



## **PHA Restructuring Means Thousands More Households Served**

*As PHA directs more resources toward its mission, it is improving efficiency at all levels of its workforce from senior management down*

**(PHILADELPHIA-October 4, 2016)** – The Philadelphia Housing Authority (PHA) announced an organizational restructuring today that will lead to a 14% reduction in the agency’s workforce, including the layoffs of 126 employees. The figure does not include 40 employees who applied for and accepted recently offered voluntary separation incentive payments to resign or retire. The reduction in force represents a redirected investment of the agency’s resources into creating more housing opportunities for the city’s low-income seniors, citizens with disabilities, veterans, and families.

PHA has added more than 3,800 households in the last three years, with several hundred more in the immediate pipeline. In addition to its own construction program, the agency is partnering with 21 non-profit housing organizations to develop 1,158 apartments and houses between this year and next across the city. Organizations such as HELP USA, NewCourtland, Project Home, and Habitat for Humanity are creating these opportunities with PHA’s collaboration. PHA has also begun construction on the first of several phases of homes in the Sharswood community of North Philadelphia, a multi-year project that will ultimately produce 1,200 homes and other neighborhood amenities such as a supermarket and pre-school program.

“While letting employees go is not easy, we are choosing to allocate our dollars in a way that provides the maximum number of residents and neighborhoods with quality homes,” said PHA President and CEO Kelvin A. Jeremiah. “We cannot undertake projects like the rehabilitation and leasing of 500 scattered site homes in improving neighborhoods and serve thousands more households while maintaining our current structure. We have made our mission the priority.”

As part of this evaluation process, PHA analyzed staffing levels at its properties compared to other large housing authorities as well as other nonprofit providers of affordable housing. The agency found it had more employees per household than its peers. To remedy that situation in maintenance, the agency is reconfiguring positions to use fewer employees who have a single specialty in favor of more maintenance mechanics capable of addressing a range of routine maintenance issues. Overall, the staffing reductions bring the agency more into line with affordable housing industry norms.

Another factor in the decision to reduce personnel was the expected level of HUD (U.S. Dept. of Housing and Urban Development) funding, which is projected to steadily decline over the next five years. In the current fiscal year, PHA is receiving about \$110 million in federal operating funds. That number is projected to fall to \$96 million by 2020. PHA’s decision to reduce its workforce will enable the agency to avoid a deficit in this and subsequent years. Standard and Poor’s rating service recently downgraded PHA’s bond rating from AA- to A+. While still investment grade, it means it will cost PHA more to borrow in the future.

“Our top priority in announcing these reductions –in addition to serving as many families as possible –is the protection of our residents’ health and safety as well as maintaining essential maintenance services. We are accomplishing those objectives while confronting the budget realities we are faced with,” Jeremiah said.

The reductions affect all levels, from senior management down, and across all departments. They are evenly divided between union and non-union employees. The total workforce will decrease from 1412 to 1212 (126 layoffs, 40 voluntary separations, and 34 vacant positions eliminated). Before initiating the reduction in force, PHA first looked at all other non-personnel areas for savings, and reduced those costs by 15% over the past two years.

The authority is taking immediate steps to assist the dislocated employees in a number of ways. Thanks to the agency's robust construction plans, particularly in the Sharswood neighborhood, PHA hopes to reach agreement with the building trades so that laid-off members of those unions will move to the top of the list for positions on those projects. All employees can also take advantage of PHA outplacement services, including job referrals. PHA has been compiling current vacancies from other agencies.

"We are acting with compassion in helping affected employees find new employment," Jeremiah said. "The public has an expectation that we will use the resources given to us in the most efficient way possible. That's an imperative we take seriously and are acting accordingly. We have made incredible progress over the past three years toward increasing the number of families we provide housing for and only by taking these difficult steps can we build upon that progress."

**About PHA:**

The Philadelphia Housing Authority's mission is to open doors to affordable housing, economic opportunity, and safe, sustainable communities to benefit Philadelphia residents with low incomes. For more information on the 4th largest housing authority visit [www.pha.phila.gov](http://www.pha.phila.gov)