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CSS REPORT URGES NYC HOUSING AUTHORITY AND CITY AGENCIES RECEIVING FEDERAL HOUSING FUNDS TO EXPAND JOB AND TRAINING OPPORTUNITIES FOR LOW-INCOME NEW YORKERS

New York, NY, -- Despite an extremely challenging economic environment and severe unemployment, the New York City Housing Authority (NYCHA) is in a unique position to develop its resident workforce and promote economic advancement among its public housing and Section 8 voucher residents. Under a federal law, known as Section 3, NYCHA must use the billions in Housing and Urban Development (HUD) funds it receives annually for capital and operating expenses to maximize economic opportunities for low-income New Yorkers, particularly public housing and voucher residents.

A report by the Community Service Society -- which examined NYCHA's resident labor force and unemployment trends -- found that expanding compliance with the Section 3 mandate was critically-important to opening up job and training opportunities for residents. "**The Housing Role in Workforce Development: Challenge To The New York City Housing Authority**," offers several recommendations for how the Authority can leverage resources to play a potentially larger role in improving the employment prospects of its resident community. *(Copies of the report will be issued at today's City Council hearing (1 pm) on Section 3 and is available at www.cssny.org.)*

"The New York City Housing Authority is a central institution in the lives of low-income New Yorkers. More than half of the city's poor households pass through NYCHA's doors as either public housing residents, voucher holders or waiting list applicants," said David R. Jones, President and CEO of the Community Service Society. "In the midst of a jobless recovery and high rates of unemployment, it's imperative that the Authority marshal all of its resources and maximize every dollar to help prepare its resident workforce for employment opportunities."

"The intent of Section 3 is to create job and training opportunities for low-income residents in communities where federal housing funds are being used," said City Council Member Rosie Mendez (Dist 2), Chair of the Public Housing Committee. "Since unemployment is widespread across the country and disproportionately high among public housing and other HUD-assisted residents, we need to strengthen NYCHA Section 3 efforts so that its intent can be realized—more jobs for those who need them."

Rapid Increase in NYCHA Unemployment

The Authority's resident labor force -- those either working or seeking work -- consists of about 204,000 workers (137,000 in public housing and 67,000 in voucher-assisted units). In 2008, their combined unemployment rate was 10 percent, the lowest since the city's post 9/11 economic downturn. The CSS report found that younger residents, under the age 25 and typically black and Latino men, were most likely to experience the greatest obstacles to employment.

As of 2010 (estimated), the unemployment rate for public housing and voucher-assisted residents had tripled to 27 percent. An estimated 50,000 to 58,000 residents were unemployed and seeking work in 2010, from 30,000 to 34,000 public housing residents (compared to 13,000 in 2008), and 20,000 to 24,000 voucher residents (compared to 8,000 in 2008).

Emerging Opportunities through Expansion of Section 3 Mandate

According to NYCHA, Section 3 resident placements produced 1,460 new hires and nearly 3,000 trainees in 2010, a substantial improvement over previous years. But the figure is dwarfed by the more than 58,000 public housing and Section 8 voucher residents now unemployed. Clearly, the Authority should move quickly to expand its Section 3 program to full capacity. The CSS report makes the following recommendations:

NYPD Compliance with Section 3: HUD recently ruled that the Police Department must comply with Section 3, in return for the \$73 million it receives annually for special police services in public housing. The NYPD compliance agreement should also include restitution for lost opportunities since 1994, in the form of appropriate NYPD pre-apprenticeship and apprenticeship programs, as well as a possible community policing approach that will decrease wrongful arrests of residents for criminal trespass.

Coordinate Section 3 Efforts with City Agencies Receiving HUD Funds: NYPD is not the only city agency receiving HUD funds that is required to comply with Section 3. The NYC Department of Housing Preservation and Development (HPD) receives annual HUD funds through the Community Development and HOME block grant programs, about \$300 million in 2010. In addition, NYCHA has made payments to the NYC Sanitation Department since 2002, for special pick-ups, at an average \$1 million annually. Consideration should be given to consolidating Section 3 and other workforce development efforts among NYCHA and other recipient agencies, in order to consolidate administration and widen the range of opportunities available to low-income New Yorkers.

Maximize Section 3 Compliance in its Construction and Service Contracts: More should be done to monitor NYCHA's many contractors providing construction or other services to assure Section 3 compliance, make residents aware of opportunities, and promote long-term rather than temporary jobs. The number of Section 3 job/training openings should be an active criterion in deciding awards to contractors.

Other Recommendations:

Link Residents to Local Workforce Development Resources: NYCHA participates in the New York City Workforce Investment Board (WIB), which oversees local workforce development programs, now undergoing reform. The Authority should use its leverage to strengthen resident access to local resources for job training and placement.

Launch a NYCHA GED Initiative: With current high unemployment among residents, this is an ideal time to create a GED initiative to strengthen resident qualifications, particularly younger residents looking for work and future work opportunities. Public-private funding sources should be solicited, possibly along with the mayor's Young Men's Initiative. GED preparation programs should be sited at NYCHA's many community and senior center facilities. In its enforcement of the community service requirement, NYCHA should proactively urge residents, particularly younger residents short of a high school diploma, to further their education.

Include Section 8 Voucher Residents in NYCHA Workforce Initiatives: At present, NYCHA's Section 3 and workforce development efforts focus largely on its public housing communities, where capital improvement projects are readily visible to residents. Voucher residents are more dispersed, less in contact with their peers, and as a result less vocal and organized. NYCHA should do a better job of outreach and communication with its Section 8 resident constituency, particularly about job and training opportunities, and promote their organization, possibly through a separate Resident Advisory Board (RAB).

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For more than 165 years, the Community Service Society of New York has been the leading voice on behalf of low-income New Yorkers and continues to advocate for the economic security of the working poor in the nation's largest city. We respond to urgent, contemporary challenges with applied research, advocacy, litigation and innovative program models that help the working poor achieve a better quality of life and promote a more prosperous city.