

# Strategic Plan of the Housing Authority of the City of Erie Pennsylvania 2015 - 2019

The Housing Authority of the City of Erie  
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**DENNISON ASSOCIATES**  
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# Housing Authority of the City of Erie, Pennsylvania

## STRATEGIC PLAN

April 1, 2015 to March 31, 2019

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## **Executive Summary**

The Housing Authority of the City of Erie, PA (HACE) has been in existence for more than seventy-five years. During that time, it developed 14 properties comprising 2,163 housing units for low-income residents. The Agency grew its revenue base through prudent fiscal management and strategic investments in property assets. HACE expanded beyond public housing to develop three (3) multifamily properties with a combination of Section 8 New construction, capital reserves, and bond funding<sup>1</sup>. HACE also expanded its community outreach through partnerships with a number of nonprofit agencies that provide social services, medical care and economic empowerment training to its residents. Neighborhood improvements to areas surrounding HACE properties have taken place through community policing, code enforcement, industrial land banking and community recreation facilities.

The leadership of HACE desires to continue this charitable mission and if possible expand and improve upon its accomplishments. The operational environment for HACE in particular and housing authorities generally have changed over time due to a number of internal and external factors. Leadership succession is an inevitable challenge for any agency and this is the primary reason for HACE's need to have a strategic plan developed. Additionally, changes that have taken place and those anticipated to take place at the national level by the U.S. Department of Housing and Urban Development (HUD) could alter funding levels and housing policy in ways that encourage and/or require strategies to mitigate their potential negative impact.

### **A. The Strategic Planning Process**

The strategic plan was developed over a five-month period, beginning in the summer of 2014 and culminating with a board and senior staff retreat on October 23, 2014 at the Annual Conference of the National Association of Housing and Redevelopment Officials (NAHRO) in Baltimore, Maryland. A team of consultants with extensive knowledge of strategic planning, affordable housing and public housing management facilitated the process. The team began by gathering and analyzing data about HACE from internal documents including the 5-year Agency Plan, the 2014 Annual Agency Plan and 2015 Draft Annual Agency Plan, the 2013 and 2014 Safety and Resident Services Survey, the 2014 capital and operating budgets, HACE's organizational chart, audit reports and other documents in order to gain an understanding of HACE's history, housing portfolio and performance. The consultants distributed surveys to HACE staff and private sector partners (stakeholders) and met with over 30 stakeholder representatives, more than 40 HACE staff and facilitated a board/senior staff retreat.

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<sup>1</sup> Three properties the Dombroski Apartments -33 units, Curry-Shell - 63 units and Erie Heights - 210 units were developed by HACE using non-public housing funding.. They operate on tenant rent payments and Section 8 HAP payments.

We present HACE's 2015-2019 Strategic Plan goals and strategies on the following pages; it reflects the collective efforts of HACE's Board of Commissioners, staff and outside stakeholders. It represents a practical forward-looking plan to secure the agency's future and build upon its past successes.

## B. Strategic Assets of the Organization

HACE's strategic assets stem from seven primary areas including:

- (1) Stable and Outstanding Leadership and a Dedicated Work Force: HACE's leadership is embodied in the executive director, senior staff and the board of commissioners. The leadership has provided the direction for HACE's high performance and excellent reputation in the community. HACE's rank and file employees are also highly professional and demonstrate a high level of commitment and dedication to the mission and goals of the organization.
- (2) Sound Fiscal Management: Good financial management has positioned the agency as a stable and reliable entity in the community and secured its financial sustainability for the foreseeable future.
- (3) Quality Housing Assets: Sustained high operational performance is evident by the quality of HACE's housing inventory, low vacancy rate, and the most recent "high-performer" HUD ratings for public housing asset management and for management of the Section 8 Housing Choice Voucher program.
- (4) Resident Satisfaction and Safety: High resident satisfaction with HACE's safety, management and maintenance of its properties are the result of steps taken by the agency to ensure the safety and security of residents such as the Community Oriented Policing and Probationary Services (COPPS) program and installation of perimeter fencing and safety lighting around its properties.
- (5) Community Partnerships: HACE enjoys support from the mayor and city departments and has forged important partnerships and alliances with a number of agencies such as the Erie Police Department, Codes Enforcement, medical providers, and service organizations.
- (6) Resident Social Services and Family Self-Sufficiency: HACE provides a wide range of on-site services for seniors, children, youth and families to improve their quality of life and economic independence. Programs and activities to help families achieve economic independence are offered through the Family Self-Sufficiency program (FSS).<sup>2</sup>
- (7) Neighborhood Stabilization: HACE has improved the surrounding neighborhoods by acquiring vacant parcels surrounding properties owned by the authority and the development of several

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<sup>2</sup> Family Self-sufficiency (FSS) is a HUD program that enables public housing authorities to leverage and coordinate federal assistance with locally available private resources to assist public housing and Section 8 tenants to increase their earned income, reduce their dependency on public assistance and to become economically independent.

scattered site single-family Uniform Federal Accessibility Standards (UFAS) units.<sup>3</sup> HACE expanded the agency's footprint as a force for community development participation by the development of the light industrial Savocchio business park near its Harbor Homes development. HACE also stabilized its property assets as well as the surrounding community by funding and deploying the COPPS program for on-site police and probation officers.

### C. Strategic Challenges of the Organization

HACE's strategic challenges fall into the following primary areas including:

#### (1) Succession Planning:

The development of a succession plan is a priority due to the age and long tenure of HACE's executive director, some senior staff as well as the board of commissioners. HACE's succession plan would take into account all existing HACE human resources as well as the potential for attracting outside skills and talent within a timeframe acceptable to the HACE Board of Directors and the Executive Director.

- *Board of Commissioners Succession Planning*

The Board of Commissioners is responsible for assuring the continued high performance and sustainability of the housing authority. A scheduled plan for transition is a high priority.

- *Invest in HACE's human capital*

The Authority will need to make greater investments in continuing education and training of HACE's employees due to succession needs and changes in the various types of business operations and skills required in the management of public housing and new development activities.

#### (2) Secure the Authority's Financial Future:

Because of the housing authority's excellent fiscal management it has been able to maintain a cash flow surplus and a healthy reserve balance. HUD funding has become less reliable and predictable therefore the authority's heavy reliance on HUD funding poses future challenges and pressures on HACE to consider diversification of its revenue model.

#### (3) Organizational Sustainability:

HACE's organizational structure and operations are built to excel and sustain its position as a traditional public housing agency. As conditions and resource needs change the agency will be challenged to incorporate new business practices and organizational changes geared toward

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<sup>3</sup> Uniform Federal Accessibility Standards (UFAS) found in Title 24 Sec. 40, Appendix A of the Code of Federal Regulations sets standards for architectural accessibility for disabled persons for housing receiving Federal financial assistance in compliance with Section 504 of the Federal Rehabilitation Act of 1973.

entrepreneurial activities such as new affordable and mixed-income housing development and expansion of its role in scattered site housing development activities. It may also be beneficial for HACE to review some internal management systems for areas where management improvements and operational changes could enhance organizational performance such as property management, resident services, property development, and information technology/automated systems.

*(4) Expand and Enhance Resident Services and Family Self-Sufficiency:*

Greater emphasis must be placed on preserving and enhancing service-related outcomes for residents in terms of health, economic stability, educational and vocational opportunities in order to secure the long-term financial stability of HACE. HACE's ability to continue elevating the economic well-being of its residents depends largely on increasing the awareness and participation of residents in Family Self-Sufficiency (FSS) programs.

## **Background**

Founded in 1938, the Housing Authority of the City of Erie (HACE) is an independent public agency, created pursuant to the Pennsylvania Housing Authorities Law of 1937, Public Law 955, No.265, to operate within the City of Erie. The HACE is governed by a five-person Board of Commissioners (the number and terms established by State law). The Mayor appoints all five members of the Board of directors with majority consent of the City Council. The Board elects the chairperson and appoints the Executive Director of the housing authority. The HACE owns and operates 14 housing developments and four scattered site locations throughout the City. There are a total of 2,163 housing units including 343 scattered site housing units.

HACE's first three developments: Franklin Terrace (now John E. Horan Garden Apartments), Harbor Homes, and Lake City Dwellings were constructed in 1941. Over the next four decades fifteen more apartment communities and high rise buildings would be constructed. During the 1960s into the early 1970s there was a sustained climate of civil unrest throughout the United States which also impacted Erie. Public housing was being used to warehouse the poor and in many cases, there was segregation in public housing that separated black and white residents. The physical conditions of the public housing stock were poor and getting progressively worse. It was not until 1977, that the authority abandoned its defacto segregation practices.

There are five HACE properties originally built as Senior Buildings having a total of 569 units including the Dombrowski Apartments (33 units), Curry-Shell Apartments (63 units), Schmid Towers (193 units), Friendship Apartments (200 units) and Ostrow Apartments (80 units).<sup>4</sup> Because changes in federal law require federally-assisted senior buildings to accommodate disabled individuals, four of these senior properties also house disabled non-elderly tenants. Thirteen (13) of the family properties also house

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<sup>4</sup> Appendix C Tables containing information on HACE's properties, tenant characteristics and waiting list

elderly and disabled families. The Authority also manages the federal Section 8 rental assistance program – commonly referred to as housing choice vouchers – which provides housing rental assistance for 847 households.<sup>5</sup>

Between 1974 and 1998 the housing authority undertook a sustained period of property modernization to improve the physical conditions and livability of its properties. In 1992 the housing authority expanded its mission statement to address economic and community conditions by adding economic self-sufficiency and community pride to its stated purpose as an organization.

By 1999 the HACE had launched extensive security and public safety measures including the installation of security perimeter fencing and security lighting at its properties throughout the City and launching the Community Oriented Police and Probation Services (COPPS) program. COPPS continues today and is funded jointly by the housing authority, City of Erie, and Erie County.

In 2002 continuing its quest to expand self-sufficiency and supportive services to its residents HACE started to provide comprehensive adult education and job preparation at the John E. Horan Garden Apartments.

In 2004 HACE initiated the Section 8 Family Self-Sufficiency Program. The program has been instrumental in assisting 42 participants to establish escrow savings accounts totaling nearly \$205,614 and for 14 families to purchase homes.<sup>6</sup>

In 2007 HACE opened an Early Connections Childcare Center at the Marsha Ann Hall learning Center located within the Harbor Homes family development for public housing parents who are working or in an approved training program. The center has a capacity for serving 38 children. An additional 24 children are served at the John E. Horan Garden Apartments. The pre-school program works in partnership with the Erie Public Schools program and is funded through grants received from the Pennsylvania Department of Education and the Pennsylvania Department of Welfare.

In 2010 HACE opened a Health Clinic in partnership with the Multi-Cultural Health Evaluation Delivery System (MHEDS) at the Harbor Homes family development. The center was originally staffed from funding provided by a 3-year grant from the Pennsylvania Department of Health. Today, it operates on a fee for services reimbursement from the state and federal government and from private insurance.

Also in 2010 HACE completed the conversion of 108 units of public housing to accessible housing for persons with disabilities in compliance with Uniform Federal Accessibility Standards (UFAS).

In 2013 HACE partnered with Community HealthNet to open a Family Dental Clinic in the John E. Horan Garden Apartments family development. The dental clinic is staffed by a dentist, a dental hygienist, two dental assistants and an office worker.

The federally funded Veterans Affairs Supportive Housing (VASH) program has operated for several years. VASH makes 90 Section 8 vouchers available to homeless veterans. HACE is working with the Erie

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<sup>5</sup> The number of Section 8 Housing Vouchers changes annually based on HUD funding, Fair Market Rents and tenant incomes.

<sup>6</sup> Draft 2015 HACE Agency Plan

Veterans Administration (VA) Medical Center who refers chronically homeless veterans who also receive clinical services and medical care through the Erie VA Medical Center.

In 2013 HACE was awarded a three year Resident Opportunity and Self-Sufficiency (ROSS) grant. Two FSS coordinators provide case work assistance to public housing residents in the two largest family developments.<sup>7</sup> They will connect these residents to vital social services, educational and employment opportunities.

HACE now partners with a number of other medical, educational and social service organizations such as the Gannon University Nursing Center (free-on-site health screenings), Women Infant and Children Program (WIC), Quality of Life Learning Center (QLLC) (job development and adult education), SafeNet Domestic Violence Safety Network, GECAC Head Start (John E. Horan Garden Apts., Harbor Homes, and Lake City Dwellings), John F. Kennedy Center and YMCA (after-school homework assistance, recreation, tutoring, and computer classes), and the HomePLUS Program<sup>8</sup> (senior programming including physical and mental health services, outings, educational services and exercise).

#### A. Why HACE Decided to Prepare a Strategic Plan at This Time

The Housing Authority desired a strategic plan to help HACE chart a course of action for succession as a number of the Board of Commissioners and senior staff, particularly the Executive Director of the Housing Authority, approach possible retirement. The excellent leadership of the existing members of the board, the executive director and other senior staff can continue provided there is a feasible plan in place that will enable HACE to chart a course in the face of changing, economic, demographic, social and human development conditions.

The agency is also interested in exploring low-risk options for diversification of its revenue streams to hedge against unpredictable fluctuations in federal funding.

#### B. The Team HACE Hired to Facilitate the Process

In June of 2014 the housing authority issued a request for proposals (RFP) to solicit a capable consultant to assist the organization in developing a strategic plan. In July of 2014 the firm of Dennison Associates Inc. based in Washington, D.C. along with two subcontractors OKM Associates, Inc. of Boston, Massachusetts and Sussman Associates of Newton, Massachusetts was selected to develop the strategic plan.

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<sup>7</sup> John E. Horan Garden Apartments and Harbor Homes

<sup>8</sup> The HomePLUS Program is offered in the two largest senior properties Friendship Apts. and Schmid Towers.

## **Strategic Planning Process**

The strategic plan was developed following a process that engaged HACE staff, board members, housing authority residents and outside stakeholders. Initial discussions were held with the Executive Director, Deputy Director and the Controller to layout priorities for development of a strategic plan. Key factors that were established included who would be the participants in the strategic planning process, and what were the overarching objectives, values and outcomes. Below is a summary of the process:

### **A. Needs Assessment/Analysis**

The consultant team reviewed a number of HACE documents (including but not limited to the 5-year Agency Plan, the 2014 Annual Agency Plan and 2015 Draft Agency Plan, the 2013 and 2014 Safety and Resident Services Survey, 2014 Budget, HACE's Organizational Chart, Audit Reports). This information helped to establish a baseline understanding of the history, programs and operations of HACE.

### **B. Stakeholder Meetings**

The consultant team met with the Mayor and the Executive Director of the Economic Development and Planning Department, HACE senior staff, the Board of Directors, property managers and maintenance supervisors, rank and file property maintenance staff, family self-sufficiency staff, resident intake and clerical staff, the Resident Advisory Board and outside stakeholders representing 12 key social services organizations during a two-day series of stakeholder meetings. The Social Services organizations included officers from the C.O.P.P.S. Program, the YMCA of Greater Erie, the Quality of Life Learning Center, GECAC HomePlus, SafeNet, the John F. Kennedy Center, Gannon University Nursing Center, the Multicultural Community Resource Center, Community Health Net, the Erie County Library and Early Connections.

The stakeholder meetings entailed a review and presentation of data and information about HACE's past accomplishments and previously stated goals and objectives. The consultants utilized a facilitative method which explored the Strengths, Weaknesses, Opportunities and Threats (SWOT) of HACE as viewed by HACE staff and stakeholders.

### **C. Stakeholder Surveys**

A survey instrument was distributed to all invitees prior to the stakeholder meetings in order to obtain/gather information, perceptions and recommendations about HACE's programs and operations and to inform the stakeholders about the strategic planning process. Over fifty surveys were collected during the strategic planning and stakeholder visits in Erie. The results of the surveys, staff and stakeholder input is in Appendix A. The input obtained helped to frame and prioritize the most important needs and future direction of programs and resources as well as important stakeholder roles.

#### D. Board and Senior Staff Retreat

A half-day retreat was held with four members of the HACE Board of Director and four senior staff including the Executive Director and Legal Counsel during the National Association of Housing and Redevelopment Officials (NAHRO) annual conference in Baltimore October 14-18. The purpose of the meeting was to: (1) build a common understanding of HACE's current strategic posture, (2) explore potential strategic options and, (3) illuminate the priorities that the strategic plan should address. The consultant team prepared a summary of the results of the Board and Senior Staff Retreat in the form of a report.<sup>9</sup>

HACE reviewed its mission, vision and values statements to determine what if any changes or additions to make to capture new strategies to pursue in the strategic plan during the board retreat. It was determined that HACE's existing mission, vision and values statements, with only minor adjustments, adequately captures its purposes and plans for the future inclusive of its commitment to affordable housing and improved resident well being as follows:

##### *(1) Mission, Values and Vision Statements:*

HACE's mission statement captures its sense of commitment to affordable housing and improved resident wellbeing.

*"To provide safe, decent, and affordable housing for lower-income families, elderly and persons with disabilities; and to foster among the residents we serve economic self-sufficiency, and a sense of community and pride in neighborhoods where they reside."*

HACE's values statement depicts the priorities in how the organization carries out activities with stakeholders. The board and chief executive would regularly reference the values statement to provide guidance on the nature of how the organization should operate. The values statement came out of several sources including HACE's Agency Plan, its goals statements document and the Board Retreat. It is the underpinning for the Vision and Mission statements.

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<sup>9</sup> Appendix D

*“We place our residents at the center of all our effort. Their safety, satisfaction and success are our first priority.”*

HACE’s Vision statement provides a forward looking outlook statement on where the agency ultimately hopes to arrive, i.e., its planned destination and state of being and what its hopes and aspirations are for itself, its customers (residents) and partners. The following statement came out of the HACE Board Retreat and captures these important concepts.

*“We envision public housing communities where all people have safe, affordable housing and opportunities for jobs providing a living wage that will lead to economic self-sufficiency in diverse, sustainable neighborhoods.”*

## **Strategic Assets**

### **A. Stable and Outstanding Leadership**

An outstanding group of staff and board members lead HACE. The Board and staff are dedicated to the mission of the organization and are responsible for the current state of fiscal health and the diversified asset base of the agency. The foresight of the current leadership has enabled large capital investments in infrastructure and modernization of public housing. The excellent reputation of the Executive Director of HACE has been paramount in enabling the agency to maintain positive working relationships with the City of Erie and particularly the Office of the Mayor as well as a wide number of strategic partner agencies that provide services to HACE residents.

The Board of Commissioners works very effectively with the Executive Director where decision making and collaborative efforts have served to keep the housing authority operating at a sustained high level of performance and productivity.

The Resident Advisory Board (RAB) has very meaningful input into decision making about capital fund priorities, property management and resident services issues. The RAB is consulted through regular meetings and has a resident representative that sits on the board of commissioners. HACE’s Resident Initiatives Coordinator acts as the staff liaison to the RAB and is fully engaged in property and tenant related problem solving. The RAB expressed very positive opinions about the leadership of the housing authority and particularly HACE’s responsiveness to issues and concerns of tenants.

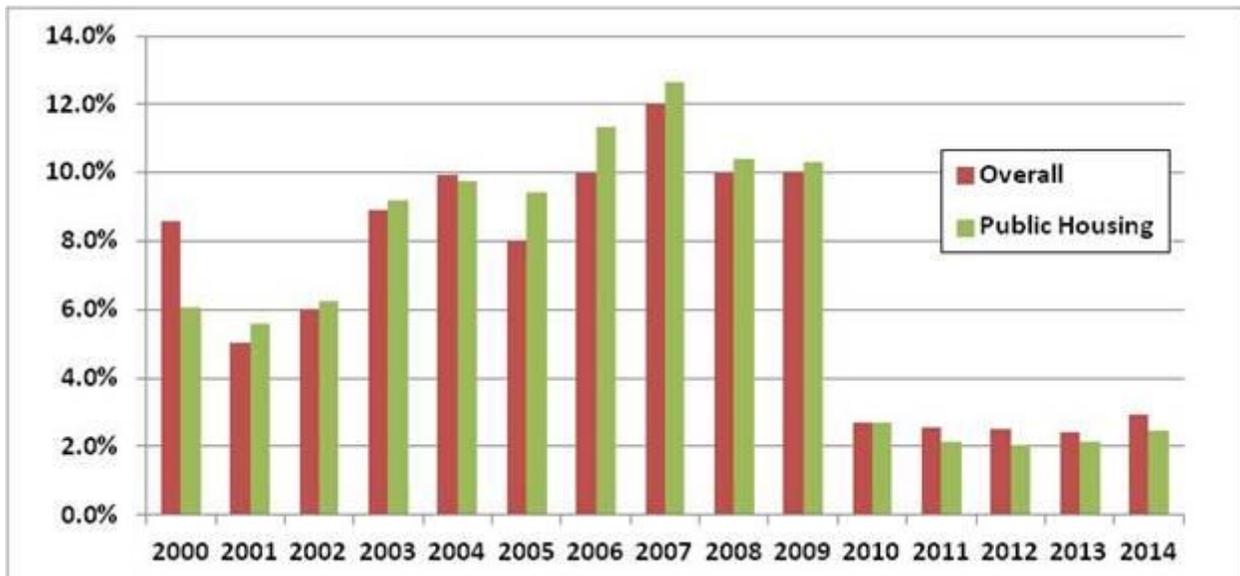
## B. Quality of HACE's Housing, Occupancy and Performance

The quality of HACE's housing inventory, declining vacancy rate (Figure 1), and effective management of financial and physical assets is apparent. HACE has invested much of its operating reserves into the modernization and upgrading of its properties to a high standard. HACE's investments in its property assets have been an effective long-term strategy to keep property maintenance costs down and resident satisfaction high.

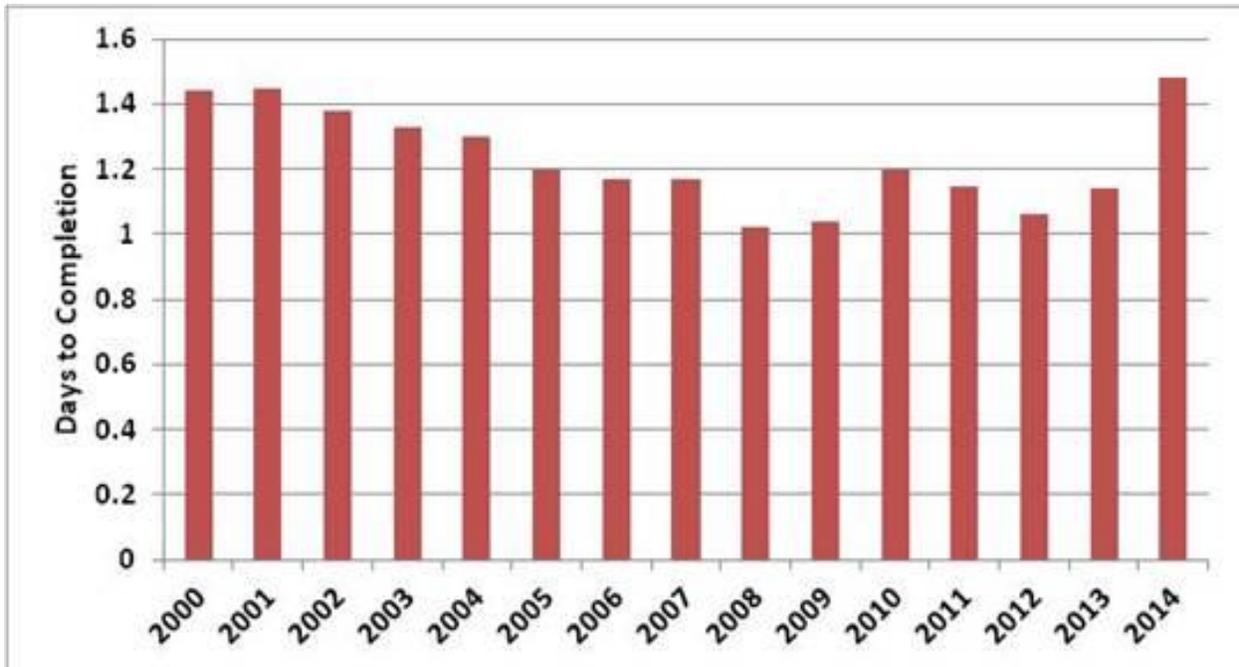
- (1) HACE is operating at 97% occupancy: in its public and privately owned housing.
- (2) HACE scored a 90% "high performer": under the standards set by HUD's Public Housing Assessment System (PHAS) for its management of public housing in 2014.
- (3) HACE is also a "high performer" under HUD's Section 8 Management Assessment Program (SEMAP): scoring 100% in fiscal year 2014.

Property maintenance is another strong area in HACE's operations where staff has shown a remarkable ability to sustain very high levels of performance in the face of considerable pressure. Some of these pressures stem from relatively high turnover rates, a large immigrant population, and a percentage of families who do not maintain their apartment units or cause damage due to lack of understanding about housekeeping, maintaining appliances and routine upkeep. Figure 2 shows steady annual improvement in the length of time to respond to maintenance requests and Figure 3 demonstrates marked improvement over time in making units ready for occupancy after a vacancy occurs.

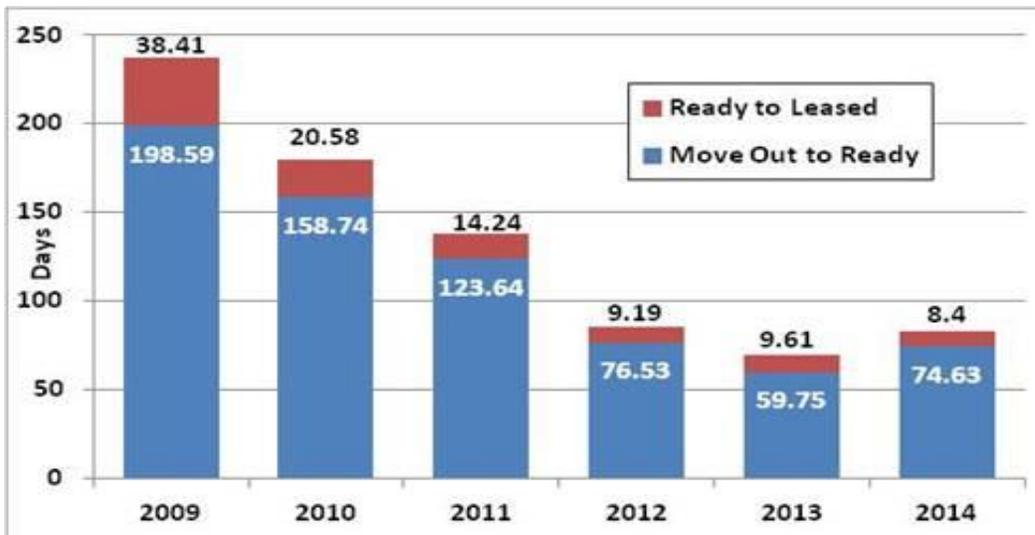
**Figure 1: HACE's Annual Vacancy Rate in Public Housing and Other Housing Assets**



**Figure 2: Annual Change in Tenant-Generated Work Orders Days to Completion 2001-2013**



**Figure 3: Unit Turnover Time after a Vacancy**

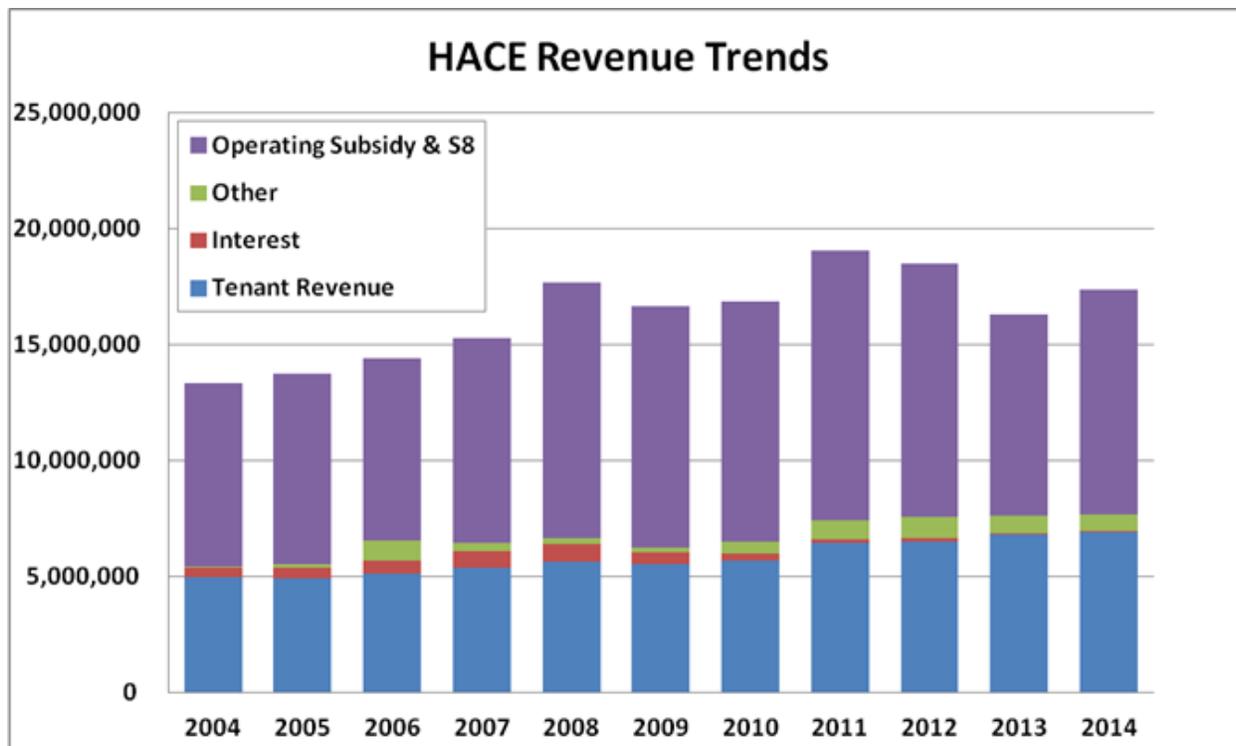


**C. Financial Management and Fiscal Responsibility**

HACE's good stewardship has resulted in a steady revenue stream (as shown in figure 4) while keeping expenses in line and maintaining HACE owned properties in good to excellent condition. Tenant

revenues from rents and operating subsidies from HUD including the Section 8 Housing Choice Voucher program comprise the primary revenue sources.

**Figure 4**



Good management has also enabled the agency to maintain revenues even as federal subsidies have fluctuated. HACE continues to maintain a reserve balance in its public housing program, with approximately seven months worth of expenses to address emergency and extraordinary operating needs.

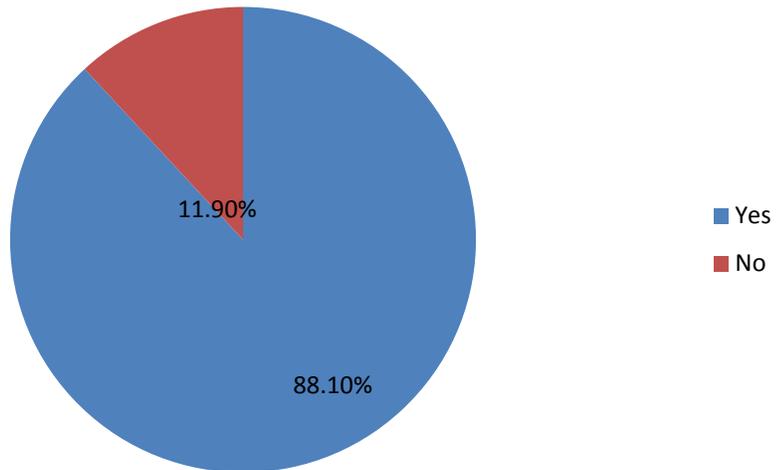
**D. Resident Satisfaction, Resident Workforce and Public Safety**

The Erie Housing Authority generally receives high marks from its residents in the areas of public safety and satisfaction.<sup>10</sup>

- (1) 2013 resident safety survey: – 86% of families and 88% of seniors felt safe at night in their apartment or house.
- (2) 2014 resident satisfaction survey: – Over 90% of residents satisfied with management staff and over 80% satisfied with maintenance staff always or most of the time.
- (3) As indicated in the pie chart below 88.1% of residents in 2014 stated: - that they would recommend their neighborhoods to family and friends seeking housing.

<sup>10</sup> Safety and Services resident Survey 2013 and Preliminary Data Analysis – HACE Resident Safety and Services Survey 2014

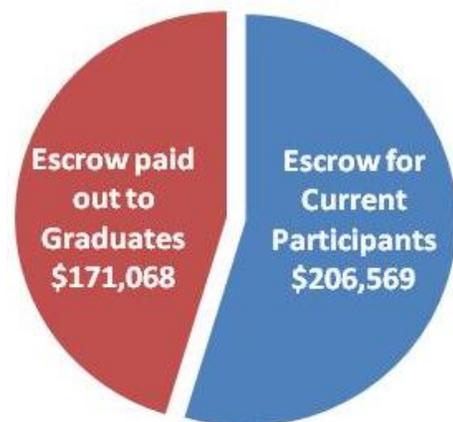
**Figure 5:  
Recommending your neighborhood to a friend or family member seeking housing:  
Overall**



**E. Resident Social Services and Family Self-Sufficiency:**

The provision of supportive social services to residents is a major programmatic undertaking of the housing authority. HACE’s supportive services programs reach more than 2,000 persons living in public housing and Section 8 assisted housing. The range of services addresses the needs of working families and seniors and includes such services as medical and dental care, senior in-home care, meals-on-wheels for seniors, child care, after school programs and English as a Second Language (ESL). The Background section covered many of the specific services and facilities available to residents.

HACE’s Family Self-Sufficiency (FSS) programs are successful in uplifting a number of households (including immigrant households) to improve their job skills and employment levels. A number of persons have been able to move out of HACE’s properties to privately owned housing in Erie or in suburban neighborhoods in Erie County and in some instances have become homeowners.<sup>11</sup>



**Figure 6  
Sec. 8 HCV Participants**

<sup>11</sup> Immigrants represent the highest turnover rate of all families in HACE owned properties. HACE’s overall apartment unit turnover rate was 12.5% in 2014

- (1) 78 public housing residents obtained employment in 2013 (up from 72 in 2012)
- (2) 58 families enrolled in Section 8 FSS as of – Sept. 2014
- (3) 24 families graduated from FSS
- (4) 14 have purchased homes
- (5) 42 families established escrow savings account totaling \$206,569
- (6) HACE – was awarded a HUD 3-year Resident Opportunity and Self-Sufficiency (ROSS) Grant – to hire 2 Public Housing FSS coordinators to work in the 2 largest family developments (John E. Horan Garden Apartments and Harbor Homes)
- (7) *Approximately 28% of HACE's employees are tenants or former tenants:* - which is a notable factor that further undergirds the strong sense of resident inclusion and value.<sup>12</sup>

#### F. Community Partnerships, Supportive Services and Self-Sufficiency Programs:

HACE's partnership with more than twelve private-non-profit organizations enables it to excel in the provision of a wide range of supportive social services to its tenants. The impact that HACE services has on the City of Erie is quite substantial given the wide geographic locations of HACE properties throughout the City serving approximately 2,100 families in its owned properties plus another 856 families through its Section 8 Housing Choice Voucher (HCV) program. Approximately 7,457 persons live in HACE owned and assisted properties or approximately 7.3% of Erie's population of 101,786 people.<sup>13</sup>

#### G. Community Development and Neighborhood Revitalization:

HACE extends its reach beyond the boundaries of its owned physical assets through such actions as acquiring nearby vacant land, community policing, code enforcement and economic development. HACE's reach into the community has also occurred through its scattered site housing rehabilitation activities, as well as community and economic development initiatives such as the Rodger Young Park and pool and the Joyce A. Savocchio light industrial Business Park. HACE participated in the development of the Business Park with the Greater Erie Industrial Development Corporation with the intent of spurring commercial development and generating jobs for HACE residents and the surrounding community. However, due to poor economic conditions the business park has been able to attract only a single business. It remains available for future development in the event economic conditions and the business climate improves. Other efforts such as HACE's multi-year special code enforcement program in neighborhoods surrounding HACE properties, provision of safety lighting around the perimeter of its owned properties, litter removal and clean-up activities have an impact beyond the immediate boundaries of the housing authority's real estate assets.

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<sup>12</sup> Safety and Services Resident Survey 2013; Preliminary Data Analysis Safety and Services Resident Survey 2014

<sup>13</sup> Source: U.S. Census Bureau, 2010 Demographic Profile of General Population and Housing Characteristics

# Strategic Challenges

The strategic challenges faced by HACE address:

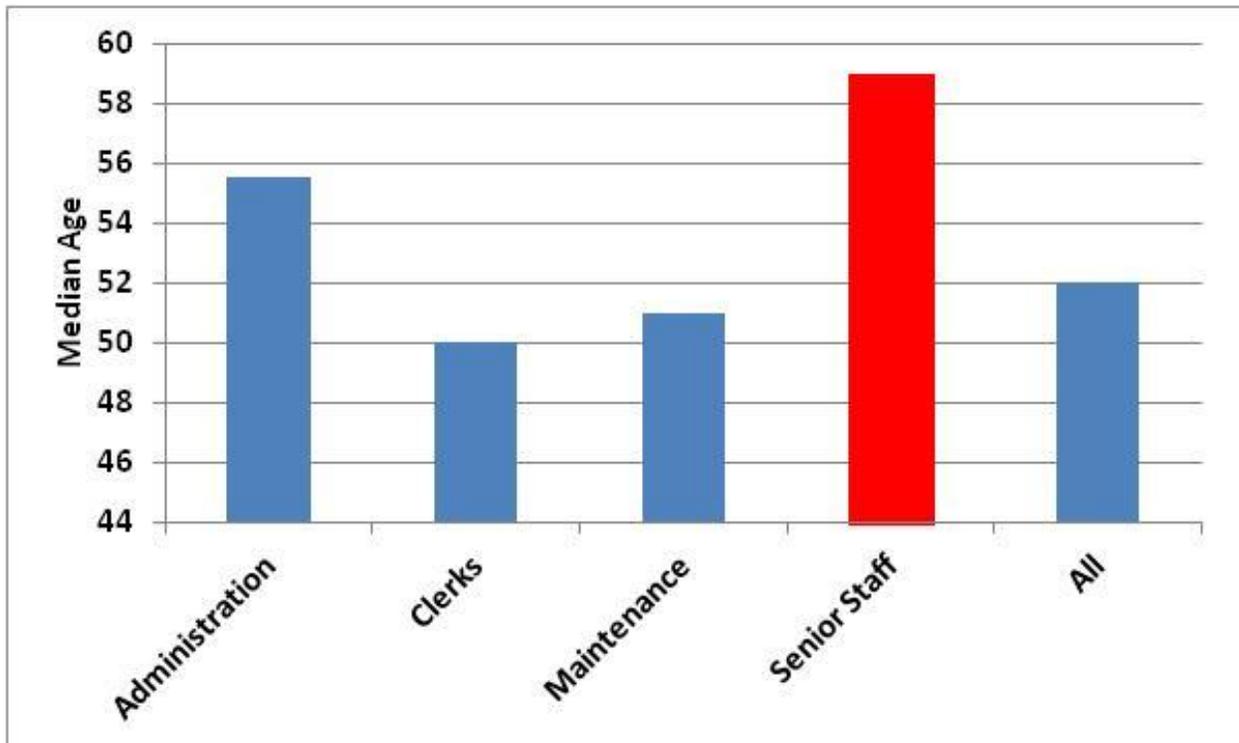
## A. Leadership Succession

The most serious threat to the continued high performance of the organization is the potential for disruptive transitions and the loss of human capital. A succession plan is needed in the near to immediate future due the age and long tenure of the executive director, as well as a number of the members of the board of commissioners and other key senior staff positions.

Succession planning will assure that essential management functions and staff resources are in place that will enable smooth transition for key staff positions particularly the executive director. Other highly sensitive and skilled positions also require adequate transition planning. A transition plan for the board of commissioners must also take place in a well-planned and orderly fashion.

The average age of all HACE employees is 51 years and average tenure (period of employment at HACE) of all employees is 19 years. Administrative staff, senior staff and maintenance supervisors have the longest tenure.

**Figure 7: Median Age of HACE staff by Classification**



(1) Board Succession Planning:

The board of commissioners is the body most responsible for safeguarding the housing authority. HACE's current board is responsible for a number of critical decision-making milestones that are inevitable to organizations as they move through time, events and growth periods. It is essential that the talents and skills that currently exist on the board of commissioners continue beyond the tenure of existing board members several of whom have served for many years and could be nearing retirement. The leadership will need to evaluate the range of skills, experiences and relationships needed on the board as a first step. They would then identify for the City's Mayor capable and qualified City of Erie residents that would be interested in serving. A plan would then be formulated to transition candidates into board positions as they become vacant with minimal disruptions.

(2) Staff Succession Planning:

The recruitment and replacement of a successor to the executive director is the most significant action that HACE will be required to undertake within the next few years. The search for a new director must be well planned and there would need to be adequate lead time for the recruitment process. The combination of attributes and skills required to lead the agency are unique and will fall upon the Board of Commissioners and senior staff to set clear standards and a timeline to make the transition.

The next biggest challenge is securing talent for other key senior positions where the skills set required is very high and the nature of the work requires a unique set of industry knowledge and personal attributes. Therefore the planning required for filling these positions needs to occur over a period of time so that once a vacancy occurs the transition process is not disruptive to operations.

B. Invest in HACE's Human Capital

The most valuable intangible asset at HACE's disposal is its human capital. The Authority has benefited from a long period of skilled and stable leadership as well as long-tenured staff who have acquired a great deal of on the job experience. Administering public housing agencies occurs in a complex, highly technical and evolving regulatory environment. No matter how successful an organization has been in the past it can still be impacted by the loss of key staff unless there is an on-going effort to conduct job-specific skill assessments and the provision of high-quality professional development to strengthen the staff's capacity.

(1) Staff Career Ladders and Upward Mobility:

HACE's succession plan for the executive director and other senior staff positions would need to take into account the State of Pennsylvania's State Civil Service requirements, all existing HACE human resources, as well as the potential for attracting outside skills and talent. One of the most valuable resource pools for succession planning is existing staff who have served the agency well for a number of years. Consider existing staff talents within HACE for promotional

opportunities by means of a career ladder that would establish a clearly defined path for upward mobility.<sup>14</sup>

(2) Staff Training and Education:

Continuing education and upgrading of the authority's employee's skills and knowledge in a number of job related areas is equally important to HACE's continued high performance is. Continued training and certification will become more important in future years due to the changing nature of federal housing policy. Well trained employees will be able to take advantage of changes in the business environment as well as promotional opportunities within the organization. This is a key component to leadership succession planning because of the particular skills, knowledge and job performance requirements.

C. Secure the Housing Authority's Financial Future

(1) HUD Funding Reductions and Risk Factors:

As a result of HACE doing excellent job of managing its fiscal responsibilities it enjoys a balance sheet that includes a modest surplus in the fiscal year ending March 31, 2014. Consequently, there is no immediate need to alter HACE's business model or its current revenue sources. However, longer-term possibilities with regard to future revenue streams are more difficult to predict.

Approximately 41% of HACE's annual income comes from HUD funding which has come down from \$12.78 million in 2011 to \$10.95 million in 2014. Some of the reductions in HACE's HUD funding have been:

- Annual HUD capital fund allocation has fallen from \$4,296,178 in 2003 to \$2,792,141 in 2014.
- Federal budget cuts caused a reduction in families receiving Sec. 8 rental assistance from 980- to 856 between 2012 and 2014.

HACE's excellent fiscal management is the reason for its current operating surplus and its capital and operating reserves. HACE uses its reserves to invest in the modernization of public housing and the improvement of facilities to provide tenant services, security improvements and other upgrades. However, HUD's policy is to recapture operating reserves above a certain threshold.

- HUD recaptured \$1.6 million in operating reserves in fiscal year 2012.

(2) Protecting Capital and Operating Reserves:

HACE's can protect its future buildup in operating reserves to some extent by continuing to invest large amounts in the modernization of existing properties. However, recent HUD policy rulings limit the use of operating reserves and calls for the recapture of reserves above a certain

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<sup>14</sup> Any transition would need to comply with the Pennsylvania State Civil Service law.

threshold determined by HUD on an annual basis. Although there is considerable public debate between HUD and some of the major public housing interest organizations such as the Public Housing Development Association (PHADA) and the National Association of Housing and Redevelopment Officials (NAHRO) on the allowed uses of public housing operating reserves there has been no change at this time in HUD's policy on this issue.

(3) Creating Separate Lines of Business:

A number of housing authorities have created separate lines of business such as private real estate development, ownership and/or management. Such an approach if managed successfully and at low risk can generate new sources of unrestricted income for a housing authority not subject to HUD recapture or restrictions on use. HACE owns vacant land in the West 38<sup>th</sup> Street area near the Erie Heights and Curry Schell developments as well as other vacant scattered site parcels located near other HACE properties.<sup>15</sup>

The timing and feasibility of real-estate development at some future time will depend on a wide range of factors including but not limited to the local housing market, the availability of other HUD and non-HUD funding sources, the local economy, employment levels and population movement/trends in or out of the City of Erie. Some of the other factors to consider prior to constructing additional housing are the market for low-income rental housing, household incomes, vacancy rates and local construction costs.

Appendix B shows some of the housing, income and population trends in the City of Erie and Erie County. Erie exhibits some negative demographic trends such as income and poverty however not all of Erie's indicators are negative. For example, Erie's population declined less than two percent between 2000 and 2014 and unemployment rates trended down almost a full percentage point between April 2014 and September 2014.

A market study as well as a risk-based financial feasibility analysis would need to be conducted to determine the risks and feasibility of any rental housing development or other development such as a senior assisted-living housing project. HACE could also explore smaller scale scattered-site housing development on vacant HACE owned property. HACE has successfully developed a number of scattered site rental housing units meeting the requirements of the Uniform Federal Accessibility Standards (UFAS) for disabled and handicapped persons. UFAS housing is a continuing need for the large number of disabled tenants in HACE's properties.

HACE would benefit from keeping its options open for utilizing the City of Erie's Home Investment Partnerships (HOME) funding<sup>16</sup> which is an eligible source for developing UFAS housing. There is also a significant demand for housing with three or more bedrooms for larger families requiring single-family housing. HACE would also benefit from exploring financing

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<sup>15</sup> HACE owns a number of vacant parcels and the City of Erie has offered other parcels to the housing authority.

<sup>16</sup> The City of Erie receives annual HUD formula funding for the Home Investment Partnerships (HOME).

opportunities for larger scale multifamily housing development such as State of Pennsylvania Low-Income Housing Tax Credit financed housing in the event that the local economy, the housing market and incomes improve in future years.

#### D. Organizational Sustainability

HACE's existing organizational structure is set to manage core activities necessary for managing a traditional public housing authority. Operating systems are set up to maintain an aging inventory of properties most of which exceed 50 years of age. The staffing, organizational structure and management systems needed for a transformed agency are significantly different from that of a traditional public housing authority in a number of ways such as having a designated property development division, having centralized property management operations and a designated information technology/automation office. HACE should examine the benefits from making changes to its organizational structure and/or management systems that could maximize efficiencies. There could be opportunities to bring about management realignments in such a way that would be costs effective and enhance program management functions in some internal management areas such as property management, property development and information technology/automation.

Some of the areas where HACE should assess the feasibility and benefits of organizational change are:

##### *(1) Property Management:*

Property management (PM) is a critical cost center responsible for a large percentage of HACE's annual budget. Existing property management operations are divided among seven (7) AMPS varying in the levels of needed maintenance, staffing and procurement needs. Centralized property management systems (e.g., automated inventory control) could result in cost savings although budgets could continue to be broken out on an AMP basis for HUD budget management and reporting purposes. Establishing a property management cost center with a division head may enable functional management and coordination of the PM business activities.

One area where efficiencies could be maximized is in the examination of comparable rents and vacancy rates for one of HACE's largest non-public housing assets. The Erie Heights Apartments in the western section of the city currently have below market rents compared to other privately owned rental properties in the area. The property also has a higher vacancy rate than typical of HACE's units. Efforts should be explored for making this property more competitive with market rate apartments and resolving any issues impacting the vacancy rate.

##### *(2) Property Development:*

Property development is another area that typically requires a unique set of dedicated skills where consideration for organizational placement could be advantageous. HACE has no development cost center in its organizational structure where it can devote staffing, financing and material resources dedicated to maximizing real-estate assets and expanding revenue to the

agency. Establishing a property development cost center with a division head could enable functional management and organization of the property development business function.

(3) Nonprofit Subsidiary:

A standard business practice for a number of housing authorities is to establish one or more non-profit subsidiaries that operate in various capacities typically in carrying out property development. The creation of a separate nonprofit subsidiary is a strategy that a number of housing authorities have employed in order to separate private revenue generating activities from public housing operations. A nonprofit subsidiary could open up new avenues for housing and community development activities that could be structured to protect the assets of the housing authority by establishing a separate corporate entity.

(4) Improvements in Automation and Information Technology:

HACE has a fairly complete, automated and integrated system for most functions: tenant accounting, general ledger, applications, work orders, purchasing, payroll, and property data. Important asset, financial and operational data is maintained in HUD's Property Information Center (PIC) database. PIC data is essential for "back-end" data collection/retrieval for reporting on audit compliant data across various aspects of a housing authority's asset management operations.

Housing authorities now have access to new technologies that may be worth consideration to the extent there is a clear benefit to HACE's operations. Whether to acquire new software or IT systems would depend upon many factors and may result in only minor changes if any, however this is an area impacting organizational efficiency.

Some of the areas where new technology may be beneficial to HACE are: (1) Integration of lateral functions from wait list management to generating work orders and rent calculations; (2) Wireless technology that allows greater flexibility in managing multiple sites especially when spread across a wide geographic area as is the case with HACE's properties. (3) Hand-held devices that allow data uploading in real time to central databases and collection of information that can save time and money.

There could also be opportunities for HACE to become a more data-driven organization with respect to key operational areas and that doing so could result in greater operating efficiencies and cost savings. Some of the specific applications where upgrades in automation and technology applications could be useful are:

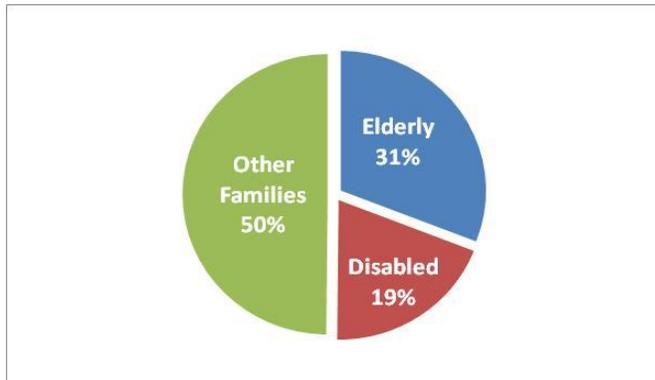
- Property Maintenance: One of the recommendations during the S.W.O.T. sessions was that introduction of bar coding and the use of hand-held automated devices could improve property management procurement, work order processing inspections and warehouse management.
- Tenant Data: Upgraded technology for inputting information about tenants such as age, race and ethnicity of a household, type of disability, sources of existing social services, employment status, veteran status, educational status, self-sufficiency goals would make collection and

analysis of tenant data easier during application intake and occupancy renewals. Such data could assist HACE to determine how best to plan and coordinate the delivery of services by partner organizations, identify services gaps, and facilitate better community-level metrics and data sharing.

- ***Contractor Data:*** Technology enhancement could improve oversight of contract work and vendor services. Upgrades in data collection on the cost and quality of work performed by individual contractors and suppliers could enable HACE to have quicker access to the overall cost and quality of work performed by contractors. HACE could then use the data to implement measures resulting in cost savings to the agency.

#### E. Enhance Residential Services

HACE has been able to expand tenant employment opportunities and raise overall household incomes through its upward mobility programs. Still (as shown in Figure 9 below) approximately 50% of existing public housing residents fall into the extremely low-income categories.<sup>17</sup> Most of HACE’s tenant



households are comprised of families with children, 31% of whom are elderly and more than 19% are disabled.<sup>18</sup> The significance of these ratios is the high demand for supportive services these populations require and the continued need for investments in upward mobility programs and activities.

**Figure 8: Family Composition of HACE Tenants**

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<sup>17</sup> Based on HUD’s definition of extremely-low income which are families earning less than 30% of the median household income for the metropolitan area.

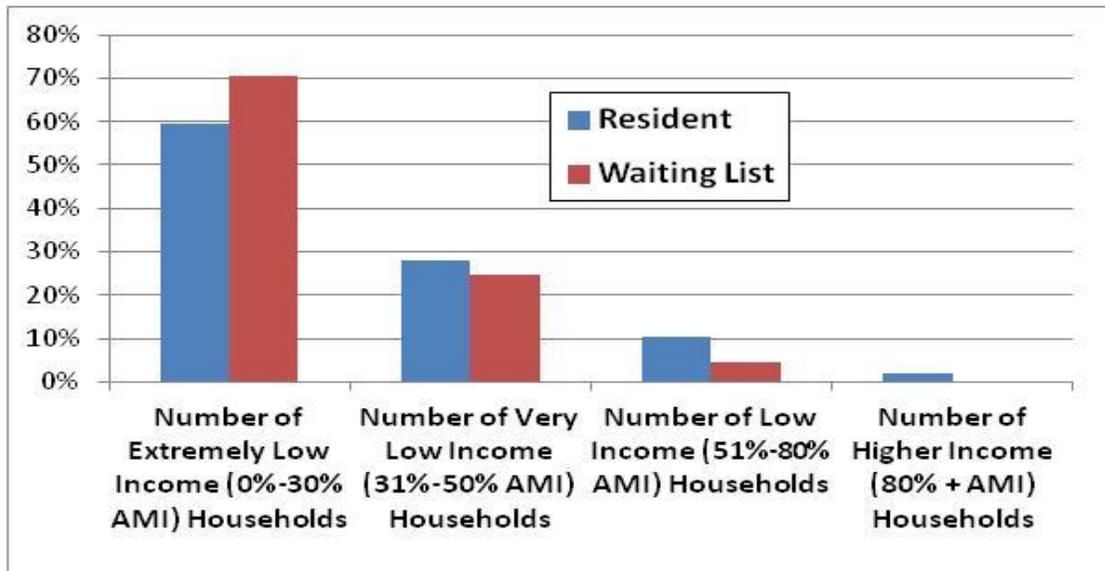
<sup>18</sup> Appendix C contains data of HACE’s resident population and its waiting list

**Figure 9: Public Housing Family Income**



The percentages of families by income category living in public housing versus those on HACE’s waitlist (based on recent available 2014 CHAS data) are shown in Figure 10. Figure 11 shows that for Section 8 families the percentage of the extremely low and low-income families increased between 2011 and 2014 while the ratio of higher income families declined.

**Figure 10: Incomes Groupings of Public Housing Residents and Wait List Families\***

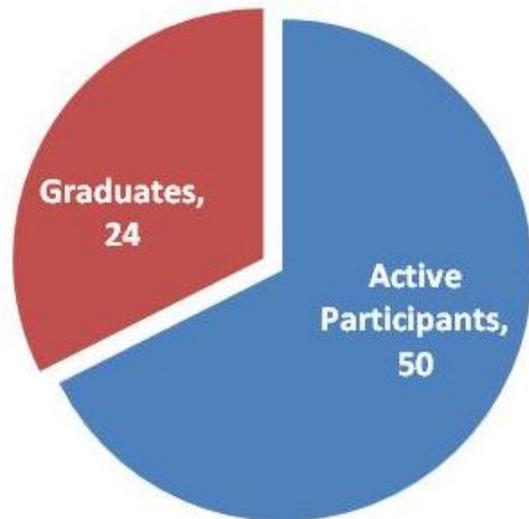


**Figure 11: Section 8 Family Income**



Of the 576 Households on HACE’s Public Housing waiting list, 70% have incomes less than or equal to 30% of the Median Household Income for the Metropolitan Area and 23% are presumed to have mental and/or physical health related disabilities. The implications are that HACE must be prepared to continue providing a high level of supportive services and family self-sufficiency to a significant number of new families.

The Section 8 Housing Choice Voucher Program has achieved significant successes assisting tenants to achieve self-sufficiency. Tenants in that program pay 30% of their adjusted gross household income for rent and tend to exhibit slightly higher incomes overall than do public housing residents. Still more than 50% fall into extremely low and very low-income groupings. The FSS program is utilized by Section 8 households and as previously shown provides an avenue for improving resident quality of life and employment opportunities. The charts below show the most recent data on incomes of public housing and Section 8 tenants.



**Figure 12 Section 8 FSS Participation and Graduation (as of August 2014)**

HACE's Section 8 FSS program is at full capacity with 50 participants and 24 graduates as of August 2014. The Public Housing Family Self-Sufficiency (PHFSS) program which was initiated in 2014 has vacant slots available for persons in need of job training, educational services and skills development. There is an acute need for these services given HACE's tenant demographics. HACE's Admissions and Continued Occupancy Policy (ACOP) allows for income disregard which encourages participation.

Good survey data about the social and economic status of each household would help in targeting efforts to eligible FSS tenants and making them more aware of programs and opportunities. For example, a household member may not be aware of the potential benefits of pursuing a GED, technical certification or a college education that could significantly increase income and future life prospects.

*(1) Expand Distribution/Accessibility of Resident Services*

There is a need to assess whether some services should be offered in more locations than they are currently. According to the 2013 Safety and Services Resident Survey awareness and utilization of services varies substantially from one property to another. It is highest in those properties having a concentration of services including the John E. Horan Garden Apartments, Lake City Apartments, Harbor Homes and Harbor Homes Annex, the Agnes R. Priscario Apartments and senior services at Friendship Apartments and Schmid Towers. This issue was also raised by staff during the SWOT analysis sessions. The location and availability of services is a product of costs, availability of space and size of the population in and near these sites.

*(2) Improve HACE's Service Delivery to its Immigrant Population*

The resources required for housing a large immigrant population is a significant cost concern for HACE's property management and supportive services operations. HACE has provided a high level of services to its immigrant tenants that comprise approximately 24%<sup>19</sup> of its households. The immigrant population poses new challenges for HACE's staff to address language and cultural barriers (especially socializing this population to the norms and expectations for residents of multi-family living in this country.) The need for translation services when interacting with the immigrant population was a key issue of concern raised by property management staff and the application intake/eligibility staff. Additional and more creative approaches should be explored in order to improve translation services between immigrant residents. (e.g. Use of handheld language translation devices.)

*(3) Improve HACE's Data Collection of Tenant Information*

Better survey data about the needs of tenants and their interest in and desire for services would improve targeting of resources and possibly increase overall utilization and awareness of available supportive services. Such data would also help in making decisions about the location of services and whether it would be economically beneficial to expand certain services or to employ alternative ways of making services available such as employing mobile/transportation services to residents to access services that are located some distance from their homes.

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<sup>19</sup> Includes count for Heads of Household. Excludes persons of Puerto Rican descent which is a U.S. territory.

## Strategic Goals and Strategies

The strategic goals and strategies below address the five strategic challenges identified above in the Strategic Planning Process as follows: (A) Develop a leadership succession plan, (B) Invest in HACE's human capital, (C) Secure the housing authority's financial future, (D) Assure organizational sustainability, (E) Expand and enhance residential services and family self-sufficiency. These strategies will help HACE to grow and develop as a corporate entity. Each strategy is targeted to address the priority issues identified during the strategic planning process including the S.W.O.T analysis with staff and stakeholders, the resident advisory board and the board and senior staff retreat.

### A. Develop a Leadership Succession Plan.

#### *(1) Develop a succession plan for the Board of Directors:*

- *Lay out a schedule and process for board succession:* Develop a schedule and process so that no void occurs when existing board members are no longer serving in their current capacities.
- *Create ad-hoc advisory committee(s) for key program areas:* Establish ad-hoc committees such as marketing and public relations, resident services, job creation and community development. Persons would be selected from various sectors of the corporate, government, non-profit, educational and medical community.
- *Create a board member training plan (Board University):* Establish a training process for those persons who become candidates to learn the business of the housing authority and its various disciplines.

#### *(2) Succession Planning for Executive Director:*

- *Hire a professional search firm:* At least one year prior to the executive director's retirement, hire a search firm having experience with housing authorities and/or similar types of public agencies. Have the firm identify a slate of qualified candidates in preparation for the eventual retirement of HACE's executive director.
- *Establish a time line for selection:* As the timeline for the executive director's retirement draws closer narrow the pool of candidates to 2-3 highly qualified persons and schedule remote and on-site interviews.
- *Develop and execute a transition plan:* The search firm would manage the transition process of the selected candidate. The search firm will assure and adequately execute knowledge transition and other preparatory steps.

## B. Invest in HACE's Human Capital

*(1) Strategic investment in upgrading HACE's staff knowledge and skills is essential to succession planning as well as organizational sustainability*

- Enhancements in training and development programs for HACE staff:
  - Include a line item in the budget for employees to receive trainings to enhance their knowledge and skills of HUD regulatory requirements and industry standards in areas such as asset management, resident requirements and automated systems.
  - Develop a training and skills certification curriculum for staff responsible for professional and technical areas, resident eligibility, and property management services.
  - Establish partnerships with area universities, vocational and technical schools by recruiting persons from these schools as well as accessing training from these schools for existing employees.
  - Establish a framework for encouraging greater utilization of on-site and on-line training opportunities by HACE staff.

## C. Secure the Housing Authority's Financial Future

*(1) Explore Alternative Avenues of Generating Unrestricted Income*

- *Explore diversification of HACE's business model:* HACE would review the practicality of expanding into other revenue generation activities such as property development, property management, financial management services and the provision of site-based social services to private property owners.
- *Explore the feasibility of development of a multifamily property:* HACE would commission a project feasibility study to determine the practicality of developing its vacant parcels in the West 38<sup>th</sup> Street area in a manner that is low-risk and economically beneficial to HACE.
- *Explore opportunities for developing additional UFAS units:* HACE would seek outside funding opportunities such as the City of Erie's HOME funding, state funding or other grant funding for the development of scattered site single-family housing that are handicapped accessible.
- *Erie Heights Apartments:* Analyze market potential for increasing the rents at Erie Heights Apartments to be more comparable to market rents and identify/implement management strategies for lowering the overall vacancy rate.
- *Savocchio Business Park:* Revisit options with the GEIDC on the development of the Savocchio Business Park to provide employment opportunities for nearby public housing residents.

#### D. Assure Organizational Sustainability

##### (1) Review Alternative Organizational Approaches:

- Review other similarly sized high performer agencies that have centralized functions in areas such as property development, property management, resident services and information technology and automation.
- Conduct an internal review to determine the pros and cons of any changes in management structure and organization.
- Research the advantages and disadvantages of establishing a non-profit subsidiary that could operate separately from the housing authority and generate unrestricted income.
- If management changes are recommended incorporate any changes into the staff leadership succession planning process.

##### (2) Assess Need for Improvements in Automation, Information and Technology:

- Develop a technology committee within HACE to research and explore state-of-the-art automation and information technology currently in use at other comparable housing authorities.
- Have the committee make concrete recommendations for whether HACE should introduce technology improvements into its operations and the most efficient/effective methods for doing so.
- If feasible, facilitate a trial run of the most promising/recommended technology software.

#### E. Expand and Enhance Resident Services and Family Self-Sufficiency

##### (1) Expand Accessibility/Distribution of Resident Services:

Develop a working group comprised of senior staff, property managers, clerical personnel, family self-sufficiency personnel and outside stakeholders to explore various approaches for maximizing resources for resident services. Key areas for the working group to review would include:

- Develop a set of recommendations for expanding accessibility of social services to more residents living in HACE owned properties throughout the city.
- Explore methods for increasing utilization rates for the Family Self Sufficiency (FSS) program.

(2) Improve Services to HACE's Immigrant Residents:

Develop creative solutions to bridge language and cultural barriers with immigrants living in HACE properties.

- Work with partner agencies and HACE resident services staff to develop a standard training curriculum for immigrants to assist them from the point of arrival and at various intervals throughout their tenancy.
- Explore technology enhancements to improve language translation services, utilization of local multi-lingual services and/or multi-lingual residents and staff.

(3) Improve HACE's Data Collection of Tenant Information

- Develop an assessment tool to collect an expanded cadre of baseline family data and information so that there is more quantitative and qualitative information about family composition, disability, service needs, education, military service, economic needs, self-sufficiency goals and other factors.
- Develop a set of outcome matrix data to measure success (outcomes) of participants in the FSS program.

## **Implementation**

Going forward HACE would formulate an approach for actualizing the vision and strategies established by the strategic plan. HACE's strategic plan will help HACE to grow and develop as a corporate entity. Each strategy targets the priority issues identified during the strategic planning process. The implementation process grants broad authority to HACE's leadership to designate clear lines of responsibility for its successful accomplishment. HACE's continued high performance demands the full engagement and participation of all parties, the board of commissioners, senior staff, rank and file staff, residents and stakeholders.

An efficient approach for managing the implementation process is through the establishment of a task force. The advantage of the task force approach is that it would minimize disruptions to routine operations by curtailing the time that key personnel would need to be away from their day-to-day job functions during the implementation process. HACE would continue operating at a high level of performance while the task force works to implement strategic changes that cut across various organizational functions. If necessary, modifications, changes or improvements can be made to the implementation approach as needed.

#### A. Planning

- (1) A Strategic Planning Implementation Task Force would be comprised of senior staffers and a steering committee of the board of commissioners (and other staff if determined necessary) that meet periodically to assess and review progress toward implementation strategies.
- (2) The Task Force would have the responsibility for establishing a detailed implementation plan inclusive of timelines for performance of specific tasks associated with each strategy to achieve the agreed upon goals and objectives.
- (3) The Task Force would establish appropriate working groups as needed to address specific issues and produce results. (Working groups could be comprised of HACE employees, as well as outside stakeholders).

#### B. Process Improvement

- (1) The Task Force identifies/recommends the most efficient ways to achieve the strategies in the most effective manner.
- (2) The Task Force would also identify any implementation problems and would recommend appropriate actions for removing barriers, forming alliances and identifying resources to carry out plans and strategies.
- (3) The Task Force would also be responsible for researching best practices and organizational systems for implementation.

#### C. Tracking progress, evaluation and reporting

- (1) The Task Force (and any work groups created by the task force) should hold, at a minimum, monthly meetings (bi-weekly meetings may be needed in the early stages of implementation).
- (2) The Task Force would produce monthly or quarterly reports on its progress and evaluations on the progress of plan implementation. The reports would address any problems or bottlenecks associated with implementation and identify steps to address these issues.
- (3) The Task Force would prepare an annual report and present to the Board of Commissioners on progress toward attaining strategic plan goals.

#### D. Consultant Team Updates, Review and Facilitation

The consultant would conduct an annual update and review of the organizational/environmental conditions and progress made by the housing authority to implement the strategic plan's goals and strategies. The consultant team will provide guidance and assistance with regard to changes in national, state and local policy, funding and other factors such as the economy, local housing market conditions, and population changes that could affect implementation.

## **Appendices**

A–SWOT Analysis and Stakeholder Survey Results

B– Selected Census Data on Population, Income and Housing Data

C– HACE’s Properties, Tenant Characteristics and Wait List Data Tables

D– Board of Commissioners and Senior Staff Retreat Report

<sup>i</sup> All figures except figure 10 were developed based on data provided by the Housing Authority of the City of Erie. Figure 10 data is from HUD and the Census Bureau in a database known as CHAS and dated 2011. It is derived from PIC, which is the HUD PIH database of information required of and provided by PHAs for all residents (public housing) and participants (HCV).

# **APPENDICES**

## **Appendix A –SWOT Analysis and Survey Results**

*Goal#1: Expand the supply of assisted housing*

### **Interagency/COPPS Working Group**

1. Seek additional funding sources (Erie Community Foundation, united Way etc.)
2. Educate potential Section 8 landlords
3. Focus on meeting 100% of current voucher goals.
4. More accessible housing for elderly & disabled
5. Maintaining current occupancy rate
6. Focus on transfers to reduce over & under housing

### **HACE Senior Staff**

1. Reduce PH vacancies by providing better maintenance training to reduce turnaround time.
2. Develop maintenance training schedule with local schools / technical institutes.
3. Landlord/tenant workshops & outreach to promote tenant retention
4. Educate tenants re: proper maintenance
5. Transfer lite maintenance to a “community service program”
6. Est. an Emergency Call Box.
7. Update cell phones to include text & data
8. Staff training on VAWA??
9. HACE EMAIL address for FSS participants
10. Duplicate work boards at development offices
11. Lengthen the FSS program-more incentives for extended self-sufficiency.

### **AMP Group Mgrs & Maintenance Supervisors**

1. More UFAS units needed (i.e., handicapped accessible units)
2. More funding to purchase/acquire units in the private market
3. Improve technology (i.e., I-Pads) for initiating work orders, virtual tours of apts., verifying work completion, vacant unit availability.

### **Maintenance Staff - Property**

1. Property managers no longer inspect units / contractors are not doing the job properly. PMs should be inspecting units throughout the year.
2. Poor quality of construction materials provided by contractors
3. Contractor work is poor – maintenance many times must go behind the contractor and correct work.

4. AMP managers and Maintenance Supervisors should approve / sign-off on completed contractor work.
5. AMP managers need training for property maintenance and construction related skills.
6. HACE needs a "bar code" system for ordering supplies and maintaining inventories.
7. Hire experience and/or trained maintenance staff that have building skills.
8. Erie has two vocational schools that should be partners in sending grads to HACE. These schools could also be used to train HACE – FSS participants.

### **Clerical Staff - Property**

1. Need an activity director (used to have one in the GECAC disabled/elderly program)
2. HomePlus program is essential and needs to continue
3. Continue COPPS program
4. Need language interpretive services
5. Need iPad automated language interpretation technology
6. Need more ESL training
7. FSS program should train residents transitioning to private housing to pay some or all of their utilities. (Would help them transition better to get used to paying their own utilities. Would also save the housing authority money).
8. Child care needed for tenants living on west side of the city.
9. Reduce/eliminate interim renewals because it triggers resident negative actions (e.g., some residents quit their jobs so their rent does not go up).
10. Hire additional Section 8 staff.
11. Staff Training is needed (refresher HUD trainings)
12. Sex/cultural education needed for women who believe it is acceptable to have multiple children. There is a shortage of housing to accommodate large families.

*Goal#2: Improve the quality of assisted housing*

### **Interagency/COPPS Working Group**

1. Improved landlord outreach/education (use social media)
2. Increase FMR / Payment standard & RRT
3. More tenant participation & outreach (use social media; improve web site, public access TV)
4. Expand on social media (positive media, info about the housing authority)
5. More focus on revitalizing the west side of Erie (more even distribution of resources)

### **HACE Senior Staff**

1. Maintain work order logs on individual units
2. Require mandatory training for maintenance workers
3. Close offices at least 4 hours per week so staff can catch up on back log of work.
4. Base transfers to scattered sites on residents in good standing

5. Contract w/city to do code enforcement
6. Expand training opportunities for management/clerical staff
7. Expand land bank program
8. Develop physical needs assessment (current) (I think they were referring to the need to update the 2007 PNA)
9. Better staff training (quality control / better planning processes) (need Policy & Procedures manual)
10. Better use of social media and public access channel for outreach, communications.
11. Utilize community service requirements/management – address language differences.
12. Assessments of applicants at intake to determine social services needed and job training
13. Working with employers to increase hiring/ better networking/ establish more access opportunities

### **AMP Group Mgrs & Maintenance Supervisors**

1. Hire more maintenance staff
2. Hire more clerical / intake staff
3. Improve energy efficiency in units
4. Improve the quality/skills of new hires for maintenance
5. Improve quality of materials ordered
6. Offer more on-line services (rent payments, work order requests)
7. Improve phasing of inspections (have maintenance supervisors more involved in inspections year round instead of relying on outside contractors who try to conduct all inspections in 1 – 2 months and do a poor job).
8. Take steps to expedite transfers of under housed and over-housed tenants to alternative units through hiring more maintenance staff.
9. Accept partial rent payments from tenants so that evictions are reduced which is costly and devastating to the family.

### **Clerical Staff - Property**

1. Housekeeping classes should be mandatory for all tenants (would save HACE lots of money)
2. Mandatory orientation should be required for all tenants
3. Improve relationship with landlords who drop out of the program due to low rent.
4. Require mandatory landlord training
5. Improve/accelerate the transfer of resident to right sized housing.
6. Seek MTW status or similar designation from HUD to enable greater flexibility in setting rents, lease terms, FSS participation etc.
7. Some properties due to age, wear and tear need a facelift. (This includes scattered site properties)
8. HACE should develop vacant land located near its properties.
9. Need more UFAS units (accessible housing)

*Goal#3: Increase assisted housing choices*

### **Interagency/COPPS Working Group**

1. Allow tenants that have lived in housing the longest and have a good track record (i.e., rent payments, FSS etc.) to move to scattered site properties.

### **HACE Senior Staff**

1. Market public housing & Sec. 8 as the housing of first/best resort to low-income persons.
2. Life skills training for refugee families

### **RAB – Property recommendations**

1. Scattered site housing needs central AC
2. Need units having greater no. of bedrooms to accommodate large families.
3. Need enhanced lighting around some buildings (security- Friendship Heights)
4. Need more parking around some buildings (Friendship Heights has vacant lot nearby that could possibly be converted to parking)

*Goal#4: Provide an improved living environment*

### **Interagency/COPPS Working Group**

1. Provide more security cameras at properties
2. Make sure that all residents are treated fairly by having a uniform policy for evictions
3. Improve trespass / banning procedures (i.e., transparency & fairness)
4. Develop partnerships with local businesses to revitalize surrounding areas

### **HACE Senior Staff**

1. Ensure that the police administration continues to see the COPPS program as a success they are part of & helped to develop.
2. Have a yearly staff retreat to review & have staff buy into HACE goals.
3. Increase inter-generational activities
4. Improve security lighting
5. Enforce program w. tenants to police communities for trash / litter.
6. Cultural sensitivity training for staff
7. Adopt “equal access” rule

### **AMP Group Mgrs & Maintenance Supervisors**

1. Train residents to take pride in their housing (e.g., to stop littering). Initiate something to control littering by residents (i.e. education, fines etc.) Or hire residents to pick-up litter
2. Initiate a resident services volunteer squad and/or pay residents to assist in minor repairs / maintenance
3. Train residents to handle small maintenance issues (e.g., changing a light bulb)

4. Train residents on housekeeping

#### **Maintenance Staff - Place/ Neighborhood Environment recommendations**

1. All neighborhoods are safe & attractive
2. COPPS program has been effective and should continue

#### **Clerical Staff – Place / Neighborhood Environment recommendations**

1. Provide services on the west side of town
2. More development of vacant land near HACE properties (esp. homeownership)
3. Increase security near certain properties (i.e. Friendship Heights located near a Mission – results in squatters & tenants interacting and inviting people into their units).
4. Amend ACOP to address over-housing / under-housing

#### **RAB – – Place / Neighborhood Environment recommendations**

1. Transportation services for buildings not located near retail & services (John Horan, Pineview & Harbor Homes)
2. Improve security (particularly lighting) near certain properties (e.g. Friendship Heights – located across from night club and homeless mission)\
3. Research solution for highway noise from Interstate 79 near Pineview Apts.
4. Parking more proximate certain properties (think it was Friendship Heights)

*Goal#5: Promote self-sufficiency and asset development of assisted households*

#### **Interagency/COPPS Working Group**

1. Provide more supportive services in HACE owned properties located on the west side of the city.
2. Better language interpretive services (uniformly provided in all buildings)
3. On-duty language interpreters 24/7 esp. at night.
4. Need specialized services for 12 – 18 year old residents
5. Explore more grants for child care services
6. Summer internships / job training programs
7. Expand incentives for residents (resident recognition, monetary rewards)

#### **HACE Senior Staff**

1. Expand self-sufficiency opportunities to a larger group of tenants
2. Expand partnerships with groups like Gannon Univ. who bring their services to Housing Partnerships.
3. Better utilization of Section 8/TS staff
4. Better communication and stronger partnership relationships

### **AMP Group Mgrs & Maintenance Supervisors**

1. Increase the no. and location of ESL classes for Immigrant population
2. Increase provision of services for the elderly who live in family buildings
3. Need for an Asset Manager responsible for coordination of all tenant services in non-elderly buildings
4. Expand locations of AMP group “hearings” (I assume tenant renewals and eviction appeals etc.)
5. More recreational facilities & supportive services in more locations
6. Assure that all HACE employees receive a “living wage” (i.e., a no. of employees are also tenants)
7. Need more computer learning rooms (e.g., Schmidt Twrs.)
8. Tenants need driver ed. classes
9. Expand HomePlus Services for elderly persons living in family buildings
10. Hire FSS grads as teachers
11. Network with major employers to provide job training / services on site/ recruit PH residents.
12. Provide transportation for elderly residents that live in family bldgs. to elderly properties where there are elderly services.

### **Maintenance Staff – People recommendations**

1. Tenants need training / orientation on maintaining units & common areas (esp. family properties).
2. Tenants (esp. immigrant HHs) need training on maintaining their apts.
3. More ESL training and efforts to address language barriers.
4. Parental counseling classes needed in family properties.

### **Clerical Staff – People recommendations**

1. Reduce staff overtime and use comp time (time off) instead.
2. Better labor management – employees need more rest & relaxation activities

### **RAB – People recommendations**

1. Exercise classes for the elderly
2. More social activities for elderly in non-senior/family properties
3. Continue/sustain current services
4. Seek more active work for disabled person & seniors (volunteer & paid work)
5. Programs for teens (High school youth and ages 12 – 18)
6. Multi-lingual workers needed – use resident’s youth as translators

## Appendix B – Selected Census Data of National, State and Local Population, Income and Housing Data

United States Census Bureau data indicate that American families have been slipping downward in terms of family stability with greater numbers of households no longer comprised of two-parent households but are now predominantly headed by a single female heads of household. Single female headed households have the highest poverty rate of all other types of households and those with children present a set of societal challenges that require holistic and comprehensive approaches to helping these families survive.

The number of families experiencing housing cost burdens relative to incomes in Erie County is high. 75% of renters and 35% of homeowners pay more than 50% of their incomes for housing costs. The implications for public housing, the Section 8 Housing Choice Voucher program and even HACE's other subsidized and non-subsidized housing is that future applicants will have acute housing needs and very likely lower incomes.

Table 1 Profile of General Population and Housing Characteristics U.S. Census 2010 Demographic Profile							
Cost Burden > 50% (Owner)		%		%			%
Median Household income group	0–30%		30–50%		50–80%	All Households	
Small related	375	23.08%	320	13.65%	110	805	3.64%
Large related	75	4.62%	50	2.13%	4	129	0.58%
Elderly	325	20.00%	310	13.22%	85	720	3.26%
Other	355	21.85%	230	9.81%	55	640	2.89%
Total Cost Burden Households	1130	69.54%	910	38.81%	254	2295	10.38%
Cost Burden > 50% (Renter)		%		%			%
Median Household income group	0–30%		30–50%		50–80%	All Households	
Small related	1300	22.11%	310	7.45%	40	1650	9.04%
Large related	370	6.29%	40	0.96%	0	410	2.25%
Elderly	490	8.33%	210	5.05%	35	735	4.03%
Other	1740	29.59%	395	9.50%	10	2145	11.75%
Total Cost Burden Households	3900	66.33%	955	22.96%	85	4941	27.06%
Total All Households	5880		4160		3685	18260	

Erie's median home values are very modest with a value of \$83,600 compared to the county's median home value of \$115,400 and State's median home value of \$164,900. The percentage of persons with college educations in the City of Erie is somewhat lower than in the County but not by a large percentage, whereas the State's college degree percentage is somewhat higher at 27%.

Table 2 Profile of General Population and Housing Characteristics U.S. Census 2010 Demographic Profile			
Selected Population Demographics	City of Erie	Erie County	State of Penn.
Housing Units	44,790	119,241	5,567,315
	-2010	-2014	
Housing Units in multi-unit structures	39.50%	25.10%	20.60%
Median Home Values (occupied housing) 2010	\$83,600	\$115,400	\$164,900
Median Household Income	\$33,544	\$45,249	\$52,267
Veterans, 2008-12	6,818	22,450	981,685

Erie has a high poverty rate with nearly 27% of families living in poverty. Its population has been relatively stable with a decrease of just 1.1% during the ten year period 2000 – 2010.

Poverty rates for families in the City of Erie are extremely high. For female headed households with children under 18 years of age 50% of these families live below the poverty rate.

Erie's white population decreased by -8.62 while the African American and Hispanic population increased by +16.2% and +53.4% respectively. The immigrant population increased significantly with 2,118 foreign born persons adding to the population between 2000 and 2010.

The elderly population decreased by -17.8% and young person between 5 years of age and 17 years of age also decreased by -11.4%. People between the ages of 18 and 64 (prime working age work force) increased by 4.73% and the very young of less than 5 years of age increased by +2.23%.

Profile of Selected Social Characteristics:2000 and 2010 Census SF3 Sample Data				
Selected Demographics	Population	City of Erie	of Erie County	State of Penn.

Profile of Selected Social Characteristics:2000 and 2010 Census SF3 Sample Data				
Selected Demographics	Population	City of Erie	of Erie County	State of Penn.
Poverty		26.7%	16.1%	13.1%
Poverty rate females		27.6%	16.7%	14.3%
Population 2010 (est.)		101,786	280,566	12,702,379
Population 2000 (est.)		103,688	280,843	12,702,379
Population change		-1.83%	-0.1%	0.6%
White persons 2010		76,327	247,569	10,406,288
Percent of pop.		78.5%	88.2%	81.9%
White persons 2000		83,523	255,282	10,484,203
Population change		-8.62%	-3.02%	-0.74%
Black or African American 2010		17,141	20,155	1,377,689
Percent of pop.		16.84%	7.2%	10.8%
Black or African American 2000		14,723	17,202	1,224,612
Percent of pop.		14.2%	6.13%	9.97%
Population change		16.42%	17.17%	12.5%
Hispanic 2010		7,005	9,518	719,660
Hispanic 2000		4,571	6,126	394,088
Population change		53.25%	55.37%	82.61%
Foreign Born 2000				
Foreign Born 2010		6,425	11,311	738,178
Percent of pop.		%	%	%

Profile of Selected Social Characteristics:2000 and 2010 Census SF3 Sample Data				
Selected Demographics	Population	City of Erie	of Erie County	State of Penn.
Population change		%	%	%
Percentage of pop.		6.3%	4.0%	5.8%
Some Other Race 2010		2,498	3,231	
Some Other Race 2000		1,991	2,406	
Population change		25.46%	34.29%	%
Housing Units		44,790 (2010)	119,241 (2014)	5,567,315
Housing Units in multi-unit structures		39.5%	25.1%	20.6%
Median Home Values (occupied housing) 2010		\$83,600	\$115,400	\$164,900
Median Household Income		\$33,544	\$45,249	\$52,267
Veterans, 2008-12		6,818	22,450	981,685
College degree		20.3%	24.2%	27%
Person by age				
Persons 65+		12.9%	15.4%	15.4%
Person under 18		23.9%	21.9%	22%
Persons under 5		7.5%	5.8%	5.7%
Person by Age 2010				
Persons 65+		13,097	40,824	
Person under 18		16,709	47,051	

Profile of Selected Social Characteristics:2000 and 2010 Census SF3 Sample Data				
Selected Demographics	Population	City of Erie	of Erie County	State of Penn.
Persons under 5		7,654	16,757	
Person by Age 2000				
Persons 65+		15,928	40,256	
Person under 18		18,853	52,871	
Persons under 5		7,487	17,440	
Population change 2000- 2010 by age				
Persons 65+		-17.77%	1.41%	%
Persons 5 to18		-11.37%	-11.01%	%
Persons under 0-4 years old		2.23%	-3.91%	%
Black-owned firms (2007)		9.5%	3.2%	4.6%
Women owned –firms		25.5%	23.5%	27%
Hispanic owned - firms		2.6%	1.2%	2.3%

Census tracts with the highest rates of poverty are concentrated on the east side of the city in census tracts 16503, 16507, 16502, 16502 and 16511.

Poverty Status in the Past 12 months 2008-2012 American Community Survey			
#	City of Erie Zip Code	Population	% Poverty
1	16503	18,314	29.27
2	16507	10,233	22.15
3	16501	2,943	14.08

Poverty Status in the Past 12 months 2008-2012 American Community Survey			
#	City of Erie Zip Code	Population	% Poverty
4	16502	17,259	13.89
5	16511	11,700	10.81
6	16510	25,473	7.03
7	16505	18,176	5.87
8	16508	15,961	4.91
9	16509	26,233	4.60
10	16504	17,985	4.57
11	16506	22,604	3.05

Unemployment rates declined during the second and third quarters of 2014 demonstrating a somewhat downward trend in unemployment although still high by state and national levels which in 2014 were 5.4% and 5.8% respectively.

#### Unemployment Trends in Erie County 2<sup>nd</sup> & 3<sup>rd</sup> quarters of 2014

Bureau of Labor Statistics	Apr. 2014	May 2014	June 2014	July 2014	Aug. 2014	Sept. 2014
Unemployment Source: BLS	7.5	8.1	8.3	8.6	8.6	6.7
Non-farm wages	131.0	131.6	130.8	129.5	130.0	131.3
12-month % change	1.6	0.8	1.2	0.5	0.8	0.7

## Appendix C – HACE Tenant and Wait List Data

<b>Table 1</b>						
<b>HACE Family Income Distribution As of October 13, 2014</b>						
Family Income	Total		Public Housing		Section-8	
	Families	%	Families	%	Families	%
\$0 - \$4,999	290	11%	199	11%	91	11%
\$5,000 - \$9,999	1,019	39%	658	37%	361	44%
\$10,000 - \$14,999	616	24%	421	24%	195	24%
\$15,000 - \$19,999	332	13%	246	14%	86	11%
\$20,000 - \$24,999	167	6%	117	7%	50	6%
\$25,000 - \$29,999	83	3%	65	4%	18	2%
\$30,000 +	91	4%	79	4%	12	1%
	2,598	100%	1,785	100%	813	100%
Data Provided by Erie Housing Authority Controller						

<b>Table 2</b>							
<b>Housing Authority of the City of Erie</b>							
Family Self-Sufficiency Summary							
December 2010 to 2013, and August 2014							
	Active			Active plus	Escrows	Active	Total
	Participants	Graduates	Rate%	Graduates	Paid to	Escrow	Active
					Graduates	Accounts	Escrow \$
Dec-10	63	10	15.87%	73	\$ 26,976.92	50	\$ 122,486.50
Dec-11	61	14	22.95%	75	\$ 48,467.77	52	\$ 182,812.60
Dec-12	54	19	35.19%	73	\$ 102,977.64	49	\$ 180,334.00
Dec-13	50	23	46.00%	73	\$ 168,327.73	45	\$ 176,529.00
Aug-14	50	24	48.00%	74	\$ 171,068.36	43	\$ 200,557.00
Data Provided by Erie Housing Authority Controller							

**Table 3: Occupied Units, Elderly and Family  
Source HACE Tenant Selection Report for Month Ending Sept. 30, 2014**

AMP No.	Property	Type	Total Units	Occupied	Elderly	Family <sup>1</sup>
1	Harbor Homes	Elderly & Family	224	217	92	132
1	Harbor Homes Annex	Elderly & Family	121	110	31	90
2	Lake City	Family	40	40	18	22
2	Eastbrook	Family	50	49	13	37
2	Debrowski Apts.	Elderly	33	33	33	0
3	Horan Gardens	Elderly & Family	422	419	133	289
3	Bird Drive	Elderly & Family	50	49	12	38
4	Priscaro Apts.	Elderly & Family	52	47	19	33
4	Pineview	Elderly & Family	68	65	21	47
4	Curry-Schell	Elderly	63	62	62	1
4	Erie Heights	Elderly & Family	208	187	26	182
5	Schmid Towers	Elderly & Family	193	187	187	6
6	Friendship Apts.	Elderly & Family	200	198	198	2
7	Ostrow Apts.	Elderly	80	80	80	0
1 & 2	Scattered Sites PA 13-7	Family	78	77	39	39
1,2,3, & 4	Scattered Sites PA 13-8	Family	181	174	73	108
2	Scattered Sites PA 13-18	Elderly & Family	52	51	23	29
1&2	Scattered Sites PA 13-17	Elderly & Family	32	32	17	15
<b>Total</b>	<b>Total</b>		<b>2147</b>	<b>2077</b>	<b>1077</b>	<b>1070</b>

<sup>1</sup>. Family units estimated by subtracting elderly occupied units from total units



**Table 4: Public Housing Properties in Erie, PA Bedroom Mix vs. Wait List :  
Source HACE Tenant Selection Report for Month Ending Sept. 30, 2014**

AMP No.	Property	Type	1 Bdrm.	2 Bdrm.	3 Bdrm.	4 Bdrm.	5+ Bdrm.
1	Harbor Homes	Elderly & Family	63	88	82		
1	Harbor Homes Annex	Elderly & Family	6	60	38	27	
2	Lake City	Family	8	23	7	2	
2	Eastbrook	Family		6	19	27	
2	Debrowski Apts.	Elderly	30	3			
3	Horan Gardens	Elderly & Family	68	262	99		
3	Bird Drive	Elderly & Family		6	5	39	
4	Priscaro Apts.	Elderly & Family		6	19	27	
4	Pineview	Elderly & Family		8	21	39	
4	Curry-Schell	Elderly	63	62	1		
5	Schmid Towers	Elderly & Family	193	189	4		
6	Friendship Apts.	Elderly & Family	200	190	10		
7	Ostrow Apts.	Elderly	80	79	1		
1 & 2	Scattered Sites	Family	78	38	40		
1,2,3, & 4	Scattered Sites	Family	181	64	117		
2	Scattered Sites	Elderly & Family	52	21	31		
1&2	Scattered Sites	Elderly & Family	32	17	15		
	<b>Total</b>		<b>1054</b>	<b>1122</b>	<b>509</b>	<b>161</b>	<b>0</b>
	<b>Wait List (Total &amp; by property)</b>	<b>760</b>	<b>266</b>	<b>248</b>	<b>170</b>	<b>49</b>	<b>27</b>

**Table 5: Income and Race of Tenants in Public Housing, Section 8, Other Subsidized Properties**  
**Source: HACE Tenant Selection Report for Month Ending Sept. 30, 2014**

<b>Description</b>	<b>Public Housing</b>	<b>%</b>	<b>Section 8 Voucher</b>	<b>%</b>	<b>Other Subsidized</b>	<b>%</b>	<b>Other Residents</b>	<b>%</b>
Extremely Low Income <30% MHI	1,235	57.10%	605	68.13%	16	48.48%		
Very Low income 31% - 50% MHI	579	26.77%	187	21.06%	15	45.45%		
Low Income 51% - 80% MHI	219	10.12%	33	3.72%	2	6.06%		
Higher income >80% MHI	39	1.80%	1	0.11%	0	0.00%		
White	1,203	55.62%	494	55.63%	14	42.42%	200	80.65%
Black / African American	749	34.63%	330	37.16%	18	54.55%	48	19.35%
Asian	115	5.32%	0	0.00%	1	3.03%	0	0.00%
American Indian	5	0.23%	2	0.23%	0	0.00%	0	0.00%
Hispanic	325	15.03%	55	6.19%	6	18.18%	16	6.45%
Non-Hispanic	1,747	80.77%	771	86.82%	27	81.82%	232	93.55%
Other	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Family & Children	1,070	49.47%	N/A	N/A	N/A	N/A	N/A	N/A
Elderly	664	30.70%	N/A	N/A	N/A	N/A	N/A	N/A
Elderly & Disabled	1,077	49.79%	N/A	N/A	N/A	N/A	N/A	N/A
Disabled	413	19.09%	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>2163</b>		<b>888</b>		<b>33</b>		<b>248</b>	

**Table 6: Income and Race of Tenants on Public Housing & Section 8 Wait List**  
**Source: HACE Tenant Selection Report for Month Ending Sept. 30, 2014**

<b>Description</b>	<b>Public Housing</b>	<b>%</b>	<b>Section 8 Voucher</b>	<b>%</b>	<b>Other Subsidized</b>	<b>%</b>	<b>All Units</b>	<b>%</b>
Extremely Low Income <30% MHI	405	70.31%	1,769	81.26%	16	48.48%	2,174	78.97%
Very Low income 31% - 50% MHI	142	24.65%	24	1.10%	15	45.45%	166	6.03%
Low Income 51% - 80% MHI	27	4.69%	2	0.09%	2	6.06%	29	1.05%
Higher income >80% MHI		0.00%		0.00%		0.00%		0.00%
White	328	56.94%	1,102	50.62%	14	42.42%	1430	51.94%
Black / African American	148	25.69%	46	2.11%	18	54.55%	194	7.05%
Asian	100	17.36%	22	1.01%	1	3.03%	122	4.43%
American Indian	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Hispanic	99	17.19%	323	14.84%	6	18.18%	422	15.33%
Non-Hispanic		0.00%		0.00%	27	81.82%		0.00%
Other	0	0.00%	1,007	46.26%	0	0.00%	1007	36.58%
Family & Children	311	53.99%	N/A	N/A	N/A	N/A	1556	56.52%
Elderly	68	11.81%	N/A	N/A	N/A	N/A	68	2.47%
Physically Disabled	12	2.08%	N/A	N/A	N/A	N/A	12	0.44%
Other Disabled	131	22.74%	N/A	N/A	N/A	N/A	131	4.76%
<b>Total</b>	<b>576</b>		<b>2,177</b>		<b>33</b>		<b>2753</b>	

**Table 7: Race, Ethnicity and Mean Age Respondents to HACE's  
2013 Safety & Services Resident Survey**

<b>Housing Development</b>	<b>N</b>	<b>Hispanic</b>	<b>African American</b>	<b>Caucasian</b>	<b>Other</b>	<b>Mean Age</b>
Bird Drive	27	14.80%	33.30%	25.90%	25.90%	46.40
Eastbrook	25	4.00%	56.00%	20.00%	20.00%	49.00
Erie Heights	73	4.10%	17.80%	71.20%	6.80%	43.70
Friendship Heights	88	13.60%	17.00%	62.50%	6.80%	65.00
Harbor Homes	106	26.40%	48.10%	15.10%	10.40%	44.50
Harbor Homes Annex	44	18.20%	43.20%	20.50%	18.20%	44.20
John Horan Garden Apts.	178	20.80%	34.30%	29.80%	15.20%	43.10
Lake City Dwellings	17	5.90%	58.80%	29.40%	5.90%	39.70
Ostrow Apts.	41	2.40%	17.10%	73.20%	7.30%	69.50
Pineview Apts.	29	27.60%	17.20%	37.90%	17.20%	44.30
Priscaro Apts.	22	27.30%	36.40%	18.20%	18.20%	46.40
Schmidt Twrs.	111	14.40%	9.00%	73.00%	3.60%	67.30
Scattered Sites	162	20.40%	38.30%	18.50%	22.80%	50.60
<b>Total</b>	<b>923</b>					

**Table 8: Length of Occupancy, Children, Mean Age, Sex of Occupant Respondents to HACE's  
2013 Safety & Services Resident Survey**

<b>Housing Development</b>	<b>N</b>	<b>6months - 3 yrs</b>	<b>3 - 5yrs</b>	<b>&gt;5yrs.</b>	<b>Have Children Yes</b>	<b>Male</b>	<b>Female</b>
Bird Drive	25 / 26	28.00%	16.00%	56.00%	76.90	25.90%	74.10%
Eastbrook	28 / 28	21.40%	13.90%	60.70%	71.40	25.00%	75.00%
Erie Heights	73 / 68	15.10%	27.40%	57.50%	48.50	31.50%	68.50%
Friendship Heights	86	25.60%	19.80%	54.70%	N/A	50.00%	50.00%
Harbor Homes	105 / 103	17.10%	25.70%	57.10%	59.20	20.60%	79.40%
Harbor Homes Annex	46 / 45	13.00%	26.10%	60.90%	77.80	17.40%	82.60%
John Horan Garden Apts.	175 / 176	24.00%	21.70%	54.30%	65.90	20.40%	79.60%
Lake City Dwellings	17 / 17	5.90%	35.30%	58.80%	64.70	17.60%	82.40%
Ostrow Apts.	39	33.30%	20.50%	46.20%	N/A	23.80%	76.20%
Pineview Apts.	27 / 29	14.80%	22.20%	43.00%	79.30	17.20%	82.80%
Priscaro Apts.	22 / 22	0.00%	36.40%	63.60%	72.70	27.30%	72.70%
Schmidt Twrs.	105	16.20%	28.60%	55.20%	3.60	41.10%	58.90%
Scattered Sites	167 / 168	18.60%	15.60%	22.80%	22.80	27.10%	72.90%
<b>Total</b>							

# Appendix D

## Board of Commissioners and Senior Staff Retreat Summary and Proposal for Next Steps

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October 30, 2014

### SUMMARY

An organization's value proposition should be evident in its mission statement. In HACE's case, we found a refreshing congruity between the two. What the mission states is what we observed HACE delivering:

*To provide safe, decent, and affordable housing for lower-income families, elderly and persons with disabilities; and to foster among the residents we serve economic self-sufficiency, and a sense of community and pride in neighborhoods where they reside.*

The statement captures HACE's sense of commitment to both the affordable housing and improved resident wellbeing. That is what has most impressed us about HACE: The condition of its properties and the commitment to resident services.

In an environment of shrinking resources, growing accountability, greater linguistic and cultural diversity among its residents and the mounting need created by economic inequality and, in light of an anticipated period of transition and leadership succession within the Authority, HACE faces two overarching challenges:

- How will it preserve this legacy of providing well-maintained affordable housing?
- How can it enhance its services to low-income residents of Erie?

The Strategic Planning Team has taken the critical strategic issues identified at the conclusion of the retreat -- new revenue, succession planning, board stability, protecting assets and social services -- and, in light of our data collection, proposes a slightly different formulation and phrasing of the critical strategic issues; one that we believe incorporates the retreat list:

- **STRENGTHEN OPERATIONS**
- **ENHANCE RESIDENT SERVICES**
- **SECURE THE AUTHORITY'S FINANCIAL FUTURE**
- **INVEST IN HACE'S HUMAN CAPITAL**
- **RESPOND TO ERIE'S NEW REFUGEE AND IMMIGRANT POPULATION**

If this formulation makes sense to HACE, the team will build a set of strategic initiatives that addresses these challenges.

## SECURE THE AUTHORITY'S FINANCIAL FUTURE

The Authority faces the prospect of eroding federal operating support and the threat that HUD will seek to seize reserves, undermining the long-term future of its core physical assets -- its portfolio of affordable housing. HACE also has some unique resources that may play an important role in managing these challenges, most notably its undeveloped land holdings.

### REVENUE ENHANCEMENT

The authority's heavy reliance on HUD funding, which has become less reliable and predictable, poses future challenges and pressures on HACE to consider diversification of its revenue model. HACE's forward thinking would likely include strategies for minimizing costs (a topic that intersects with strengthening operations), maximizing rental income, as well as making wise investments in related business activities that have the potential of generating unrestricted revenue.

### ASSET PRESERVATION AND UTILIZATION

HACE's is unusually well positioned with respect to its financial and real estate assets. It is critical that HACE preserve both types of assets – financial assets from being recaptured by HUD and making sure that existing real estate assets continue to be well maintained as they continue to age.

### ASSET EXPANSION

HACE's other major property asset is vacant land parcels located near existing occupied properties. These resources represent a significant opportunity if deployed/developed in a way that strengthens the agency's long term financial goals (e.g. vacant land on W. 38<sup>th</sup> Street at the entrance to Erie Heights.)

## STRENGTHEN OPERATIONS

With anticipated erosion of federal financial support, it is imperative that HACE continuously look for ways to improve its performance on its core functions.

### INFORMATION MANAGEMENT AND TECHNOLOGY UTILIZATION

HACE's core activities are administratively intensive. These lend themselves to cost-saving automated processing using technology. In addition, we see opportunities for HACE to become a more data-driven organization with respect to key operational areas and that doing so will result in improved operating results. Specifically:

- **Property management** - HACE collects a great deal of property management related data, which, if rigorously analyzed on a regular basis, could be used to improve operating efficiency. The Authority could also benefit from a HUD provided set of

operating metrics. Relevant data should be readily available from HUD maintained PIC files.

- **Resident services** - Starting in the early 1990s and continuing today, the nonprofit human service sector has become more focused on measuring outcomes, rather than outputs. This is essential to determine the efficacy of programs. In addition to enabling HACE to determine the impact, if any, on its tenants, having such information might influence the Authority's decisions about whether to charge rents and how much space to make available to service providers.

#### PROPERTY MANAGEMENT

Property management, including maintenance, has been one of HACE's core strengths. However, given the high average age and long tenure of members of the maintenance workforce it is important to invest in building the skill of entry-level employees either by more focused hiring or more intensive training. Also, we heard some concern about a common challenge for housing authorities: Managing third-party contractors. HACE should assess the procedures it now employs to manage these contracts.

- Building the skill level of entry-level maintenance staff
- Enhanced quality control and contract management of third party contractors.

### ENHANCE RESIDENT SERVICES

HACE excels in its diverse set of social services for tenants and the partnerships that have made them possible. The agency's mission statement embodies its commitment to promoting self-sufficiency. To maintain its leadership position in this area, it would be useful to explore strategies for better coordinating these activities, clarify the long-term outcomes and theory of change that produces them, and, develop the capacity to measure outcomes. In analyzing resident needs, it is helpful to segment the population. Our sense is that the most likely groupings might be special needs populations, the immigrant and refugee population and other families.

#### CURRENT SPECIAL NEEDS POPULATION

There were concerns about the changing needs of the extra elderly or frail elderly and the growth in other special needs populations such as the non-elderly disabled and how to create a current assessment of needs. HACE's existing tenant population is comprised of at least 31% elderly and 19% disabled with the likelihood that many counted as elderly persons include persons with mental disabilities requiring specialized supportive services. HACE also needs to manage the connection between services currently being provided in some developments and these populations in other developments without on-site services.

#### WAIT LIST POPULATION

There is no way to know the actual income of households on the wait list (including the 1,984 recent Section 8 applicants.) until HACE conducts a complete income evaluation at the time of a

family's application for housing. Still the existing range of incomes shown in U.S. Census data reports and in HUD's Annual Community Survey clearly demonstrates that the incomes of persons on HACE's wait list fall well within the very-low income ranges for family size based on HUD criteria. The budgetary implications (i.e., ability to sustain or expand mission) is significant.

#### SELF SUFFICIENCY NEEDS POPULATION

Many of the current services focus on promoting self-sufficiency and improving the well-being of families. The effectiveness of the many programs being used needs to be analyzed more carefully to determine the outcomes both for the participants and the HACE. Such an exercise would enable the authority to better align the existing services and to identify any gaps.

#### IMMIGRANT AND REFUGEE POPULATION

Erie's designation as a destination for foreign born immigrant populations has led to an influx of non-English-speaking residents from a multiplicity of ethnic and cultural backgrounds. This is a population that has created additional demand for affordable housing as well as challenges for HACE staff with regard to language and cultural barriers (esp. socializing this population to the norms and expectations for residents of multi-family living in this country). HACE's programs to bridge the language and cultural void have resulted in a number of immigrant households improving their skills and employment, however there is still room for improvement to enhance communicating with these residents beyond the existing ESL classes.

One of the often heard comments was that the language barriers come into play at various times of the day/night when responding to resident service calls and at other times when processing some business matter necessitating 'on-the-spot' communication/translation.

- Are there untapped human resources among the resident population that might be useful translators?
- What other practical steps could be taken to address this issue? (E.g. translation software for front line staff.)

It is a noteworthy dichotomy that HACE experiences a high turnover rate (approx. 25%) primarily among its immigrant population due to their rapid assimilation into American culture and their upward mobility out of HACE owned housing to other private market housing in the Erie area. It would be worthwhile to conduct a more extensive exit survey of residents transitioning from HACE owned properties to ascertain information about their destination, housing type & size, and cost of housing to which they are relocating.

### INVEST IN HACE'S HUMAN CAPITAL

The most valuable intangible asset at HACE's disposal is human capital. Like its real estate, it is a depreciating asset that requires on-going investment. We observed some specific professional development opportunities. Also, the Authority has benefited from a long period of skilled and stable

leadership as well as long-tenured staff who have acquired a great deal of on the job experience. The most serious threat to the organization is potential for disruptive transitions and the loss of human capital.

#### **HUMAN RESOURCE DEVELOPMENT AND SKILLS-DEVELOPMENT TRAINING**

Administering public housing agencies occurs in a complex, highly technical and evolving regulatory environment. No matter how successful an organization has been in the past it can still be impacted by the loss of key staff unless there is an on-going effort to conduct job-specific skill assessments and the provision of high-quality professional development to strengthen the staff's capacity. Housing authorities particularly must balance their core business of real estate asset management with being able to consistently and professionally implement HUD policies. **Although the ACOP and Administrative Plan were just completed in 2013-14 the** new mission strategies could result in changes to the ACOP and Admin Plans.

- The ACOP and Admin Plan for example should be reviewed annually to make sure that it fully integrates new and revised HUD regulatory rules, HACE policies and HACE implementation procedures in an on-line reference file as well as in a printed format.
- Periodic and on-going job-specific skill assessment of staff in order to design a personal training and professional development plan is a foundational activity directly linked to long-term sustainability.

#### **STAFF SUCCESSION PLANNING**

HACE has benefited from a long period of stable and skilled leadership. It has been a very important ingredient in the Authority's recipe for success. However, the transition from such a stable period of leadership is often very difficult. HACE's succession plan for the executive director and other senior staff positions, which are nearing retirement age, would take into account all existing HACE human resources as well as the potential for attracting outside skills and talent within a timeframe acceptable to the HACE Board of Directors and the Executive Director. This should include developing a strategy to deal with the inherent restraints imposed by the Pennsylvania State Civil Service law, as it has to do with the replacement of key staff.

#### **BOARD SUCCESSION PLANNING**

In the final analysis the body most responsible for safeguarding the Authority is the board of directors. HACE's current board will be charged with a number of critical decision-making milestones that are inevitable to organizations as they move through time, events and growth periods. The talent and skills that currently exist at the Executive Director position and within the board itself must continue beyond the tenure of existing board members to ensure the long-term sustainability of the organization. To that end the leadership needs to evaluate the range of skills, experience and relationships represented on the board and take the necessary steps to assess its capacity to govern independently and with confidence to ensure a smooth transition.

## ORGANIZATIONAL SUSTAINABILITY

HACE's existing organizational structure is established around core activities necessary for managing a traditional public housing authority. Operating systems are set up to maintain an aging inventory of properties most of which are public housing units although three properties (the Dombroski Apts. -33 units, Curry-Shell - 63 units and Erie Heights - 210 units) were developed using private funding. Modern day housing authorities are rethinking their roles as creatures of HUD and transforming themselves into private sector realty companies with the capacity to develop and manage market-rate, mixed-income and even mixed-use properties.

- Are HACE's existing organizational structure and/or management systems in need of review?
- What if any changes need to occur to ensure long-term sustainability with regard to existing business operations? For example:
  - Property Management
  - Digital and IT enhancements for "Big-Data" and operational enhancements (although HACE has a fairly complete, automated and integrated system for most functions.)
  - Resident Resources and Services
  - Property Development

