. Implemented Check 21 for public housing residents
6. Implemented Business Objects enterprise reporting system
7. Implemented Niku Clarity project management application to monitor and track Strategic Operating Plan initiatives
8. Implemented PeopleSoft HR Forms enhancements
9. Provided extensive staff training on all application systems
10. Commenced implementation of a new Interactive Voice Response system

Strategic Operating Plan Goal 8 Maximize the use of technology to improve efficiency and accountability of PHA operations

PHA continued and expanded efforts to incorporate best practices technology into all phases of PHA operations. PHA has established industry-standard network equipment, upgraded or replaced mission critical software applications, built a qualified and responsive technology staff, and improved the capacity of all PHA computer users through extensive training. PHA's ISM department continues to build upon the previously cited Standard & Poor's review of PHA operations. S&P noted the agency's "...highly sophisticated technological capabilities" which exceeded those of any other housing authority it had evaluated. Key accomplishments through MTW Year Five included:

- PHA successfully implemented the PeopleSoft Field Service and CRM Support modules. The Field Service Module replaced PHA's legacy work order system. It is integrated with the PeopleSoft ERP applications such as HRMS/Payroll, Requisitions and Inventory modules. With the new Field Service module, designated PHA employees can log, assign, and track service orders automatically. Through integration with other PeopleSoft modules, Field Service records employees' time, monitors service performance, and tracks parts and inventory. After the service orders are



"Check 21"

- completed, PHA site Asset Managers now have the ability to audit every work order. PHA anticipates significant productivity gains over time as a result of this implementation.
- The CRM Support application is designed to increase customer service particularly in a Call Center environment. With implementation of this module, PHA call center as well as 160 other departmental representatives now have immediate, on-line access to customer information, and can create cases and track information being giving to PHA customers. A major objective of this project is to improve the quality and accuracy of PHA interactions with the public, as well as to improve customer and vendor satisfaction.
- PHA completed implementation of the PeopleSoft Accounts Receivable module for public housing rent collection. This new "open" item system replaced the old balance-based Legacy Account Receivable. The open item system allows site managers to apply cash receipts to the correct billing item. This module is tightly integrated with the public housing legacy

applications. All payments and collection are handled in the new module.

- As previously noted, PHA implemented the PeopleSoft Treasury module during the past year. This module has numerous operational advantages including enhancing PHA's ability to reconcile bank statements quickly and accurately, manage its cash position and electronically retrieve bank statements.
- PHA implemented Check 21 for Public Housing and LIHTC residents. Check 21 automates the electronic capture of rent payments and provides immediate transmission of the payment to the bank for deposit. Currently this product is being utilized at 15 locations and has processed 282 deposits totaling over \$1.1 million dollars.
- PHA commenced implementation of the Business Objects software solution to establish a central repository of reports that can be accessed through PHA's Internet browser. At this point there are 355 different reports in Business Objects each of which can have multiple instances created daily, weekly, monthly etc., All

Goal 6 Accomplishments Summary

1. Implemented PeopleSoft Field Service CRM module
2. Implemented PeopleSoft CRM Support module
3. Implemented PeopleSoft Accounts Receivable module for public housing rent collections
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9. Provided extensive staff training on all application systems
10. Commenced implementation of a new Interactive Voice Response system

users who have a network user login at PHA have access to Business Objects.

- PHA continued to implement and refine usage of the Niku Clarity project management system. Through this tool, PHA staff from all divisions report and track activities and projects associated with the Strategic Operating Plan.
- Expanded use of the existing PeopleSoft HR software was achieved through implementation of a series of PeopleSoft HR forms. The HR Forms project automated a series of formerly manual forms related to employee status change, requests for personnel, employee evaluation and other functions.
- To maximize benefits from the above listed activities, PHA conducted extensive training sessions for end users from all areas of the agency. Structured training programs help to ensure knowledge retention and proper use of the system.

- PHA commenced implementation of a large-scale new project to implement an Interactive Voice Response (IVR) system. The IVR will link to PHA's phone and software systems, and will provide callers with a wide menu of options. For example, PHA applicants will be able to check

their waiting list status. Callers will also be given the option to obtain information on PHA programs and policies. In addition, the system will facilitate tracking and quick response by PHA Call Center and designated staff. The new system will be installed in the next year.



Information Systems Management Department

Goal 9 Accomplishments Summary

1. Partnered with major banks to promote home-ownership and with 26 certified housing counseling agencies throughout the city of Philadelphia
2. Secured approximately \$1.2 billion in resources from a wide variety of agencies including HUD, PHFA and the Commonwealth of Pennsylvania
3. Partnered with private investors to leverage \$204 million in Low Income Housing Tax Credit equity
4. Secured over \$3.2 million in new supportive service, employment and training funding over the past year
5. Transferred 133 scattered site properties to development entities who will create 371 home-ownership and 232 rental units
6. Partnered with the Commissioner of Revenue to capture back taxes due to the City valued at more than \$100,000 for this past year
7. Partnered with the Redevelopment Authority to acquire over 300 deteriorated properties
8. Partnered with the National Guard in cleaning and sealing up vacant or open properties throughout the City.
9. Collaborated with Institute for Real Estate Management to provide training to 800 Housing Choice Voucher program landlords
10. Supported resident-police partnerships through the Police Advisory Board and Town Watch programs.

Strategic Operating Plan Goal 9 Maximize Relationships and Initiatives to Deliver Sound and Effective Services



PHA understands that achieving the physical and social revitalization of Philadelphia's low-income communities requires creative partnerships and collaborations with many federal, state and local government as well as private sector partners. Strategic Operating Plan Goal 9 focuses on creating and nurturing partnerships to achieve maximum benefit for PHA resident and program participants. Significant accomplishments in this area through MTW Year Five included:

- To promote affordable homeownership, PHA has established partnerships with major banks including Wachovia Bank, Bank of America, Citizens Bank, Commerce Bank, Sovereign Bank and Wells Fargo. PHA also maintains relationships with 26 certified housing counseling agencies throughout the city of Philadelphia.
- In an effort to promote quality service and accountability among HCV private prop-



erty owners, more than 800 property owners have participated in a mandatory orientation program offered by the Institute of Real Estate Management. This is a unique and groundbreaking program that PHA believes results in better service to HCV participants and more responsiveness to community concerns.

- PHA continued its collaboration with the Commissioner of Revenue to review and ensure compliance of property owners with vendor tax and utility payments before an owner is accepted into the HCV program. This year, these efforts resulted in over \$100,000 in back taxes paid to the City.
- PHA has secured funding for capital programs totaling \$1.2 billion. This activity reflects PHA's outstanding track record in forging partnerships with state, federal and local agencies as well as private investors.
- PHA has earned the confidence of private investors, who have contributed a total of \$204 million in private equity funding to PHA developments. The confidence of the financial community is also reflected in the fact that PHA has raised approximately \$200 million in bond financing to support rental and homeownership projects.
- Thirteen disposition applications were submitted during the past year to permit transfer of 133 scattered site properties. The transferred properties will be combined with other parcels assembled by developers and made part of planned development involving 371 homeownership and 232 rental units.
- PHA has partnered with the City of Philadelphia Redevelopment Authority to acquire over 500 deteriorated properties in the Mill Creek and Ludlow areas as part of the overall HOPE VI revitalization plan.
- PHA staff assisted the National Guard in cleaning and sealing up

vacant or open properties throughout the City in order to prevent these sites from being used for criminal or other hazardous purposes.

- PHAPD continued to provide support for resident-police partnerships through the establishment of a Police Advisory Board and the development of Town Watch programs.
- PHA's Program Compliance division secured over \$3.2 million in new funding over the past year. This included funds from various sources for youth and senior programs, employment training, case management, mentoring and other areas. In addition to these direct funding sources, millions of additional leveraged funds and resources were provided by PHA partners to support resident self-sufficiency efforts.



PHA assisted National Guard in sealing vacant properties

PHA Leadership



standing, from left to right: Commissioners Patrick J. Eiding, Debra L. Brady, Councilwoman Jannie L. Blackwell and Senior Deputy Executive Director Michael Leithead
seated, from left to right: Commissioner Nellie W. Reynolds, Chair, Mayor John F. Street, Executive Director Carl R. Greene

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MOVING TO WORK YEAR FIVE REPORT
PART ONE: ACCOMPLISHMENT REPORT

Table 1-1. Philadelphia Housing Authority's MTW Year Five Report Summary.

Target Area of MTW Plan	Proposed MTW Activities for Year Five	Progress Achieved through MTW Year Five
Section 1: (Accomplishments Report)		
Section 2: Households Served		
Income Levels of Families Served	No Change projected.	The percentage of PHA households with incomes below 30% of the median income remains at greater than 75%.
Waiting List Composition	Implement strategies to increase diversity of households served.	PHA's Section 8/HCV waiting list remains closed for general applications. PHA plans to continue its outreach to Hispanic and other non African-American minorities to increase diversity. Multi-lingual notices and materials are utilized as appropriate.
	Develop site-based waiting lists as appropriate.	Site-based waiting lists have been implemented at mixed-finance developments.
Total Number of Households Served	PHA projected serving a total of 29,097 households in all programs by end of Year Five.	A total of 31,992 households were served by the end of Year Five (Table 2-2). PHA exceeded its projection by 2,895 households.
Number of Households Served in Public Housing Program	PHA projected serving a total of 14,247 households in the Public Housing Program by the end of Year Five. This projection represents a 2,069 increase over the Baseline Year.	A total of 14,908 households were served in the Public Housing Program including Conventional, Scattered, Low-Income Housing Tax Credit and Alternative Managed Entities (AME) properties by the end of Year Five. (Table 2-2).
Number of Households Served in HCV Program	PHA projected serving 14,850 households in the MTW HCV Program by the end of Year Five.	PHA met the projection of serving 14,852 households through its MTW Housing Choice Voucher Program by the end of Year Five (Table 2-2). A total of 17,084 households were served in the HCV Program.
Section 3: Occupancy and Admissions Policies		
Eligibility, Screening	Conduct criminal record checks, credit checks and other screening as specified in PHA's occupancy policies.	PHA has implemented these procedures for Housing Choice Voucher and Public Housing Programs consistent with approved policies.
	Revise ACOP and Administrative Plans to reflect MTW and related policy and procedural changes.	PHA completed a revision to the HCV Administrative Plan and the Public Housing Admissions and Continued Occupancy Policy (ACOP). Trained staff on the revised Policies.
Deconcentration	Develop a housing search component for families in the Housing Choice Voucher Program (Section 8).	PHA entered into an agreement with a non-profit organization to provide mobility counseling to people with disabilities and relocated public housing residents.
Homeownership	Integrate all homeownership components into MTW Family Program.	All PHA homeownership programs are now coordinated through the PHA Homeownership Division.
		PHA's Homeownership Division assisted over 1,300 PHA program participants in completing Homebuyer Workshops.

Table 1-1. Philadelphia Housing Authority's MTW Year Five Report Summary.

Target Area of MTW Plan	Proposed MTW Activities for Year Five	Progress Achieved through MTW Year Five
Recertification	<p>Begin planning to restructure the annual and interim review processes in public housing, conduct recertifications every three years for households that select flat rents; every two years for all other households.</p> <p>Conduct recertifications every two years for Housing Choice Vouchers participants.</p> <p>Change interim recertification requirements. Revise administrative plan and ACOP to reflect new recertification process.</p>	<p>The Board approved a new rent simplification system in December 2003. Implementation of revised ceiling rents and a new minimum rent is now in effect. The new two-year recertification system for Public Housing has been implemented as part of an overall rent simplification plan in Year Five.</p> <p>Implementation of two-year recertifications has begun. HCV participants are now on a two-year recertification cycle.</p> <p>The Administrative Plan and ACOP were revised in December 2005 to reflect new interim recertification policies.</p>
Market-Based Flat Rent	<p>Begin development of a market-based rent cap schedule.</p> <p>Implement option of flat or income-based rents and maintain ceiling rents in some instances.</p>	<p>PHA elected to implement new revised ceiling rents beginning in August 2004. The revised ceiling rents are based on a percentage of HCV Fair Market Rents and were approved by the Board in Year Three.</p> <p>Residents are offered a choice of income-based rent or ceiling rent.</p>
Project-Based Housing	<p>Revise Admin Plan to allow PHA to refer applicants on the public housing waiting list to project-based voucher units.</p>	<p>Administrative Plan has been revised to reflect new policies.</p>
Section 4: Changes in Housing Stock		
Total Program Utilization	<p>PHA projected a total utilization of 29,097 public housing units and vouchers under all programs by end of Year Five.</p>	<p>Total program utilization including public housing and vouchers equated 32,723 units at the end of Year Five (Table 4-1).</p>
Number of Public Housing Units In Use	<p>PHA projected having 14,247 units in use in the public housing program by end of Year Five.</p>	<p>A total of 13,943 public housing units were in use by the end of Year Five, representing an increase of 1,519 units (12%) over the baseline year.</p>
HCV Budget Utilization	<p>PHA projected utilizing 100% of HCV budget authority.</p>	<p>PHA met this objective.</p>
MTW HCV Tenant Based Voucher Utilization	<p>PHA projected utilizing 14,850 tenant based vouchers in the MTW-HCV program by the end of Year Five.</p>	<p>A total of 14,850 tenant-based vouchers were used in the MTW HCV program by the end of Year Five (Table 4-1).</p>
MTW Activity Vouchers	<p>PHA projected using 2,047 MTW Activity vouchers by the end of Year Five.</p>	<p>PHA utilized 2,147 vouchers by the end of Year Five (Table 4-1)</p>
Non-MTW Voucher Utilization	<p>PHA projected using 1,079 non-MTW vouchers.</p>	<p>PHA utilized a total of 1,032 non-MTW vouchers (Table 4-1).</p>

Table 1-1. Philadelphia Housing Authority's MTW Year Five Report Summary.

Target Area of MTW Plan	Proposed MTW Activities for Year Five	Progress Achieved through MTW Year Five
Section 5: Sources and Amounts of Funding		
Funding Available	PHA projected available funding of \$343,171,284 through Dwelling Rental Income, Operating Subsidy, MTW Block Grant, Capital Subsidy including RHF and Interest Income.	PHA's actual funding was \$328,406,781. This reduction was a result of decreases in the Dwelling Rental Income, Operating Subsidy and Capital Subsidy/RHF accounts. Note that Interest Income/Other exceeded projections by \$1,075,129 (Table 5-1).
Section 6: Uses of Funding		
Increase number of affordable units	PHA projected funding of additional affordable housing units through MTW flexibility.	Completed construction of 125 homeownership units at Greater Grays Ferry Phase II and the final 103 rental units in Greater Grays Ferry Phase II.
		Completed construction of 40 rental units at Cambridge Plaza III
		Completed 237 units adapted for mobility-impaired households
		Completed construction of 74 of 80 Phase II rental units at Lucien E. Blackwell Homes
		Completed 75% of modernization construction activity involving 133 units at Germantown House
		Assumed the developer role for 90 unit homeownership program at Martin Luther King Plaza Phase II and rental Phase IV. Completed construction of 42 Phase IV rental units,
Reduce Administrative Costs	Continue Enterprise Resource System (PeopleSoft) Implementation.	General Ledger, Accounts Payable, Inventory, HRMS/Payroll/Time and Labor, and Purchase Order, Project Costing, Grants Management, Asset Management and Help Desk modules implemented and upgraded. Other applications of the PeopleSoft (CRM) Customer Relations Management module including client, correspondence, field service, and independent customer database tracking systems such as incident, investigations, quality of life, risk management and environmental tracking systems are under development.
	Develop alternative procurement policy.	PHA submitted alternative procurement policy to HUD which was approved.

Table 1-1. Philadelphia Housing Authority's MTW Year Five Report Summary.

Target Area of MTW Plan	Proposed MTW Activities for Year Five	Progress Achieved through MTW Year Five
	Revise PHA's ACOP for two-year recertifications or three-year recertification if public housing tenants elect flat rent.	PHA's Board has approved a new rent simplification system including two and three year recertification cycles. Implementation was initiated in late 2004. The ACOP has been revised to incorporate these changes.
	Conduct management assessments to improve processes and efficiency in human resources, including enhancements of employee training and recruitment.	Completed review of HR's filing systems and management practices to enhance the application of the PeopleSoft system.
		An Office of Strategic Management has been established to further improve quality in the area of operations and administration management. This office is comprised of Program Management, Agency Services, and Quality Assurance, and staffed with qualified subject matter experts to assist in improving overall operations.
		Upgraded Peoplesoft HRMS to greater enhance Human Resources' functions such as payroll, timekeeping and records management.
	Initiate management assessment of finance operations.	PHA's Fiscal Year 2004 audit was completed with no findings.
		PHA initiated new financial closing, reporting and quality control procedures.
	Initiate an organizational development review to improve employee communication and staff capacity.	PHA has implemented new HCV Quality Initiatives and there is on-going training of the Quality Control staff.
		PHA implemented new help desk, CRM and Enterprise Portal applications.
		PHA implemented comprehensive staff training to support regulatory compliance and full use of new software and upgraded applications.
	Initiate a Customer Relations Management Program to improve communications and services to residents.	Hired a consultant to assist with the implementation of the Customer Relations module application for the Call Center.
		Completed work and staff training on CRM knowledge databases for HCV and public housing programs.
		Commenced work on CRM knowledge database for procurement.
		The Housing Choice Voucher Program implemented a "Help Desk" in the PeopleSoft CRM Software application that facilitates responses to client and/or general public inquiries related to PHA policies and procedures. The "Help Desk" will function as a central point through which inquiries can be made, managed and coordinated.
	Initiate a management assessment of contracting and procurement methodology to increase efficiency and cost effectiveness.	Instituted statistical contract administration reporting to identify and monitor contracts and task orders for services and construction.

Table 1-1. Philadelphia Housing Authority's MTW Year Five Report Summary.

Target Area of MTW Plan	Proposed MTW Activities for Year Five	Progress Achieved through MTW Year Five
		Recent OIG audit of PHA construction contract administration resulted in no findings of non compliance or misappropriation.
	Enhance staff recruitment and training.	PHA implemented new Quality Initiatives including hiring of organizational development experts to review and improve processes and procedures.
		The Computer-Based Training module regarding eligibility was implemented and introduced to staff to learn the different menus of the CCS system. Over the next year, PHA will expand the module to include leasing and recertifications.
		Trained Finance Staff in preparation for 2004 audit.
		Conducted extensive training of HCV staff in regards to third party verifications, quality control, Rental Integrity Monitoring (RIM) standards, program eligibility, etc.
		Conducted IREM Tax Credit Compliance training for PHA staff.
		Maintenance staff received training in Lead Safe Work Practices.
		Expanded training on PeopleSoft applications.
	Automate Housing Assistance Payments.	Landlords now receive payments through Direct Deposit.
Section 7: Capital Planning and Development		
Homeownership Activities	Expand Housing Choice Voucher Homeownership Demonstration Program. Integrate all homeownership programs (Turnkey III, 5(b) Housing Choice Voucher, mixed-financing ownership) under one umbrella for single point of access for all prospective homeowners, and prepare plan for development of a lease/purchase homeownership option.	Twenty-two (22) PHA households became homeowners in Year Five of which 5 were disabled families under PHA's Housing Choice Voucher Program. Under this program a total of one-hundred and five (105) PHA households have become homeowners. All homeownership activities are coordinated by PHA's Homeownership Division.
Revitalize Neighborhoods	Continue implementation of Asset Management and Development Strategy in scattered sites. Implement revitalization activities at Cambridge Plaza. Implement revitalization activities at Richard Allen Homes.	In the process of acquiring, demolishing and/or rehabilitating scattered site properties in accordance with the adopted plan. Phase III. Completed construction of 40 rental units and started the place-in-service process. Completed construction of \$2.1 million site perimeter fence and security upgrades at the community center.

Table 1-1. Philadelphia Housing Authority's MTW Year Five Report Summary.

Target Area of MTW Plan	Proposed MTW Activities for Year Five	Progress Achieved through MTW Year Five
	Implement revitalization activities at Martin Luther King Plaza.	PHA completed construction of 42 Phase IV rental units and completed the financial closing on these units.
	Implement revitalization activities at Lucien E. Blackwell Homes (formerly Mill Creek).	PHA completed the construction of a 67-unit senior residence and the units are fully occupied.
	Implement revitalization activities at Greater Greys Ferry Estates (formerly Tasker Homes).	Phases I and II: completed construction of 348 rental units; almost all the units are leased. Also completed 125 Homeownership units for sale by the Homeownership Division
	Implement modernization activities at Wilson Park.	Completed expansion of the existing community center to provide enhanced community social/meeting areas along with management facilities.
	Retrofit units for mobility impaired households.	PHA has completed 237 units for the mobility-impaired households to date. The Adapt project was successfully completed in November 2005 and is fully occupied by the residents requiring these features.
Section 8: Management Information for New/Managed Housing Reduce Vacancy Rates	Achieve reduction in actual and adjusted vacancy rates.	PHA met these objectives, reducing the actual vacancy rate from 13.67% in Year Four to 11.59% in Year Five. The adjusted vacancy rate of 6.67% in Year Four was reduced to 5.74% at the end of MTW Year Five.
Timely Response to Work Orders	Achieve 100% 24-hour turnaround time for emergency work orders; achieve average six-day turnaround time for non-emergency work orders.	PHA responded to 100% of emergency work orders within 24 hours. PHA achieved an eighteen-day average turnaround time for non-emergency work orders.
Rent Collections	Reduce percentage of uncollected rents to 5.5%.	PHA achieved a reduction in the percentage of uncollected rents from 4.34% at end of Year Four to 3.53% in Year Five.

Table 1-1. Philadelphia Housing Authority's MTW Year Five Report Summary.

Target Area of MTW Plan	Proposed MTW Activities for Year Five	Progress Achieved through MTW Year Five
Inspections	Inspect 100% of all housing units.	PHA met this objective, inspecting all conventional, scattered site and AME units.
Rent Simplification	Implement simplified rent system.	PHA has implemented minimum rents and revised ceiling rents in the HCV program and the Public Housing Program
Tax Credit Compliance	Comply with all Low-Income Housing Tax Credit (LIHTC) milestones.	PHA met this objective.
Security	Continue community policing activities: Establish Police Advisory Board.	PHA continued to implement community policing activities at developments throughout the City. The Board is established and has met several times. The Board consists of residents, members of TSSI and PHA staff.
Section 9: Management Information for Leased Housing		
Utilize MTW Tenant Based Vouchers	Achieve utilization of 14,850 MTW tenant-based vouchers.	PHA met this objective, leasing 14,850 MTW tenant-based vouchers.
Reduce homelessness	Support citywide initiatives to reduce homelessness and promote supportive services to needy residents.	PHA expanded the Blueprint To End Homelessness initiative by providing 400 housing opportunities plus 50 additional Family Unification vouchers.
		PHA provided 500 vouchers to support households moving from homelessness and transitional housing through the Good Neighbors Make Good Neighborhoods initiative in partnership with the City since Year Three.
	Provide supportive housing options.	PHA continued operations of the Supportive Housing Program to provide life skills and case management services to formerly homeless households. During Year Five, PHA assisted 300 households.
Unit Based Program	Implement Unit-Based program.	PHA issued an RFP, solicited proposals and awarded more than 929 vouchers under this initiative through MTW Year Five.
Time Limits on Participation	Implement time limits on HCV participation.	PHA continued to implement seven-year time limit for non-exempt households.
Rent Simplification	Implement two-year recertifications and rent simplification system.	PHA continued to implement two-year recertification cycle. In Year 3, PHA developed and obtained Board approval of a new rent simplification system including HCV minimum rents and streamlined deductions. Implementation activities occurred throughout Year Five.
Tenant Responsibility	Implement Tenant Responsibility Training for all HCV participants.	PHA continued to require participation in Tenant Responsibility Training at initial occupancy and recertification.

Table 1-1. Philadelphia Housing Authority's MTW Year Five Report Summary.

Target Area of MTW Plan	Proposed MTW Activities for Year Five	Progress Achieved through MTW Year Five
Community Relations	Establish Community Liaison function to enhance community relations and information.	PHA hired a Community Liaison to assist in resolving community complaints and responding to requests for public information.
Landlord Training	Require landlords to participate in training and program briefings.	PHA continued to partner with the Institute for Real Estate Management on mandatory landlord training sessions. IREM conducted 24 classes which were attended by over 720 property owners in Year Five. PHA also created a system to monitor all landlords on the program who have not taken the IREM course to inform them of the mandatory class.
Dislocated Workers Program	Develop a program to provide two-year temporary vouchers for rental or mortgage assistance for families with lost income due to layoffs or other hardships.	PHA developed partnership agreement with the PWDC. Implementation occurred in Year Four. Received and serviced 8 referrals from the Philadelphia Workforce Development Corporation since inception.
HQS Unit Inspections	Complete 100% of planned annual, pre-contract, and HQS Quality control inspections.	PHA met this objective.
Section 10: Resident Programs		
Family Self-Sufficiency Incentives	Require non-exempt households to develop self-sufficiency action plans.	To date, 7,252 HCV households have signed the Family Economic Development Action Plan (FEDAP).
	Assist households to reduce the need for rental assistance subsidy by increasing family incomes.	To date, 603 households have increased their income so that they no longer require HCV subsidies
	Implement "Family Self-Sufficiency" career centers.	PHA continued to operate the Family Self-Sufficiency North Center at Blumberg. To date, the Self-sufficiency center has served 7,748 residents.
	Provide education, life skills and employment training to residents.	PHA continued to operate the Pre-Apprenticeship Training Program. Sixty residents graduated from the program last year.
		PHA entered into partnership agreements with six training providers through the Community Partners program. Services commenced in Year Four.
		PHA continued to sponsor the Certified Nursing Assistants (CNA) Program. A total of 55 PHA residents graduated from this program in MTW Year Five. To date, over 90% of these graduates have obtained employment as Certified Nursing Assistants.
	Provide health care assistance and enrichment to seniors.	Expanded services to seniors including the partnership with St. Agnes Continuing Care Center which will provide services to nursing-home eligible seniors.
Resident Survey	Develop and implement a Resident Satisfaction Survey.	PHA completed the survey involving 599 door-to-door surveys. Results of survey are included in Section 10 Resident Programs of this Annual Report.

MOVING TO WORK YEAR FIVE REPORT
PART TWO: PLAN VS ACTUALS

SECTION 2: HOUSEHOLDS SERVED

This section provides information about the types of units and the characteristics of families served by the Philadelphia Housing Authority (PHA) in the MTW Baseline Year and Year Five in Public Housing (Conventional Scattered Sites, Low-Income Housing, Tax Credit, and Alternative Management Entities Properties) and the Housing Choice Voucher (HCV) Program, formerly known as the Section Eight Voucher Program.

A. Number and Characteristics of Households Served

In PHA's Year Five Plan, PHA projected serving a total of 29,097 households by the end of Year Five. PHA served a total of 31,992 households, exceeding its Year Five total projection by 10%. Also, the total number of households served in Year 5 represents an increase of 7,390 households or a 30% increase over the number of households served (24,602) in the Baseline Year.

1. Unit Size of PHA Households.

The Baseline Year unit sizes for PHA households are presented in Table 2-1, followed by Year Five. The number of households by bedroom size increased in almost all categories over the number provided in the Baseline Year.

Table 2-1. Baseline Year Number and Unit Size for All PHA Households.

Housing Type/ Program	Efficiency	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Six Bdrm	Total
Conventional	499	1,580	2,756	2,335	517	89	8	7,784
Scattered Sites	0	34	531	2,327	663	602	237	4,394
HCV Housing	506	2,152	3,169	5,434	918	195	50	12,424
Program Total	1,005	3,766	6,456	10,096	2,098	886	295	24,602
Distribution %	4%	15%	26%	41%	9%	4%	1%	100%

Source: PHA CCS. October 1, 2001.

Table 2-2. Year Five. Number and Unit Size for All PHA Households.

Housing Type/Program	Efficiency	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Six Bdrm	Total
Conventional	334	1,896	2,958	2,715	627	82	10	8,622
Scattered Sites	0	61	516	2,232	578	540	208	4,135
LIHTC ¹	0	355	311	291	83	2	0	1,042
HCV Housing	491	2,753	4,207	7,693	1,380	560	0	17,084
Program Total	825	5,065	7,992	12,931	2,668	1,184	218	30,883
Distribution %	3%	16%	26%	42%	9%	4%	<1%	100%

Source: PHA CCS. March 31, 2006.

¹Low-Income Housing Tax Credit (LIHTC) properties. An additional 1,109 households are served at the Alternative Management Entities (AME) properties. Demographic data for these residents is not available. Total Households Served = 31,992

2. Composition by Family Type of PHA Households.

The number and type of households served by PHA in MTW Baseline Year and Year Five are presented in Tables 2-3 and Table 2-4. Family households continue to represent the majority of households served by PHA in Year Five. Elderly and disabled households represented 19% and 24% of the remaining households served respectively.

Table 2-3. Baseline Year Composition by Family Type for All PHA Households.

Housing Type/ Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Program Totals	Percent Program Totals
Conventional	4,121	53%	2,168	28%	1,495	19%	7,784	100%
Scattered Sites	2,240	51%	1,058	24%	1,096	25%	4,394	100%
HCV Housing	8,186	66%	1,430	12%	2,808	22%	12,424	100%
Program Totals	14,547	59%	4,656	19%	5,399	22%	24,602	100%

Source: PHA CCS, October 1, 2001.

Table 2-4. Year Five Composition by Family Type for All PHA Households.

Housing Type/ Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Program Totals	Percent Program Totals
Conventional	4,514	52%	2,168	25%	1,940	23%	8,622	100%
Scattered Sites	2,033	49%	1,147	28%	955	23%	4,135	100%
LIHTC ¹	552	53%	346	33%	144	14%	1,042	100%
HCV	10,443	61%	2,170	13%	4,471	26%	17,084	100%
Program Total	17,542	57%	5,831	19%	7,510	24%	30,883	100%

Source: PHA CCS, March 31, 2006.

¹Low-Income Housing Tax Credit (LIHTC) properties. An additional 1,109 households are served at the Alternative Management Entities (AME) properties. Demographic data for these residents is not available. Total Households Served = 31,992

3. Income Groups

The income groups for PHA households in the MTW Baseline Year and Year Five are presented in Tables 2-5 and 2-6. The vast majority of PHA residents have incomes below 30% of the area median income ("AMI") level. PHA continued to meet the MTW Demonstration Agreement requirement that at least 75% of the families assisted under MTW be very low-income families. In Year Five, the percentage of families with incomes below 30% of median increased to 99% from 81% in the Baseline Year.

Table 2-5. Baseline Year Income Levels for All PHA Households.

Housing Type/ Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Conventional	6,488	978	255	63	7,784
Scattered Sites	3,391	668	263	72	4,394
HCV Housing	10,101	1,916	387	20	12,424
Program Totals	19,980	3,562	905	155	24,602
Percentage	81%	14%	4%	<1%	100%

Source: PHA CCS. October 1, 2001.

Table 2-6. Year Five Income Levels for All PHA Households.

Housing Type/ Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Conventional	8,622	0	0	0	8,622
Scattered Sites	4,135	0	0	0	4,135
LIHTC ¹	775	241	24	2	1,042
HCV Housing	17,084	0	0	0	17,084
Program Totals	30,616	241	24	2	30,883
Percentage	99%	<1%	<1%	<1%	100%

Source: PHA CCS. March 31, 2006.

¹Low-Income Housing Tax Credit (LIHTC) properties. An additional 1,109 households are served at the Alternative Management Entities (AME) properties. Demographic data for these residents is not available. Total Households Served = 31,992

4. Program/Housing Types for All PHA Households

PHA housing by program types for MTW Baseline and Year Five are presented in Tables 2-7. The total number of households increased over the Baseline Year by 30% in Year Five. A significant increase was observed in the number of PHA households funded under the Housing Choice Voucher Program, which increased by 38% over the Baseline Year. The number of households served under the Low-Income Housing Tax Credit (LIHTC) also increased.

Table 2-7. Baseline Year and Year Five Program/Types for All PHA Households.

Housing Type/Program	Baseline Year		Year Five	
	Total	%	Total	%
Conventional	7,784	32%	8,622	28%
Scattered Sites	4,394	18%	4,135	13%
LIHTC ¹	0	0%	1,042	3%
HCV Housing	12,424	50%	17,084	55%
Program Total	24,602	100%	30,883	100%

Source: PHA CCS. October 1, 2001; March 31, 2006.

¹Low-Income Housing Tax Credit (LIHTC) properties. An additional 1,109 households are served at the Alternative Management Entities (AME) properties. Demographic data for these residents is not available. Total Households Served = 31,992

5. Races and Ethnicity

Tables 2-8 and 2-9 present the race/ethnicity of Heads of Households of PHA residents in the MTW Baseline and Year Five. African-Americans continue to represent the majority of households served by PHA (89%), followed by white (7%) and Hispanic (4%) households.

Table 2-8. Baseline Year Race/Ethnicity for All Heads of PHA Households.

Housing Type/Program	African-American	White	Hispanic	Asian/Pacific Island & Native American	Other	Total
Conventional Housing	7,425	252	90	14	3	7,784
Scattered Sites	3,901	37	448	5	3	4,394
HCV Housing	10,765	1,129	337	115	78	12,424
Program Totals	22,091	1,418	875	134	84	24,602
Percentage Distribution	90%	6%	4%	<1%	<1%	100%

Source: PHA CCS. October 1, 2001.

Table 2-9. Year Five Race/Ethnicity for All Heads of PHA Households.

Housing Type/Program	African-American	White	Hispanic	Asian/Pacific Island & Native American	Other	Total
Conventional Housing	8,242	206	145	5	15	8,613
Scattered Sites	3,730	30	366	3	5	4,134
HCV Housing	14,390	1,819	595	94	173	17,071
LIHTC ¹	1,017	7	13	1	0	1,038
Program Totals	27,379	2,062	1,119	103	193	30,856
Percentage Distribution	89%	7%	4%	<1%	<1%	100%

Source: PHA CCS. March 31, 2006.

¹Low-Income Housing Tax Credit (LIHTC) properties. An additional 1,109 households are served at the Alternative Management Entities (AME) properties. Demographic data for these residents is not available. Total Households Served = 31,9922

B. Changes in Tenant Characteristics.

The demographic characteristics of PHA families have significantly diversified since the baseline year. Currently, PHA serves 1,119 Hispanic families, which is an increase from the baseline year of 28%.

C. Changes in the Waiting List Numbers and Characteristics.

This section provides information about the types of units and the characteristics of families on the PHA Waiting List for housing units in MTW Year Five at Public Housing (both conventional and scattered sites) and with the Housing Choice Voucher Program, formerly known as the Section 8 Program.

At the end of Year Five, the waiting lists contained 30,314 applicant households, reflecting the strong need for affordable housing in Philadelphia. The number of applicants on the waiting list for HCV Housing/Housing Choice Vouchers decreased significantly, reflecting the high level of voucher issuance and leasing activity that occurred over the past few years.

Income levels of applicants for public housing are likely to remain constant with the vast majority of applicants below 30% of the Area Median Income adjusted for family size. PHA will continue efforts to increase the inventory of housing units available for both public housing and the HCV Program. The number of applicants on the waiting list is anticipated to decline over the course of PHA's participation in MTW as PHA purges the lists and makes more efficient use of available vouchers.

PHA's waiting lists reflects the lack of affordable housing options available to extremely low-income households. In reviewing the City's Consolidated Plan, which estimates the number of extremely low-income households at 153,302, PHA can anticipate continued strong demand from this demographic group.

While these increases are consistent with PHA's mission and the MTW Agreement requirements to serve a minimum of 75% very low-income households, they do pose challenges to PHA and other community agencies in promoting economic self-sufficiency. There are no ready and easy answers to these difficult and often intractable problems; however, to date, PHA has achieved some significant successes in assisting these households through the Moving to Employment ("MTE") program and other initiatives. For example, in the first 36 months of MTE, 218 households increased their incomes so that they no longer needed HCV subsidies. Additionally, since April 2003, 10,693 households have signed MTW Family Agreements. PHA will continue its ambitious programs in partnership with community partners to help PHA households achieve economic self-sufficiency. Recognizing that PHA's limited resources can only address a small portion of the overall challenge, PHA will also continue to advocate for additional resources needed to end persistent poverty and to forge creative partnerships designed to bring new resources to our residents and communities.

1. Unit Size Need by Waiting List Applicants.

Table 2-11 indicate that efficiency, two and three bedroom units are the most sought units; furthermore Tables 2-10 and 2-11 indicate that more applicant households are on the Waiting List for Public Housing than HCV Housing in comparison to the numbers presented in the Baseline Year.

Table 2-10. Baseline Year Composition by Bedroom Size Need for All Waiting List Applicants for PHA Housing.

Housing Type/Program	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Six Bedroom	Not Specified	Total
Public Housing	255	3,760	662	106	12	5	2,391	7,191
HCV Housing	176	3,297	1,720	343	55	7	12,989	18,587
Program Total	431	7,057	2,382	449	67	12	15,380	25,778
Percentage Distribution	2%	27%	9%	2%	<1%	<1%	60%	100%

Source: PHA CCS. October 1, 2001.

**Table 2-11. Year Five Composition by Bedroom Size Need
for All Waiting List Applicants for PHA Housing.**

Housing Type/Program	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Six Bedroom	Total
Public Housing	6,622	1,933	12,432	6,334	989	149	19	28,378
HCV Housing	<u>1,092</u>	<u>107</u>	<u>1,416</u>	<u>1,213</u>	<u>291</u>	<u>43</u>	<u>5</u>	<u>1,936</u>
Program Totals¹	7,714	2,040	12,539	6,525	1,280	192	24	30,314
Percentage Distribution	25%	7%	41%	22%	4%	<1%	<1%	100%

Source: PHA CCS. March 31, 2006.

¹An additional 6,863 households are on the site-based waiting lists for Alternative Management Entities (AME) properties. Demographic data for these residents is not available.

2. Composition by Family Type of Waiting List Applicants.

Tables 2-12 and 2-13, indicate that the majority of applicants on the waiting lists are families (74%), followed by disabled (20%), and elderly (6%).

Table 2-12. Baseline Year Composition by Family Type for All Waiting List Applicants for PHA Housing.

Housing Type/Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Total	Percent Program Totals
Public Housing	4,265	59%	258	4%	2,668	37%	7,191	100%
HCV Housing	13,246	71%	1,645	9%	3,696	20%	18,587	100%
Program Totals	17,511	68%	1,903	7%	6,364	25%	25,778	100%

Source: PHA CCS. October 1, 2001.

Table 2-13. Year Five Composition by Family Type for All Waiting Lists Applicants for PHA Housing.

Housing Type/Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Total	Percent Program Totals
Public Housing	21,283	75%	1,361	5%	5,834	20%	28,478	100%
HCV Housing	2,872	69%	487	12%	808	19%	4,167	100%
Program Totals	24,155	74%	1,848	6%	6,642	20%	32,645	100%

Source: PHA CCS, March 31, 2006.

¹An additional 6,863 households are on the site-based waiting lists for Alternative Management Entities (AME) properties. Demographic data for these residents is not available.

3. Income Levels of Waiting List Applicants

In the Baseline Year, 77% of applicant households were below 30% of area median income ("AMI"). As of March 31, 2006, the percentage of households below 30% AMI increased to 100%.

Table 2-14. Baseline Year Income Levels for All Waiting List Applicants for PHA Housing.

Housing Type/Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Public Housing	6,450	618	115	8	7,191
HCV Housing	<u>13,514</u>	<u>3,483</u>	<u>1,244</u>	<u>346</u>	<u>18,587</u>
Program Totals	19,964	4,101	1,359	354	25,778
Percentage	77%	16%	5%	<2%	100%

Source: PHA CCS, October 1, 2001.

Table 2-15. Year Five Income Levels for All Waiting List Applicants for PHA Housing.

Housing Type/Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Public Housing	28,478	0	0	0	28,478
HCV Housing	4,167	0	0	0	4,167
Program Totals¹	32,645	0	0	0	32,645
Percentage	100%	0%	0%	0%	100%

Source: PHA CCS, March 31, 2006.

¹An additional 6,863 households are on the site-based waiting lists for Alternative Management Entities (AME) properties. Demographic data for these residents is not available.

4. Program/Housing Type Requested by Waiting List Applicants.

Table 2-16. Baseline Year and Year Five Program/Types for All Waiting List Applicants for PHA Housing.

Housing Type/Program	Baseline Year		Year Five	
	Total	%	Total	%
Public Housing	7,191	28%	28,478	87%
HCV Housing	<u>18,587</u>	72%	4,167	13%
Program Total	25,778	100%	32,645	100%

Source: PHA CCS. October 1, 2001; March 31, 2006.

¹An additional 6,863 households are on the site-based waiting lists for Alternative Management Entities (AME) properties. Demographic data for these residents is not available.

5. Race/Ethnicity of Waiting List Applicants

The racial/ethnic composition of household applicants remained relatively unchanged. PHA plans to continue its outreach to Hispanic and other non African-American minorities to increase ethnic diversity.

Table 2-17. Baseline Year Composition by Race/Ethnicity for All Waiting List Applicants for PHA Housing.

Program Type	African-American	White	Hispanic	Asian, Pacific Island & Native American	Other	Total
Public Housing	6,676	223	216	35	41	7,191
HCV Housing	15,425	1,961	558	72	571	18,587
Total	22,101	2,184	774	107	612	25,778
Percentage of Total	86%	8%	3%	<1%	2%	100%

Source: PHA CCS. October 1, 2001.

Table 2-18. Year Five Composition by Race/Ethnicity for All Waiting List Applicants for PHA Housing.

Program Type	African-American	White	Hispanic	Asian, Pacific Island & Native American	Other	Total
Public Housing	25,018	1,059	1,976	85	92	28,230
HCV Housing	3,573	433	85	8	55	4,154
Total	28,591	1,492	2,061	93	147	32,384
Percentage of Total	88%	5%	6%	<1%	<1%	100%

Source: PHA CCS. March 31, 2006.

¹An additional 6,863 households are on the site-based waiting lists for Alternative Management Entities (AME) properties. Demographic data for these residents is not available.

D. Impact of MTW on Households Served.

The total number of households served has increased significantly under MTW from 24,602 households at the MTW Demonstration Program initiation to 31,992 at the close of Year Five.

SECTION 3: ADMISSIONS AND OCCUPANCY POLICIES

A. Changes in Concentration of Lower-Income Families by Program.

Deconcentration – Under the Year One Plan, PHA proposed efforts to raise the income of current residents, attract a greater mix of incomes through expanded and integrated community policing and lease enforcement efforts, improve conditions in developments and communities where PHA housing exists, and avoid concentrations of low-income residents. This has proven difficult, as Philadelphia has suffered a population decline for many years, with the largest losses at the middle and higher income levels.

Under the Year Two Plan, PHA began to integrate all homeownership programs, including homeownership in the HOPE VI mixed-finance developments, into the MTW Family Program. An essential component of two HOPE VI housing revitalization efforts are to increase economic diversity and expand participation in PHA initiatives. The Falls Ridge (formerly Schuylkill Falls) and Martin Luther King HOPE VI developments seek to increase the diversity of participants in MTW initiatives by offering market rate units.

In Year 3 PHA broke ground for the Lucien E. Blackwell development (formerly Mill Creek), which continues the strategy of integrating homeownership and rental using tax credit financing. Lucien E. Blackwell units will also be offered in settings that are less dense and rely on significant off site opportunities.

Currently, assisted homeownership programs are limited to households typically earning no more than 80% of median income. The goal is to establish mixed-income communities in neighborhoods where severely distressed housing developments formerly existed. In past MTW Years, PHA proposed homeownership opportunities for households with incomes up to 150% of median income at the Martin Luther King and Falls Ridge HOPE VI sites. In the Year 3 Plan approval HUD declined to approve this option, therefore PHA will provide housing opportunities in accordance with limits prescribed by the regulations and did not provide housing opportunities to those households with incomes greater than 80% of median income.

PHA's MTW Family Program is intended to increase incomes of families currently using PHA housing assistance. In Year 5 PHA continued to offer the pre-apprenticeship, nursing and health administration programs to families in public housing. These programs are designed to provide existing residents with the skills to enter the construction and health fields. Additional programs are daycare training, GED preparation, job placement, certified food handler, home maintenance and repair, youth development, and hospitality industry training, offered by new and existing Community Partners.

In MTW Year 5 significant activity was initiated in the Community Partners Program, following the procurement process to obtain partners in the previous year. This program is directed toward establishing service, job-training, and job opportunity partnerships for PHA residents. Initially families served by the Community Partners Program were HCV clients. PHA expanded the Community Partners into public housing and HOPE VI residents during Year 5. PHA expects that the increase in training and employment options provided by Community Partners will contribute to the deconcentration of poverty.

In Year 5 PHA developed 40 units in Phase I and 25 Units in Phase II for Homeownership in the Lucien E. Blackwell development. These are the highest quality homes, built by PHA, a national leader in affordable housing. All homes at Blackwell feature a driveway for off street parking, central air conditioning, plush carpeting, garbage disposal, dishwasher, washer-dryer hook-ups, cable and telephone outlets in each bedroom and living room. PHA has created wealth for low and moderate-income residents through homeownership opportunities. Sixty-five (65) units were sold during MTW year 5.

In Year 5 PHA constructed 125 homeownership units for sale at the Greater Grays Ferry Estates. Greater Grays Ferry Estates has all the beauty and security of a newly built development, while connecting with the wider neighborhood. One hundred and twenty (120) units were sold and 5 units were leased to former Tasker relocated residents through PHA's the lease-to-purchase program.

In Year 5 PHA opened its third site for homeownership at the Martin L. King Development. Ninety (90) units will be available for sale; the first units came on line in April 2006. The last of the seventy-six (76) units are due to come on line by August 2006 and fourteen (14) additional units by November 2006. As of March 31st 2006, there were sixty (60) units under Agreement of Sales.

PHA initiated mobility counseling activities in Year 3. PHA continued to provide relocation assistance to families relocating as a result of HOPE VI and other revitalization programs. The relocation process and support provided to families by PHA has also contributed to deconcentration.

Expanded and integrated community policing and lease enforcement efforts are intended to improve conditions in developments and communities where PHA housing exists and to attract a greater mix of incomes.

PHA adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty and minority concentration. Supportive services and training are provided to certificate and voucher holders who are interested and are seeking housing opportunities in other areas.

B. Changes in Rent Policy.

Rent Simplification -- Incentives to Promote Family Self-Sufficiency. In Year 3 PHA adopted Rent Simplification as part of a comprehensive program in public housing and HCV to restructure the rent computation process and change the annual and interim review processes. The PHA Board adopted the rent simplification package in January of 2004 after a long period of public and resident meetings. (PHA held two public hearings and approximately 50 other meetings with resident groups.) The Rent Simplification Program for Public Housing includes the following:

- Retains the income exclusions required by other federal legislation.
- Self-certification of assets and asset income at initial occupancy and at recertification with the first \$500 of asset income excluded from the calculation of annual income.
- Elimination of the existing deductions and creation of one new deduction of

- \$500 for working families.
- Changes in the calculation of Annual Income for elderly and disabled households with Medicare/Medicaid/health insurance payments, the full amount of the health insurance payments will be deducted from income prior to the calculation of the rent.
- Calculation of the total tenant payment with a reduced percentage of monthly adjusted income using a tiered formula based on family size:
 - Household Size 1 – 2 persons: Rent is 28% of adjusted monthly income
 - Household Size 3 – 4 persons: Rent is 27% of adjusted monthly income
 - Household Size 5+persons: Rent is 26% of adjusted monthly income
- Maintenance of the current program for application of utility allowances
- Recertification for all families once every 24 months.
- Ceiling rent families may be recertified every 36 months.
- Elimination of the need to report increases in income that occur between regularly scheduled recertifications, however, if income decreases between regularly scheduled recertifications, residents may still request an interim recertification.
- Requirement for PHA participants reporting zero income to document zero income every 90 days.
- After a 90-day grace period, a \$50 minimum rent will apply to families reporting zero income. The minimum rent will also apply to any tax credit units assisted by PHA.
- Households headed by or consisting of seniors or persons with disabilities are exempt from the minimum rent. Households headed by seniors or persons with disabilities that include non-senior, non-disabled members who are able to work will still be subject to the minimum rent.
- Establish a review board to examine any claim of hardship that results from rent simplification.
- Establish a phase-in period for rent increases in excess of \$50 that result from rent simplification. For rent increases in excess of \$50 rent will increase as follows: 50% of the increase will be applied at the time of the first reexamination under rent simplification and 50% will be applied one year after the first reexamination under rent simplification.
- Revision of the ceiling rent schedule and pegging of ceiling rent to a percentage of the HCV Fair Market Rent.

A similar package of changes was also adopted for the Housing Choice Voucher Program. PHA has completed implementation of the Rent Simplification Program.

Other Changes – PHA adopted an MTW transfer in Year 3. The transfer permits PHA to move a limited number of families from Public Housing to the HCV program and vice versa. Moves are limited to 50 families per year for each program (no more than 100 total moves per year). The transfer permits a more efficient response in certain situations such as request for witness protection and domestic violence.

Blueprint to End Homelessness – PHA revised its preference system to permit up to 300 families “graduating” from transitional housing facilities to obtain public housing or a housing voucher.

Adjusted Ceiling Rent adopted in lieu of Market-Based Flat Rent. In Year 3 PHA conducted preliminary studies on the rental values of public housing units using the HCV rent reasonableness model. However, the results were not consistent and PHA opted to use an adjusted ceiling rent

approach in lieu of the flat rents for public housing. New ceiling rents pegged to the FMR s were adopted as part of the rent simplification process described above.

PHA will continue to explore models for market-based rent caps based on quality, location, type and age of the unit as well as amenities available. PHA continues to keep this as an MTW initiative and if a workable model is found, PHA may adopt the approach in a future plan year.

SECTION 4: CHANGES IN HOUSING STOCK

A. Number of units in inventory by program.

Table 4-1. Number of Public Housing Units and HCV Vouchers
In Year Five.

Housing Programs	Baseline Year	Year Five Projection	Year Five Actual
	April 1, 2001	March 31, 2005	March 31, 2006
MTW Tenant-Based Vouchers	11,473	14,850	14,852
MTW Activity Vouchers	0	2,047	2,145
MTW Subtotal	11,473	16,897	16,997
Non-MTW Vouchers ¹	2	1,079	956
HCV Moderate Rehabilitation	949	751	846
Public Housing Units ²	12,178	14,247	14,908
TOTAL PHA UNITS	24,602	32,974	33,707

Source: PHA CCS, March 31, 2006.

¹Non-MTW Vouchers include special purpose vouchers for the Family Unification Program, Designated Housing, Stenton Arms, Kemble Park, Baynton Manor, Wayneview (opt-outs) and Mt. Olivert (relocation)

²Public Housing units include all occupied units at conventional, scattered sites, AME/tax credit sites.

B. Narrative Explanation of the Differences.

PHA exceeded its projection for the total number of vouchers in use at the end of Year Five by 100 vouchers (16,997) and by 5,524 vouchers from the base year (11,473), a 48% increase. The total actual number of public housing units (14,908) available for Year Five represent a 22% increase over the number of public housing units (12,178) available in the Baseline Year.

SECTION 5: SOURCES AND AMOUNTS OF FUNDING

A. Planned Versus Actual Funding Amounts.

Table 5-1 presents the budgeted and actual amounts and sources of funding received by PHA in FY 2005. Sources of funds include those funds previously designated for vouchers. Under MTW, voucher resources may be redirected to achieve the key objectives of the MTW Program.

Table 5-1. Summary of Sources and Amounts of Funding in Year Five.

Revenue Sources	FY 2005 Budget	FY 2005 Actual Funding
Dwelling Rental Income	\$17,702,625	\$16,959,852
Interest Income/Other	686,663	1,761,792
HCV MTW Block Grant	134,144,607	135,813,743
Capital Subsidy including Replacement Housing Factor ¹	78,798,164	74,374,572
Operating Subsidy	111,839,225	99,496,822
Total Revenues	\$343,171,284	\$328,406,781

¹ Includes Replacement Housing Funding.

B. Narrative Discussion of Differences.

The decrease in the operating subsidy was due to public housing authorities nationwide being funded at less than 100% or at 88.8%.

Decreased Dwelling Rental Income is the result of multiple increases in the utility allowances for scattered site residents resulting in a lower rent paid by the scattered site residents. The actual funding equals the net rent billed and does not include alternatively managed (AME) sites.

The increase in interest income was due largely to a higher rate of return on investments dictated by market forces.

The Capital Fund is formula driven based on standing units and needs. With fewer PHA standing units and therefore, decreases in the accrual needs and backlog, the resulting grant award contains fewer Capital dollars but more Replacement Housing funds for PHA. The Capital funds were also subject to reductions in the federal appropriations.

C. Consolidated Financial Statement for FY 2005.

Table 5-2. Summary of MTW Funds and Non-MTW Funds in Year Five.

Revenue Sources	FY 2005 Planned Budget	FY 2005 Actual
Dwelling Rental Income	\$17,702,625	\$16,959,852
Interest Income/Other	1,006,013	2,136,153
Section 8 Subsidy and Admin Fee	147,509,382	147,120,197
Capital Subsidy including Replacement Housing Factor	78,798,164	74,374,572
Operating Subsidy	111,839,225	99,496,822
Other Grants	1,461,756	976,528
Total Revenue	\$358,317,165	\$341,064,124

¹Subject to appropriation.

SECTION 6: USES OF FUNDS

A. Budgeted Versus Actual Expenditures.

Table 6-1. Planned Versus Actual Consolidated Budgets in Year Five.

Project	FY 2005 Budget	FY 2005 Actual
Public Housing	\$130,228,513	117,442,398
Capital Funds	78,898,164	74,374,572
Housing Choice Voucher Program	147,728,732	148,270,626
Other Grants	1,461,756	976,528
TOTAL	\$358,317,165	\$341,064,124

B. Narrative/Explanation of Uses of Funds.

PHA's Moving To Work Agreement envisions a streamlined annual planning and reporting process, which includes provision in each report of "budgeted vs. actual expenditures by line item." Throughout the term of PHA's MTW participation, PHA has provided this information through four line items: Public Housing, Capital Funds, HCV, and Other Grants. PHA's annual audit, which is submitted to HUD, includes a detailed accounting of these expenditures with a further breakdown of the line items in the annual MTW report. Accordingly, please refer to that audit for additional line item detail.

The flexibility of the Moving to Work Demonstration Program has allowed PHA to more effectively address the critical need for affordable housing in Philadelphia in a variety of new ways, and in addition to capital programs discussed in Section 7. PHA, for example, increased the number of families supported through the Housing Choice Voucher (HCV) Program to a total of 17,074 households.

As part of continuing efforts to use HCV vouchers to support neighborhood revitalization and economic mobility, PHA partnered with a range of organizations under its new Unit-Based Subsidy RFP program. This program uses MTW flexibility and allows qualified partners to request Housing Choice Vouchers, ACC, or other available PHA funds for the repair, rehabilitation, or construction of new units for neighborhood revitalization efforts. To date PHA has awarded 929 (412 new construction vouchers and 517 rehabilitation vouchers) to 37 vouchers qualified partners to support this initiative. Over 646 families now reside in 304 units constructed and 342 units rehabbed under this program.

Residents actively participated in various social service, literacy and economic self-sufficiency programs operated at Blumberg. Since opening the first Self-Sufficiency Center at Blumberg, PHA MTW Family Service staff and partners have served 7,748 residents. In the last five years of MTW, 603 households have increased their incomes so that they no longer need HCV subsidies.

PHA continued to operate the Pre-Apprenticeship Training Program initiative in partnership with building trade unions. Ninety-seven PHA residents graduated in the past year. During the thirteen cycles PHA has sponsored and placed over 41 graduates into the building trades; 22 carpenters, 3 painters, 9 electricians, 1 drywall finishers, 3 plasterers, 1 sheet metal workers, 2 operating engineers.

Last year, 55 PHA residents graduated from Professional Healthcare Institute's (PHI) Certified Nursing Assistant (CNA) Program. To date, 900 residents have graduated, of which over 90% obtained employment.

PHA continued its commitment to building the highest quality management staff through continued technical training and implementation of new streamlined procedures including quality control reviews. Extensive staff training efforts included training in Low-Income Housing Tax Credit Compliance, use of PeopleSoft applications, and Niku Project Management training.

In terms of technology investments, PHA has dramatically upgraded the use of computer technology to expedite and streamline customer service, management reporting and processing of daily transactions. Specifically, the Information Systems Management (ISM) Department completed integration of ECS Housing Choice Voucher Housing Assistance Payments (HAP), and Utility Assistance Payment (UAP) payments to PeopleSoft Accounts Payable (AP) module. This integration allows all the financial processes to reside in the Peoplesoft financial modules. ISM staff also completed implementation of Computer-Based Training for Housing Choice Voucher's Eligibility Department, and implemented network upgrades including replacing existing network cabling to improve network speed.

Technology improvements were implemented including new Customer Relations Management knowledge database modules; integration of legacy HCV systems with PeopleSoft AP in order to make payments and track financials; extensive work on design and testing of new MTW client tracking and compliance system; and, a number of network server, infrastructure and desktop upgrades.

Other applications of the PeopleSoft (CRM) Customer Relations Management module include client, correspondence, field service, and independent customer database tracking systems such as incident, investigations, quality of life, risk management and environmental tracking systems. Initial implementation of these systems started in November 2003. Go live for the various modules were initiated in 2004.

In addition, PHA conducted extensive activities related to planning and implementation of a new Interactive Voice Response system. The IVR system implementation will be coordinated with the implementation of CRM case management and call tracking functionality. IVR implementation will occur in Year Six.

C. Reserve Balance and Adequacy of Reserves.

PHA only restates reserves at the end of each fiscal year. PHA has increased its Low Rent Operating Reserve since the fiscal year ended March 31, 1998. At that time, the reserve was approximately \$3.4 million. PHA's unrestricted operating reserve as of year-end March 31, 2006, was \$_____.

This amount equals more than two months of cash flow for PHA's public housing program. This level of reserve provides PHA with the resources to explore innovative ways to provide performance incentives and make other management improvements. These initiatives may temporarily reduce reserves from time to time. PHA is also examining its leave accrual policies to determine if it can improve efficiency and save money.

*** This figure will be available in September 2006**

SECTION 7: CAPITAL PLANNING

A. Budgeted Versus Actual Expenditures by Property

Table 7-1. Capital Programs: Planned vs. Actual for Year Five.

Development Name	Scope of Work	Estimated Capital Costs	Actual Expenditures and Obligations
Blumberg (Bond)	Modernization	\$9,500,000	\$8,600,000
Brewery Town'	New Development	8,500,000	0
Cambridge Phase III'	New Development	4,800,000	4,800,000
Croydon (Bond)	New Development	44,500,000	0
Fairhill	Security System	800,000	0
Germantown House	Comprehensive Modernization	9,700,000	11,500,000
Harrison	Kit/Bath/Handicap Accessibility	3,260,000	1,900,000
Hill Creek	Modernization	4,000,000	3,740,000
Johnson Homes	Utilities upgrade	6,000,000	331,000
Liddonfield	Community Bldg. Addition	\$350,000	\$427,000
Lucien E. Blackwell Homes 1 (formerly Mill Ck)	Planning & Development	15,000,000	20,400,000
Mantua	Modernization	3,000,000	0
Martin Luther King 1	New Development	3,200,000	1,300,000
Newman North	Acquisition/Rehab	2,000,000	2,000,000
Norris Apartments	Security System	500,000	0
Passyunk	PHA Police Station/ISM	7,000,000	0
PHA-Wide	Security Upgrades	1,000,000	0
PHA-Wide	Accessibility Improvements	500,000	690,000
PHA-Wide	Energy Conservation	5,500,000	602,000
PHA-Wide	Sparkle Plus	6,500,000	2,000,000
Queen Lane	Boiler	500,000	350,000
Queen Lane I	Security System	800,000	0
Scattered Sites	New Development/ Infill/Rehab/ Modular Housing	10,000,000	21,000,000
Tasker (Bond)	New Development	165,000,000	157,000,000
Third Party Capital Requests I	New Development	5,000,000	0
West Park	Elevator upgrades and balcony enclosures	16,000,000	0
West Philly	New Development	8,000,000	0
Wilson Park (Bond)	Non-Dwelling	5,600,000	7,100,000
	TOTAL	\$346,510,000	\$243,740,000

¹Capital Funding needs for HOPE VI and Mixed-Finance Developments.

B. Narrative Discussion of Capital Programs

This year PHA has completed construction on 125 homeownership units at Greater Grays Ferry Estate II and completed construction/rehabilitation on 569 rental units at Cambridge III, Greater Grays Ferry Estates II, Lucien E. Blackwell II, Neumann North, MLK IV and Germantown House.

Brewery Town: Developed an expanded residential proposal, bounded by 30th and 27th streets and Oxford and Poplars Streets, which include 75 rental units and 50 homeownership units. Four Hundred Sixty-One privately owned parcels have been identified and coordination has begun with city agencies to secure the properties.

The Croydon Plan - 49th to 47th Locust to Spruce Street: Developed a mixed-use residential and commercial development plan consisting of a 4-story walk-up building with parking at Spruce Street by using the existing Croydon apartment complex and adjacent parcel, which includes the West Philadelphia High School field, and adjoining facilities. PHA has identified the need for \$18.5 million of Commonwealth Capital Funding

Cambridge Plaza Phase II (\$12 Million): Achieved breakeven on this project, completed cost certification, and received IRS 8609. Also completed the place-in-service process.

Cambridge Plaza Phase III (\$11.4 million): Completed the construction of 40 rental units. All units are leased and occupied. Started the place-in-service process. Received \$3,349,934 from the private Equity Investor Wachovia for a total tax credit equity commitment of \$6.3 million. Procured the contractor and started the installation of a state of the art electronic surveillance system to remotely patrol the exterior of both Cambridge III and John F. Street Center.

Greater Greys Ferry Estates Phase I (\$66 million): Completed construction of 245 rental units; all the units are leased. Started the place-in-service process towards the completion of the IRS 8609.

Greater Gray Ferry Estates Phase II (\$84.2 million): Completed the remaining 103 rental units and successfully delivered these units to the Property Manager. This completes the 184 rental units in phase II of this project. Also completed 125 Homeownership units and successfully turned these units over to the Homeownership Division for sale. Started the place-in-service process. Received \$8,653,000 from the Equity Investor of the total tax credit equity commitment of \$12,604,000.

Germantown House (\$23.2 million): Successfully achieved the financial closing on this complex mixed-financed project. Met the established financial criteria and received \$5,025,000 of the \$11,772,000 in equity from the private equity investor, MMA Financial. Completed 75% of the construction of the 133 unit comprehensive modernization. Unit delivery scheduled to begin in August 2006. Currently finalizing the lease agreement with New Courtland to lease approximately 11,000 square feet of space to provide medical services for the life center. Obtained Zoning approval for this contiguous addition which is scheduled to be completed November 2006

Liddonfield Homes: Prepared plans to redevelop the entire site into 421 new units inclusive of 100 homeownership and 321 rental units for families and seniors. The plan also includes the development of 34 acres of land directly adjacent to the site into 433 new residential units inclusive of 126-market rate homeownership and 307 market rate rental units. PHA has

requested Commonwealth Capital Funding of \$30 million. Another master plan was also proposed, Philadelphia Housing Authority will demolish the site before the sale of approximately 20 acres of the 32.2 acres to a private developer for the creation of market rate homeownership units or best use of the land. The Authority will retain 12.2 acres for the creation of 225 affordable rental units.

Lucien E. Blackwell (LEB) Homes On-Site (\$41.3 million): Started the place-in-service process. Received \$10,336,131 of the total tax credit equity commitment of \$12.8 million from a private equity investor.

Lucien E. Blackwell (LEB) Homes Off-Site (\$30.6 million): Completed construction and turned over 74 of the 80 Phase II rental units. Issued notice to proceed and completed 70% of the construction tasks for the 25 Phase II Homeownership units. Completion scheduled for March 31st 2006. Received \$9,095,100 of the total tax credit equity commitment of \$13.9 million from the private equity investor MMA

Lucien E. Blackwell (LEB) Homes Off-Site – Phase III: Completed a tax credit application for the third phase of 50 rental units to be located on off-site parcels within the Mill Creek neighborhood. Awarded the design –build Construction Management contract and completed the designs for the 50 rental and 35 homeownership units. Submitted evidentiaries for the 50 rental units to HUD. Procured and awarded PNC as the equity investor with a private equity commitment of \$10.2 million. Securing properties and obtaining building permits to facilitate construction notice to proceed. Issued NTP for 10% Spend down.

Neumann North Senior Housing – LEB Phase V: Completed financial closing that raised an additional \$5,470,000 in private equity funds. The Developer completed the construction of the 67 unit senior residence and the units are fully occupied.

Ludlow Modular (\$2.5 million) - Fourteen units: Submitted the development plan to HUD, procured the contractors and began construction of 14 prefabricated modular rental units within 10 structures. Secured Zoning and Building Permits. Construction projected to be completed in September 2006.

Ludlow Scattered Sites: Developed a scheme to mirror the Hope VI Application to produce 75 units of tax credit rental housing. Three hundred Eleven privately owned parcels have been identified and coordination has begun with city agencies to secure the properties. Awarded the HOPE VI grant in the amount of \$17,059,000. Awarded \$1,185,470 in LIHTC's from PHFA which has a potential private equity raise of \$11.3 Million. Prepared RFP for private equity investor. Prepared solicitation documents and received proposals to build 75 rental and 50 homeownership units.

Mantua Neighborhood: Developed an overall strategy to extend the initial boundary for the redevelopment to include the entire Mantua neighborhood, including retail, residential, open space and recreation. The plan includes the demolition of Mantua Hall and the development of 100 units of rental and 50 units of homeownership housing distributed on site and within the neighborhood. One thousand twenty-five privately owned parcels have been identified and PHA has identified the need for \$13 million of Commonwealth Capital Funding.

MLK Phase II (\$34 million): PHA took over all the real estate development activities for this 90-unit homeownership program. Executed construction contract and completed 35% of the

construction project. Units projected to start coming on-line in April 2006 through December 2006.

MLK Phase IV (12 million): PHA took over the development activities. Completed the financial closing and received \$4,588,000 of the \$5.3 million in private equity procured for this development. Completed the construction of 42 rental units.

Mt. Olivet (\$17 million): Completed all documentation and submitted the IRS 8609.

Passyunk Homes: Successfully negotiated the agreement of sale for the 54.66-acre parcel to include the construction of an 80,000 square feet office space and parking for Philadelphia Housing Authority. Prepared necessary disposition documents for disposition to HUD.

Richard Allen III (\$42 million): Substantially completed the security upgrades at the community center and adjacent areas are out to bid. Completed the construction of \$2.1 million site perimeter fence to further improve aesthetics and enhance the passive security for approval by HUD.

Wilson Park (\$8.5 Million): Completed the construction of an expanded Community Center that now provides enhanced community meeting areas and multi-purpose spaces, 2 state-of-the-art computer laboratories, dedicated areas for dance, drama, exercise, library facilities, a first class professional recording studio, security features, management office facilities, gallery open space and training area. Additions to the existing 5,743 square foot building consist of new construction on the northeast side (1,899 square feet) and the northwest (3,594 square feet) representing a total project cost of \$3,034,000. This also included adding air conditioning units to upper corridors in senior towers.

Awarded \$2.9 million Construction Management (CM) design-build contract and completed the design for 6 new through streets, submitted an application to Pennsylvania Department of Environmental Protection for design and construction sequence approval of the storm water management system; 75% complete the common area installation for Air Conditioning in senior towers first floor activity areas; along with completing the installation of automatic doors in both Wilson Park Senior Tower main entry areas and at the foyer entry of Emlen Arms in the Mt Airy section.

Awarded the \$1.6 million Construction Management (CM) design-build contract, completed the design, obtained building permits and began construction for the renovations of the day care, and management and maintenance areas adjacent to the brand new community center. Prepared RFP solicitation for CM design -build services to upgrade the area known as the daycare space to accommodate the relocation of Philadelphia Housing Authority's ISM division to this area within Wilson Park. Proposals were received on March 14, 2006. Coordinating with Verizon and other specialty consultants necessary to accommodate this intricate move of telecommunications, computer hardware and staff all to occur by July 31, 2006

Whitehall Phase IV (\$7.6 million): Completed the comprehensive modernization of 65 rental units. All units are occupied.

Whitehall Phase V (\$7.4 million): Completed the comprehensive modernization of 62 rental units.

PHA-Wide

Scattered Sites Accessibility Improvements: Pursuant to the Adapt settlement agreement, which required PHA to create 248 units for the mobility-impaired community (124 by December, 2003 and 124 by December, 2005), PHA has completed 257 units to date of which fifty-nine (59) have been completed from April 1, 2005 to November 30 2005. The ADAPT project was successfully completed in November 2005 and was subsequently fully occupied by residents requiring these features.

Sparkle Plus Program: Procurement and installation was coordinated for new awnings at eight Community Based Management Offices (CBMO) and 13 Conventional Sites for the 2005 Sparkle Program. These awnings incorporated the new PHA colors and graphics. As-Built Master Site Plans were prepared for all conventional sites. These incorporated all work under the previous Sparkle Programs up to 2004. Site plans of all the conventional sites and the AME sites were created to indicate the anticipated work under the 2006 Sparkle Program. An Invitation For Bid (IFB) was prepared for the procurement of new awnings under the 2006 Program at one CBMO and three Conventional Sites. An IFB was prepared for the installation of new wall signs under the 2006 Program at two conventional sites. These signs will match the new prototype signs installed last year.

SECTION 8: MANAGEMENT INFORMATION FOR OWNED/MANAGED UNITS

A. Vacancy Rates

- Target:** The MTW Year Five Plan projected an actual vacancy rate of 13.31 % and an adjusted vacancy rate of 6.87 % (these numbers include privately managed sites). A reduction in the reported vacancy rate was anticipated by the end of the reporting period of March 31, 2006.
- Actual:** As of the end of MTW Year Five (March 31, 2006), the actual vacancy rate was reported as 11.59 % and the adjusted vacancy rate as 5.74% (Table 8-1). Both figures include all conventional sites, scattered sites and AME sites. The reduction of vacancy rates has significantly exceeded expectations.

Table 8-1. Vacancy Rates for Year Five.

<u>VACANCIES</u> <u>SITE NUMBER / NAME</u>	<u>Baseline Year (4/01/01)</u>		<u>Year Five (3/31/06)</u>	
	<u>Actual</u> <u>Rate %</u>	<u>Adjusted</u> <u>Rate %</u>	<u>Actual</u> <u>Rate %</u>	<u>Adjusted</u> <u>Rate %</u>
<u>North Central</u>				
001 Johnson Homes	6.58	6.58	1.50	1.50
010 Raymond Rosen Manor -	52.39	0.00	0.33	0.33
117 Raymond Rosen Manor -	-	-	0	0
119 Raymond Rosen Manor - New	-	-	0	0
042 Champlost - mod	0.98	0.96	0	0
049 Morton Homes	1.61	1.21	0	0
050 Norman Blumberg Apts - mod	59.80	15.20	1.80	1.80
077 Bentley	18.18	18.18	7.07	7.07
<u>North Area</u>				
003 Richard Allen Homes - reconfig.	8.67	1.33	0.67	0.67
014 Norris Homes - FA	16.67	16.36	2.47	1.54
015 Harrison Plaza	5.35	5.35	0	0
020 Spring Garden	3.96	3.47	0	0
055B Fairhill Apts - mod	17.42	17.42	0.38	0.38
114 Gladys B. Jacobs	1.25	1.25	1.25	1.25
<u>Northeast</u>				
023 Liddonfield	23.64	22.34	31.24	31.24
029 Hill Creek - FA	27.16	4.78	0.90	0.60
032 Oxford Village	10.00	5.50	0.50	0.50
034 Whitehall Apts - FA	44.22	0.40	0	0
066 Holmecrest	3.57	3.57	0	0
079 Plymouth Hall	26.09	26.09	100.00	0
<u>South Area</u>				
002 Tasker Homes - demolished	18.15	16.98	-	-
013 Wilson Park - Elderly	39.94	18.45	0.36	0.36
113 Wilson Park - Multi-family (Mod.)	-	-	0.89	0.89

<u>VACANCIES</u>	<u>Baseline Year (4/01/01)</u>		<u>Year Five (3/31/06)</u>	
	<u>Actual</u>	<u>Adjusted</u>	<u>Actual</u>	<u>Adjusted</u>
	<u>Rate %</u>	<u>Rate %</u>	<u>Rate %</u>	<u>Rate %</u>
031 Bartram Village	5.88	5.88	1.22	0.81
061 Paschall Apts	16.29	14.93	7.69	7.69
062 Point Breeze Court	5.63	5.63	8.45	8.45
<u>West Area</u>				
018 Arch Homes	5.48	5.48	0	0
024 Queen Lane	7.25	7.19	0.72	0.72
035 Haddington Homes	10.14	10.14	0.68	0.68
039 Westpark Apts	25.69	25.69	1.53	1.53
045 Mantua Hall	19.74	19.74	1.32	1.32
046 Haverford	4.17	4.17	0	0
063 Katie B. Jackson(9 Units to S.S.)	18.64	18.64	5.08	5.08
076 Emlen Arns	7.05	7.05	1.28	1.28
093 Westpark Plaza	6.15	6.15	0	0
TOTAL CONVENTIONAL	22.14	13.84	4.09	3.05
<u>Scattered Sites</u>				
901 Haddington/Overbrook	8.16	0.84	7.68	3.62
063 Katie B. Jackson (9 Units from Conv.)	0.00	0.00	22.22	22.22
902 Mantua	22.00	11.09	27.62	12.10
903 Kingsessing	8.70	3.34	8.25	3.44
904 Germantown/Hunting Park	16.56	7.57	16.77	8.82
905 Fairhill Square	24.34	13.32	18.57	6.99
030 Abbottsford Homes - mod	49.92	2.18	9.06	1.97
906 Francisville	37.48	14.46	28.83	13.83
907 Ludlow	29.69	9.95	25.50	5.28
908 Susquehanna	26.47	11.25	30.68	16.72
909 Strawberry Mansion	41.12	16.94	40.63	17.88
910 Oxford/Jefferson	34.63	7.60	40.39	13.76
055A Parkview Apt	5.00	5.00	5.00	5.00
065 Collegeview	7.41	7.41	9.26	9.26
100 C.B. Moore Homes	3.33	3.33	3.33	3.33
104 Arlene Homes	0.00	0.00	3.13	3.13
TOTAL SCATTERED SITES	25.59	9.99	24.19	10.17
TOTAL PHA	23.57	12.25	13.08	6.24
<u>Alternative Management Entities</u>				
<u>PHA Managed</u>				
083 Germantown House	15.98	15.98	-	-
129 Cambridge Plaza - Phase II			2.50	2.50
132 Suffolk Manor	na	na	2.92	2.92
133 Richard Allen Homes - Phase III	na	na	1.41	1.41
134 Richard Allen Homes - Phase III	na	na	0	0
137 Cambridge Plaza - 202	na	na	2.27	2.27
138 Mt. Olivet	na	na	5.59	5.59
139 Greater Greys Ferry Estates			1.63	1.63

VACANCIES SITE NUMBER / NAME	Baseline Year (4/01/01)		Year Five (3/31/06)	
	Actual	Adjusted	Actual	Adjusted
	Rate %	Rate %	Rate %	Rate %
143 Greater Greys Ferry Estates II-A	na	na	0	0
144 Greater Greys Ferry Estates II-B	na	na	3.88	3.88
145 Lucien E Blackwell	na	na	0	0
147 Cambridge Plaza - Phase III	na	na	0	0
149 Martin Luther King – Phase IV	na	na	4.76	4.76
150 Lucien E Blackwell II	na	na	5.00	5.00
TOTAL PHA MANAGED	na	na	2.44	2.44
Privately Managed AMEs				
053 Courtyard Apts at Riverview	5.32	5.32	8.30	7.45
126 8 Diamonds	na	na	0	0
141 8 Diamonds	na	na	0	0
127 Spring Garden Scattered Sites	No data	No data	1.16	1.16
128 Martin Luther King-Phase I	na	na	0	0
130 Falls Ridge	na	na	0.74	0.74
131 St. Anthony's Senior Residence	No data	No data	2.63	2.63
136 Martin Luther King – Phase III	na	na	0	0
146 St. Ignatious	na	na	0	0
148 Neuman North	na	na	0	0
TOTAL PRIVATELY MANAGED	na	na	3.79	3.43
COMBINED AME TOTAL	na	na	3.08	2.91
GRAND TOTAL PHA & AME SITES	24.09%	11.64%	11.59%	5.74%

B. Rent Collection – Finance

Table 8-2. Uncollected Rent for Year Five.

	Baseline Year	Year Five
Billed Rents	\$12,490,979.00	\$28,850,847.26
Collected Rents	11,727,499.17	27,833,453.59
Uncollected Rents	763,479.83	1,017,393.67
Percent Uncollected Rents	6.11%	3.53%

Source: Finance Department

- 1. Target:** At the end of MTW Year Five, PHA projected a 5.5% rate for uncollected rent.
- 2. Actual:** At the end of Year Five, PHA exceeded its projected target and achieved a collected rent rate of 96.47%; or a 3.53% rate for uncollected rent, representing a significant decline from the previous year's rate of 4.34 %.

C. Work Orders

1. **Target:** PHA projected it would continue to meet its current response rate of 100% for emergency work orders within 24 hours. For routine work orders, PHA projected it would respond with an average rate of six days.
2. **Actual:** PHA responded to 100% of all emergency work orders within 24 hours. For routine work orders, PHA responded within an average time period of 18 days.

D. Inspections

1. **Target:** PHA planned to complete inspections of 100% of units during MTW Year Five.
2. **Actual:** PHA completed 97% of inspections for conventional units, scattered sites, and AME sites as of the end of MTW Year Five.
3. **Results of Independent PHAS Inspections:** Only one Real Estate Assessment Center (REAC) inspection was conducted for the Fiscal Year ended March 31, 2006 and PHA scored 77 out of 100.

E. Security

Security Systems. New state of the art security systems have been installed at Wilson Park Community Center and John Street Community Center. Upgrades at other sites are being developed and installation of those upgrades will be completed by the end of the fiscal year.

Improved Coordination with the Philadelphia Police Department. Data links are in the process of being installed to allow electronic transfer of information among the Philadelphia Housing Authority Police, Philadelphia Police, Alcohol Tobacco and Firearms and the US Attorney's office. PHA Police Department (PHAPD) attends weekly crime strategy sessions with the Philadelphia Police Department enabling enhanced enforcement activities at PHA sites by use of computer mapping and intelligence sharing.

Lease Enforcement and Compliance Unit. PHA has entered into negotiations to establish an electronic link with the Philadelphia courts in order to expedite evictions when necessary.

Quality of Life Program. Management and maintenance teams have instituted one-day initiatives at two housing developments to provide referrals for social services and to address lease violations, maintenance issues, delinquent rent, and late recertifications. Each one-day initiative includes follow-up activities such as police patrols, establishment of town watch, assessments for social services, initiation of eviction process for delinquent rent or lease violations, and completion of repairs.

Community-Based Policing. The PHAPD continues to operate its community-based policing initiative at many conventional developments. Also, a patrol schedule has been established which provides more focused police coverage. The PHA Police and the City Philadelphia Police Department continue to expand opportunities to enhance public safety through collaborative efforts. The Philadelphia Housing Authority continued to provide Drug Resistance Education and Training (DARE) at several grade schools where grade school aged children of PHA residents attend. Additionally, PHAPD continued to provide Gang Resistance Training (GREAT) to middle-school children. The Philadelphia Housing Authority Police Department also continues to be a member of the Philadelphia Weed and Seed program and the District Attorney's Youth Violence Reduction Program at PHA sites through out the city.

Neighborhood Town Watch Groups. The Managing Director's Office of the City of Philadelphia continues to work with Tenant Support Services Inc. (TSSI) to establish watch groups throughout the city. Two Town Watch programs are operating at PHA, one at Fairhill and a second at Queen Lane. Two more Town Watch programs are in development.

Police Advisory Board. The advisory board continues to work with the community to identify crime and quality of life issues. The advisory board met four times during the course of the past year.

SECTION 9: MANAGEMENT INFORMATION FOR LEASED HOUSING

A. Leasing Information

1. Target versus Actual Lease Ups.

Target: PHA expected to achieve a 100% voucher lease-up rate for MTW vouchers by March 31, 2006. The projected utilization for the period beginning April 1, 2005 through March 31, 2006 for MTW allocations was 14,850 families leased.

Actual: For fiscal year ending March 31, 2006 PHA achieved a 100% voucher lease-up rate with 14,850 families leased.

2. Information and Certification of Data on Leased Housing Management.

Ensuring Rent Reasonableness: PHA has established, uses, and continues updates annually, vast Philadelphia rent database that details rents by Philadelphia neighborhoods. PHA utilizes the services of Applied Real Estate Analysis, Inc. (AREA) to conduct rental analysis on unassisted units of various bedroom sizes in 32 rental sub-markets in Philadelphia.

Expanding Housing Opportunities: PHA places an emphasis on increasing the supply of affordable housing and supports efforts aimed at housing rehabilitation and neighborhood revitalization intending to increase the range of housing choices available to low-income participants and promote improved utilization of housing vouchers in stable neighborhood. The Authority also continues to promote homeownership opportunities through an extensive counseling, escrow, and sales program. PHA continues to increase homeownership opportunities through use of Tenant Based Vouchers, 5(h) Homeownership Demonstration Program (single-family scattered site units) and Turnkey III units (public housing sites). A total of 419 homes have been sold under these programs.

Homeownership breakdown by program:

Housing Choice Voucher (tenant based): 105

5(h) Homeownership: 110

Turnkey III (Whitman Park and Brown Street): 204

Deconcentration of Low-Income Families: PHA's MTW family program strives to effect upward mobility by assisting public housing residents to increase their income. At HOPE VI developments, mixed-income communities are promoted by targeting different tiers of income. Applicants and/or participants receiving tenant-based vouchers are required to attend a briefing session during which voucher recipients are encouraged to broaden their housing search beyond "traditional neighborhoods" and exercise housing choice.

PHA's deconcentration strategy targets PHA's resources and development activities in impacted areas in order to improve neighborhoods from within. Its HCV families are dispersed and deconcentrated throughout the City. PHA's residents use HCVs in a variety of non-impacted communities outside Philadelphia.

3. Narrative/Explanation of Differences.

PHA met its target performance goals specified in the MTW Annual Plan for Year Five.

B. Inspection Strategy

1. Results of Inspection Strategy.

Planned Versus Actual Inspections Completed by Category:

- Annual Housing Quality Standards (HQS) Inspections- PHA met its goal of completing 100% of planned annual HQS Inspections. PHA has scheduled 100% annual HQS inspections of occupied households.
- Pre-Contract HQS Inspections-PHA completed 100% of planned pre-contract HQS inspections. As of March 31, 2006, a total of 2,748 newly leased units including transfers passed inspection. Pre-inspections are conducted on 100% of all units prior to any unit being placed in the HCV program except as noted for High Performing Landlords, discussed below.
- HQS Quality Control Inspections-PHA completed 100% of planned HQS quality control inspections. PHA conducts HQS quality control inspections on 10% of the total number of initial and annual HQS inspections performed annually.

HQS Enforcement:

- PHA continues to enforce 72 hour and/or 30 day corrective action in the event of failed inspections. Re-inspection of units with safety or health violations will be scheduled within 72 hours and 30 days for routine deficiencies. This process is monitored by customized software created to track inspection scheduling and results. Units that fail inspection for serious conditions will have up to 72 hours to repair or the Housing Assistance Payment (HAP) is abated. Units that fail the re-inspection for routine or emergency repairs will be terminated from the program.

2. Narrative/Discussion of Differences.

PHA met or exceeded the target performance goals specified in the MTW Annual Plans for Year Five.

SECTION 10: RESIDENT PROGRAMS

A. Planned Versus Actual Activities.

Resident Programs at PHA are designed to improve the quality of life for residents of both Public Housing and the Housing Choice Voucher programs through a comprehensive array of economic, educational, social, and health initiatives for youth, adults, and seniors which promote self-sufficiency and well being. Under the MTW Demonstration Program, PHA has the opportunity to maximize the delivery of services to residents that are offered by PHA, partners, agencies and neighborhood organizations.

Community Partnership Program. The Community Partnership Program is designed to establish partnerships with local providers to fund a range of neighborhood supportive services including the pre-apprenticeship program and nursing and health administration programs. These programs provide residents with the skills to enter the construction and health fields. Program offerings include daycare training, GED preparation, job placement, certified food handler, home maintenance and repair, youth development, and hospitality industry training. These programs are designed to provide PHA residents with the necessary skills to enter today's workforce. As a result of PHA's Community Partners Program, 443 graduated from the Partners Program and 289 PHA residents have entered the workforce and achieved an average income of \$12.25/hour.

MTW Family Program. Housing Choice Voucher participants who are subject to the new seven-year time limit must now work with PHA to develop a Family Economic Development Action Plan (FEDAP). From August 2003 to March 31, 2006, 7,252 households signed the FEDAP. This plan helps establish Economic self-sufficiency goals for the entire family. In addition families are required to sign a MTW agreement. At the end of Year Five 7,668 residents signed their agreement to participate in the program.

In Year Five, the number of Zero Income Households was reduced from 480 families in prior years to 198 families, a 58% reduction in the number of Zero Income Households from previous years. Of that reduction, 305 residents have gained both part time and full time employment. The compensation for full-time residents averaged \$12.25 per hour.

Through the case manager assigned by the Philadelphia County Assistance Office to TANF Recipients, PHA supplemented existing services to provide additional referrals for education and job training programs, improve job readiness, and initiated job search and placement of 151 residents.

Blumberg Family Center. The One Stop Self-Sufficiency Center at Blumberg, has served 7748 residents to date. During the past five years of MTW, 603 households have increased their incomes so that they no longer need HCV subsidies. The first Computer Training Classes officially started during the first week of January 2004 at Norman Blumberg Computer Lab. The Computer Training Classes are divided into two levels: Beginning and Advanced. The beginning class is a 10-week class and the advance class is 12-week class. Students are awarded a Certificate for successful completion of computer training classes. During the period from April 1, 2005 through March 31, 2006, the Computer Training Classes served a total of 95 residents at the Blumberg One Stop Self-Sufficiency Center.

John Street Community Center. During Year Four, a Community Center at the Richard Allen Homes was developed along with the HOPE VI revitalization of this site. The accomplishment of focus are: Programming & Providers, Special Events and Facilities Management. The three main areas of Property Management has been open and operational for eighteen months. Its services consist room and fully functional Office, Multi-Purpose room, Recording Studio, Dance Studio, Fitness provider, Point Breeze Performing Arts Center, who kicked off their services with a summer camp that ran for 8 weeks. The Center provides opportunities for youth, adults and Senior Citizens that include the following disciplines: Dance; Theater Arts; Vocal Arts; Computer Technology; Karate; Gymnastics; Culinary Arts; Aerobics; Arts & Crafts; Spoken Word Poetry and Music. The goal of the program shall be to bring arts to an underserved population, increase access to the arts and education and allow children to explore how the arts complement their lives.

Wilson Park Community Center. During Year Five the Wilson Park Community Center expansion was unveiled. The Center provides opportunities for youth, adults and Senior Citizens to participate in: Dance; Theater Arts; Vocal Arts; Computer Technology; Karate; Gymnastics; Aerobics; Arts & Crafts; Spoken Word Poetry and Music. The goal is to receive funding for programs and services that increase access to the arts and life long learning opportunities.

Continuing Care Center. PHA and the St. Agnes Continuing Care Center opened a state-of-the-art senior care center on the premises of one of PHA's largest and newest affordable housing developments, Greater Grays Ferry Estates (GGFE), located at 3001 Moore Street.

The St. Agnes facility is located on the first floor of PHA's brand new 72-unit Conswiller B. Pratt Apartments. St. Agnes will deliver a comprehensive, long-term senior care program named "LIFE" (Living Independently For Elders). LIFE enables participants to live as independently as possible through a full spectrum of services while keeping PHA residents out of nursing homes and hospitals. LIFE is a program of all-inclusive care for the elderly (PACE) and is funded by Medicare and Medicaid.

Education, Life Skills and Employment Training Programs. These programs include a broad array of services including programs that provide college scholarships, Life Skills (such as conflict resolution and financial planning), and employment training programs such as the Pre-Apprentice Program, and training in the allied health fields. Under these programs PHA provides residents with a foundation in basic skills essential for establishing self-sufficiency.

Pre-Apprenticeship Program. PHA continued to operate the Pre-Apprenticeship Training Program initiative in partnership with building trade unions that graduated 60 residents in the past year. Some graduates are employed in career opportunities with the Philadelphia Housing Authority but the majorities are employed with the construction trades at union scale wages with benefits. The program has four curriculums: General Education Diploma (GED), Adult Basic Education (ABE), Life Skills and Building Trade Skills: carpentry, electrical, painting and roofing. The Instructors from Community College of Philadelphia coordinate the General Education Diploma program.

Certified Nursing Assistant Program. A total of 104 PHA residents have graduated from the Professional Healthcare Institute's (PHI) Certified Nursing Assistance Program since the beginning of the contract from 6/12004 through 3/31/2006. This is an eight-week training program that prepares participants to take the state exam for the Nurse Assistant

Certification. This program includes placement in jobs in local healthcare or nursing home facilities.

Medical Billing Program. From the program's inception in June 1 2004, a total of 52 PHA residents graduated from the Professional Healthcare Institute's (PHI) Medical Billing Program and 33 residents are employed.

Pharmacy Technician Program. From the program's inception in June 1 2004, a total of 63 PHA residents graduated from the Professional Healthcare Institute's Pharmacy Technician Program, and 33 residents are employed.

Section 3 Programs. The Section 3 Program provides job opportunities for PHA residents through contractors, subcontractors and Community Partners programs. Last year a total of 65 residents were placed through the Section 3 Program. This year a total of 142 residents were placed for a total of 1,278 residents placed since the inception of this program.

Youth Programs. PHA has created partnerships with the City of Philadelphia Department of Human Services, the School District of Philadelphia, the Philadelphia Workforce Investment Board, and the U.S. Department of Education to operate youth programs at eight Community-Based Organizations, nine Family Centers, and two Cultural Arts organizations. PHA applied to the Philadelphia Workforce Investment Board and the Philadelphia Youth Council for an Experiential and College and Career Exposure (ECCE) for year round Education and Training Provider for the 2005-2006 period. PHA was awarded 100 in-school slots for a total contract award of \$200,000 for a 12-month period starting September 1, 2005 and concluding August 31, 2006.

PHA leveraged over \$2,609,645 and serves over 2,530 youths in programs that include: Skills For Life youth leadership, HOPE VI youth programs, The Enterprise Center Summer Boot Camp for Youth Entrepreneurs, summer youth employment, Beacon Schools, Point Breeze Performing Arts Center programs in 4 sites, Camp William Penn Overnight summer camp in the Pocono Mountains, DARE and GREAT program schools, Summer food unduplicated counts, Freedom Theatre, and scholarships to colleges and trade schools.

Senior Programs. PHA continues to expand its services to its senior residents. PHA has been awarded \$131,847 for the FY 2005-2006 contract period by the Philadelphia Corporation for Aging (PCA). This amount will be used to provide congregate meals to four (4) PHA senior sites, which includes Wilson Park Senior Center, Lidonfield Senior Center, Emlen Arms Satellite Center and Point Breeze (Cassie L, Holly). Funding covers April 1, 2005 to March 31, 2006.

Home Sales Department The Home Sales Department is creating wealth for low and moderate-income residents through homeownership opportunities. To date, the Homeownership Division has sold 555 homes. During the current fiscal year April 1, 2005 thru March 31, 2006, the Homeownership Division experienced its most successful year on record, selling 166 homes. PHA is one of the leading housing authorities in the nation in HCV homeownership sales.

In Year Five the Housing Choice Voucher (HCV) Program closed a total of 22 homes of which five were disabled families for a total of 105 homes sold under the HCV Program including 24 families with disabilities. Under the Turnkey III Program, to date PHA has sold 204 homes. PHA developed two Turnkey III sites - Brown Street Village is closed out and only three homes remain

to be sold at Whitman Park. The Turnkey III program is designed to give families the opportunity to own their own home after a two-year occupancy agreement. Each resident has an individual escrow reserve account, which is intended to assist the households to accumulate savings during the lease term, and apply the funds toward a down payment and/or closing costs.

Under the Section (5H) Scattered Sites Program a total of eight homes were sold during the fiscal year; to date 110 homes closed. The Homeownership Division sold out Lucien E. Blackwell Homes Phase 1, forty homes, and Phase 2, twenty-five homes for a total of 65 homes. PHA has sold out its homes at Greater Grays Ferry Estates, 125 affordable homes in South Philadelphia. The new Martin Luther King Plaza, now selling near Center City's "Avenue of the Arts" is almost sold out. Sixty (60) out of 76 homes for Phase 1 sold within two months. We have provided first-time homebuyer workshops to over 1,300 PHA residents. The Homeownership Division along with the Communications Department received an overwhelming response from widespread and targeted marketing efforts, having received over 2,111 applications from prospective homebuyers for our new developments.

The Philadelphia Housing Authority (PHA) has made a special commitment in fulfilling its objective of providing homeownership opportunities to public housing residents. PHA created a Resident Mortgage Assistance Program (RMAP), this is a comprehensive benefit package to assist residents in achieving Homeownership. It provides residents with closing cost assistance, writes down the sales price and free financial counseling in planning their budget. PHA has put together the Employee Mortgage Assistance Program that is also a comprehensive benefit package to assist employees in the home buying process which includes closing cost assistance, relocation assistance, free counseling and financial planning.

The Homeownership Division has provided homeownership seminars to various community organizations and events throughout the City of Philadelphia, including the annual Tribune Homebuyer's Workshop, one of the premier homebuyer events held in the city. PHA also established partnerships with major banks including Wachovia Bank, Bank of America, Citizens Bank, Commerce Bank, Sovereign Bank and Wells Fargo. The services include free credit reports, budgeting/money management, and credit repair. The Division maintains relationships with 26 certified housing counseling agencies throughout the city of Philadelphia and the Pennsylvania Housing Finance Agency (PHFA).

The Philadelphia Housing Authority was also awarded a Homeownership Supportive Services grant of \$861,366 from the U.S. Department of Housing and Urban Development (HUD) to assist residents achieve homeownership. The HCV Homeownership Program was also awarded \$76,000 from HUD for loans to cover closing costs for first-time homebuyers. In addition, HUD has confirmed that PHA is one of the leading housing authorities in the nation in HCV homeownership sales.

B. Results of 2006 Resident Survey.

Philadelphia Housing Authority
Customer Service and Satisfaction Survey 2006
ALL DEVELOPMENTS*
599 respondents

OVERALL SATISFACTION

1. How satisfied are you with the following:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Does Not Apply	Missing Answer
Your unit/home?	19% 113	67% 395	12% 73	2% 12	1% 6	0% 0
Your development/building?	12% 62	64% 320	19% 97	4% 20	17% 100	0% 0
Your neighborhood?	11% 63	61% 362	24% 144	4% 23	1% 6	0% 1

MAINTENANCE AND REPAIR

2. Over the last year, how many times have you called for maintenance or repairs?

Have Never Called	1 to 3 Times	4 to 6 Times	More Than 6 Times	Does Not Apply	Missing Answer
21% 128	49% 291	22% 129	8% 50	0% 1	0% 0

3. If you called for NON-EMERGENCY maintenance or repairs (for example, leaky faucet, broken light, etc.), the work was usually completed in:

Have Never Called	Less Than One Week	1 to 4 Weeks	More Than 4 Weeks	Problem Never Corrected	Missing Answer
30% 177	53% 223	35% 147	6% 27	6% 25	0% 0

4. If you called for EMERGENCY maintenance or repairs (for example, toilet plugged up, gas leak, etc.), the work was usually completed in:

Have Never Called	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
40% 239	42% 152	23% 84	31% 110	4% 13	0% 1

5. Based on your experience, how satisfied are you with:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Does Not Apply	Missing Answer
How <u>easy</u> it was to request repairs?	10% 55	79% 418	9% 50	1% 5	12% 70	0% 1
How <u>well</u> the repairs were done?	9% 47	75% 397	14% 75	2% 9	12% 71	0% 0
How <u>well</u> you were <u>treated</u> by the person you contacted for repairs?	9% 48	82% 432	9% 45	1% 4	12% 70	0% 0
How well you were <u>treated</u> by the person doing the repairs?	12% 62	79% 418	8% 44	1% 4	12% 71	0% 0

COMMUNICATION

6. Do you think management provides you information about:

	Strongly Agree	Agree	Disagree	Strongly Disagree	Does Not Apply	Missing Answer
Maintenance and repair (for example, water shut-off, boiler shut-down, modernization activities?)	12% 72	73% 431	13% 74	2% 11	2% 10	0% 1
The rules of your lease?	13% 78	73% 433	12% 71	2% 10	1% 5	0% 2
Meetings and events?	12% 68	66% 381	19% 111	2% 13	4% 26	0% 0

7. Do you think management is:

	Strongly Agree	Agree	Disagree	Strongly Disagree	Does Not Apply	Missing Answer
Responsive to your questions and concerns?	8% 50	73% 430	17% 100	2% 13	1% 6	0% 0
Courteous and professional with you?	10% 59	74% 441	14% 84	2% 13	0% 2	0% 0
Supportive of your resident/tenant organization?	8% 38	67% 301	21% 94	4% 16	25% 150	0% 0

8. Are you involved in a resident/tenant organization in your housing development?

Yes	No	Missing
11% 65	89% 532	0% 2

SAFETY

9. How safe do you feel:

	Very Safe	Safe	Unsafe	Very Unsafe	Does Not Apply	Missing Answer
In your unit/home?	21% 122	67% 398	9% 56	3% 17	1% 6	0% 0
In your building?	14% 61	55% 248	25% 112	6% 26	25% 150	0% 2
In your parking area?	7% 28	54% 222	32% 133	7% 28	31% 186	0% 2

10. Do you think any of the following contribute to crime in your development?
(Mark all that apply.)

	Number	Percentage
Bad Lighting	193	32%
Broken Locks	73	12%
Location of Housing Development	114	19%
Police Do Not Respond	73	12%
Residents Don't Care	272	45%
Resident Screening	154	26%
Vacant Units	48	8%
Open Air Drug Activities	385	64%

11. If residents in your development break the rules in the lease, does management take action?

Yes	No	Don't Know	Missing
58%	42%	56%	0%
151	110	338	0

12. Are you aware of any crime prevention programs available to residents (for example, Neighborhood Watch, Block Watch, Community Policing, Tenant Patrol, or Street Patrol)?

Yes	No	Does Not Apply	Missing Answer
30%	70%	9%	0%
165	382	51	1

SERVICES

13. Over the last year, how many problems, if any, have you had with electricity or heat?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
55%	38%	5%	2%	1%	0%
327	227	32	9	4	0

13a. If you had a problem with electricity or heat, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
55%	35%	27%	29%	10%	0%
327	94	74	78	26	0

14. Over the last year, how many problems, if any, have you had with kitchen appliances (for example, stove, refrigerator, etc.)?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
66%	28%	5%	1%	1%	0%
392	166	31	7	3	0

14a. If you had a problem with kitchen appliances, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
64%	40%	25%	24%	10%	0%
386	86	54	51	22	0

15. Over the last year, how many problems, if any, have you had with water or plumbing (for example, toilets, hot water, etc.)?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
57%	37%	5%	2%	0%	0%
341	221	27	10	0	0

15a. If you had a problem with water or plumbing, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
57%	38%	26%	28%	8%	0%
341	98	67	73	20	0

16. Over the last year, how many problems, if any, have you had with smoke detectors?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
87%	11%	2%	1%	0%	0%
520	65	11	3	0	0

16a. If you had a problem with smoke detectors, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
87%	54%	20%	14%	11%	0%
520	43	16	11	9	0

HOUSING DEVELOPMENT APPEARANCE

17. How satisfied are you with the upkeep of the following areas in your development:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Does Not Apply	Missing Answer
Common areas (for example, stairways, walkways, hallways, etc)?	7% 34	68% 324	22% 107	3% 14	20% 119	0% 1
Exterior of buildings?	7% 36	71% 364	20% 103	3% 13	14% 81	0% 2
Parking areas?	3% 12	66% 272	27% 111	4% 18	31% 183	1% 3
Recreation areas (e.g., playgrounds and other outside facilities)?	5% 21	62% 245	28% 112	5% 18	34% 202	0% 1

18. How often, if at all, are any of the following a problem in your development:

	Never	Sometimes	Often	Always	Does Not Apply	Missing Answer
Abandoned cars?	53% 287	37% 198	6% 33	4% 20	10% 59	0% 2
Broken glass?	46% 255	38% 210	11% 63	5% 29	7% 40	0% 2
Graffiti?	45% 252	34% 193	14% 80	7% 38	6% 34	0% 2
Noise?	29% 165	40% 225	19% 108	12% 68	5% 29	1% 4
Rodents and insects (indoors)?	23% 133	43% 244	20% 117	14% 78	4% 24	1% 3
Trash/litter?	39% 219	37% 211	14% 82	10% 54	5% 31	0% 2
Vacant units?	52% 278	34% 181	8% 45	5% 27	10% 62	1% 6

CONCLUSION

19. If there is a person with a permanent disability in your household who has difficulty moving around, did your management make necessary changes to your unit if you requested them (for example, grab bars, lowered light switches, wheelchair access)?

Made No Such Request	Yes	No	Does Not Apply	Missing Answer
52%	10%	38%	12%	1%
274	51	197	74	3

20. Since moving into your current residence, have you been told by a doctor, nurse, or other local health department that any of your children (who live with you) have lead poisoning or a high level of lead in their blood?

Yes	No	Missing
2%	98%	1%
10	584	5

21. Would you recommend your housing development to a friend or family member seeking public housing?

Yes	No	Don't Know	Missing
65%	35%	14%	1%
336	178	81	4

GENERAL INFORMATION

22. What is your gender?

Male	Female	Missing
9%	91%	1%
54	541	4

23. How old are you?

	18-24	25-34	35-44	45-54	55-61	62+	Missing
	5%	18%	17%	23%	11%	26%	1%
	28	106	104	135	66	157	3

24. What is your race/ethnicity? (mark all that apply)

Caucasian/ White	African-Am./ Black	Asian/Pacific Islander	Native Am./ Indian	Hispanic	Other	Missing
3%	93%	1%	0%	3%	0%	0%
20	556	3	0	17	1	2

25. How long have you lived in your housing development?

Less Than 6 Months	6 Months to 2 Years	2 to 5 Years	Over 5 Years	Missing Answer
2%	14%	31%	53%	1%
11	86	183	316	3

26. How much do you pay in rent each month (including utilities)?

< \$100 Per Month	\$100 - \$199 Per Month	\$200 - \$299 Per Month	\$300 - \$399 Per Month	\$400 - \$499 Per Month	\$500 or More Per Month	Missing Answer
8%	27%	30%	25%	7%	3%	1%
50	163	178	146	39	19	4

*The percentages assigned to all categories are based on the total number of responses to each question or sub-question less the responses for "missing answers", "does not apply" and "don't know". The percentages assigned to the responses for "missing answers", "does not apply" and "don't know" are based on the total number of respondents in the sample. In addition, in calculating the percentages in questions 3, 4, 13a., 14a., 15a., and 16a. the responses for "have never called" were not included. Percentages have been rounded, and therefore may not total 100%.

SECTION 11: OTHER INFORMATION REQUIRED BY HUD

This section provides documentation to HUD that the Philadelphia Housing Authority has complied with specific MTW requirements or with other HUD requirements that are mandated by other HUD regulations.

- A. **Board Resolution approving the MTW Year Five Report.**
- B. **Results of latest completed 133 Audit.**

- C. **Required Certifications and other submissions from which PHA is not exempted by the MTW Agreement (All required forms submitted with Year Five Plan Document).**
 - PHA Certifications of Compliance with MTW Plan Requirements.
 - Form HUD-50070. Certification for a Drug-Free Workplace.
 - Form HUD-50071. Certification of Payments to Influence Federal Transactions.
 - Form SF-LLL. Disclosure of Lobbying Activities.

- D. **Submissions required for the receipt of funds (All required forms submitted with Year Five Plan Document).**
 - Form HUD-52723. Calculation of PFS Operating Subsidy.
 - Form HUD-52722-A. Calculation of Allowable Utilities Expense Level.
 - Form HUD-52721. Direct Disbursement Payment Schedule Data.
 - Form HUD-52837. Capital Fund Annual Statement, Parts I, II, III (Formula Allocation).
 - Form HUD-52837. Capital Fund Annual Statement, Parts I, II, III (Replacement Housing).
 - Form HUD-52673. Estimate of Total Required Annual Contributions.
 - Form HUD-52663. Requisition for Partial Payment of Annual Contributions.

RESOLUTION NO. *11124*

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE MOVING TO WORK ("MTW") ANNUAL REPORT FOR MTW YEAR 5 (FISCAL YEAR ENDING MARCH 31, 2006) TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD")

WHEREAS, PHA entered into a Moving To Work Demonstration (MTW) Agreement with the Department of Housing and Urban Development ("HUD") on April 1, 2001 and such Agreement provides that PHA prepare an Annual MTW Report, including a Consolidated Financial Report; and

WHEREAS, the MTW Agreement calls for suspension of current evaluation and reporting requirement due to the authority granted to PHA to depart from the standard program requirements; and

WHEREAS, as an alternate assessment protocol, HUD will assess PHA's performance on an annual basis by comparing at the end of PHA's fiscal year, its goals, as stated in its approved MTW Plan, to its actual performance, as stated in its Annual MTW Report.

WHEREAS, PHA will include in the Annual MTW Report all formats and elements as described in Attachment B of the MTW Agreement; and

WHEREAS, PHA has prepared Annual MTW Reports for MTW Year 5 (Fiscal Year ending March 31, 2006); and

WHEREAS, PHA is required to submit each Annual Report for Board approval within sixty days following the end of each fiscal year.

THEREFORE, BE IT NOW RESOLVED that the Board of Commissioners of the Philadelphia Housing Authority does hereby authorize the Executive Director to submit to HUD the PHA Annual MTW Reports for MTW Year 5 (Fiscal Year ending March 31, 2006).

I hereby certify that this was APPROVED BY THE BOARD ON June 15, 2006
[Signature]
ATTORNEY

SINGLE AUDIT SECTION

PHILADELPHIA HOUSING AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED MARCH 31, 2005

<u>CFDA Number</u>	<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>Pass Thru Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
10.558	Child Care Food Program		\$ 141,013
<u>U.S. Department of Housing and Urban Development</u>			
14.170	Congregate Housing Service Program	N/A	85,699
14.182	New Construction Section 8 Program	N/A	1,128,001
14.235	Supportive Housing Program	N/A	394,663
14.249	Section 8 Single Room Occupancy Program	N/A	1,530,580
14.512	Community Development Work-Study Program	N/A	82,581
14.850a	Low Rent Public Housing	N/A	105,536,302
14.850b	Development Program	N/A	31,955
14.855	Moving to Work Program	N/A	134,311,067
14.856	Section 8 Moderate Rehabilitation	N/A	3,150,108
14.857	Section 8 Housing Choice Vouchers	N/A	7,686,640
14.866	Revitalization of Severely Distressed Public Housing	N/A	15,800,286
14.870	Resident Opportunity & Self-Sufficiency	N/A	566,952
14.872	Capital Fund Program	N/A	91,010,686
<u>Health and Human Services</u>			
93.044	Special Programs for the Aging	N/A	145,453
93.575	Child Care and Development Grant	N/A	19,230
93.600	Head Start	N/A	1,722,848
			<u>\$363,344,064</u>

This schedule is prepared on the accrual basis of accounting.

PHILADELPHIA HOUSING AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED MARCH 31, 2005

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? No

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in Accordance with Section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850a	Low Rent Public Housing
14.856	Section 8 Moderate Rehabilitation Program
14.857	Section 8 Housing Choice Vouchers
14.866	Revitalization of Severely Distressed Public Housing
14.872	Capital Fund Program
14.855	Moving to Work Program

PHILADELPHIA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2005

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There are no open prior audit findings.

Report of Independent Certified Public Accountants
on Compliance and on Internal Control over Financial
Reporting Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards

Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office
Office of Public Housing
Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107

We have audited the financial statements of Philadelphia Housing Authority (PHA) as of and for the year ended March 31, 2005, and have issued our report thereon dated November 1, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered PHA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

DeLone & Company LLC

November 1, 2005

Report of Independent Certified Public Accountants
on Compliance with Requirements Applicable to Each Major
Program and Internal Control over Compliance in Accordance
With OMB Circular A-133

Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office
Office of Public Housing
Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107

Compliance

We have audited the compliance of the Philadelphia Housing Authority (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2005. PHA's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of PHA's management. Our responsibility is to express an opinion on PHA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on PHA's compliance with those requirements.

In our opinion, PHA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2005.

Internal Control over Compliance

The management of PHA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered PHA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Selanev & Company, LLC

November 1, 2005

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name

Philadelphia Housing Authority

Program/Activity Receiving Federal Grant Funding

Moving to Work Year Five Report

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3602)

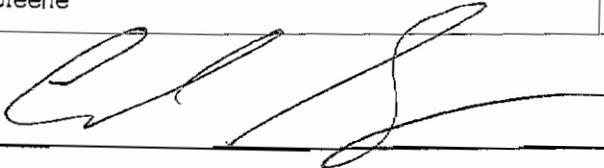
Name of Authorized Official

Carl R. Greene

Title

Executive Director

Signature



Date (mm/dd/yyyy)

07/07/2006

Previous edition is obsolete

form HUD 50071 (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Philadelphia Housing Authority

Program/Activity Receiving Federal Grant Funding

Moving To Work Year Five Report

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. **Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Carl R. Greene

Signature

X

Title

Executive Director

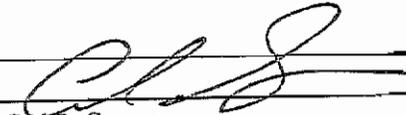
Date

July 7, 2006

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB
0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 2nd	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency: U.S. Department of Housing & Urban Development	7. Federal Program Name/Description: MTW Year Five Report CFDA Number, if applicable: 14.870	
8. Federal Action Number, if known:	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): Not Applicable	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: Carl R. Greene Title: Executive Director Telephone No.: 215-684-4174 Date: 07/07/06	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the Implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

