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I. Introduction to the CHA's VCA Semi-annual Report

The Chicago Housing Authority ("CHA") is a public housing authority and a recipient of federal financial assistance from the United States Department of Housing and Urban Development ("HUD" or "Department"). CHA receives various funding from HUD, including operating subsidies, capital funds, and HOPE VI grants. Those funds are "Public and Indian housing assistance" as defined in the implementing regulations for Section 3 of the Housing and Community Development Act of 1968, 12 U.S.C. § 1701u ("Section 3") at 24 C.F.R. § 135.3(a). Section 3 requires that employment and other economic opportunities generated by federal financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low-income and very low-income persons, particularly those who are recipients of government assistance for housing.



II. Submission of the Semi-Annual Report

The CHA is required to submit periodic updates to HUD on the progress made on items outlined in the VCA. The purpose of this report is to fulfill the requirement discussed in Section VI (B) which reads as follows:

The CHA shall submit to the Department semi-annual reports concerning the progress of its Section 3 obligations under this Agreement. The semi-annual reports shall contain the following information:

1. All deadlines set forth in the body of this Agreement and report all completed activities within the identified deadlines
2. Data showing the number of contracts and subcontracts entered into with all businesses and Section 3 business concerns, the dollar amount of those contracts and subcontracts, duration of those contracts and subcontracts, the nature of those contracts and subcontracts, and for subcontracts, the prime contracting entity.
3. Supporting documentation detailing Section 3 related outreach and training activities.
4. Supporting documentation detailing Section 3 related monitoring, enforcement and complaint processing activities.
5. Supporting documentation detailing other economic opportunities provided, consistent with Section III.(B)(4) of this Agreement.
6. Supporting documentation summarizing the financial information concerning the Section 3 Fund, including a list of the contractors and subcontractors that were required to deposit to the Section 3 Fund, contracts associated with those contractors and subcontractors, and detailed accounting of the expenditures made out of the Section 3 Fund.
7. Explication and documentation of any impediments to meeting the goals of Section 3 and this Agreement and actions taken or to be taken to overcome such impediments.



This document is the CHA’s fourth progress report and covers the reporting period of **July 1, 2014-December 31, 2014**. The CHA acknowledges that the next report is due **no later than July 31, 2015**.

III. VCA Reporting Requirements

1. All deadlines set forth in the body of this Agreement and report all completed activities within the identified deadlines.

	ACTIVITY	DEADLINE	SUBMISSION
a.	Internal Information Session for CHA Employees	30 Days	Complete
b.	Appoint Section 3 Administrator	90 Days	Complete
c.	Section 3 Plan - HUD	120 Days	Complete
d.	Schedule B	Submitted with Section 3 Plan	Complete
e.	List of Section 3 Business Concerns	Submitted with Section 3 Plan	Complete
f.	Internal Hiring Policy - HUD	30 Days after HUD approves the Section 3 Plan	Complete
g.	Section 3 Outreach & Training Materials - HUD	120 Days	Complete



h.	Engage in Outreach & Education efforts	After HUD approves Outreach & Training Materials	Ongoing
i.	Perform audit of existing Section 3 covered contracts (2 years + OR \$3 Million +)	120 Days	Complete
j.	Identify contracts that are not in compliance with Section 3 goals	180 Days	Complete
k.	Section 3 Hiring Database	One Year	Complete
l.	Two CHA Sponsored Workshops for Section 3 Residents	Annually	Complete
m.	CHA Scholarships for Section 3 Residents	Annually	Complete
n.	Semi-Annual Reports	Semi-Annually	Ongoing
o.	Section 3 - Form 60002	Annually	Ongoing



2. Data showing the number of contracts and subcontracts entered into with all businesses and Section 3 business concerns, the dollar amount of those contracts and subcontracts, duration of those contracts and subcontracts, the nature of those contracts and subcontracts, and for subcontracts, the prime contracting entity.

Exhibit A outlines the Section 3 Business Concern subcontracting and other economic opportunities for construction and professional services contracts. In regards to the contracts listed in **Exhibit A**, the CHA exceeded its professional service subcontracting requirement of 3% with an actual subcontracting total of 20.1%. The CHA also exceeded the three year VCA goal of subcontracting 8% for construction contracts with an actual subcontracting amount of 13.2%. In addition to meeting the VCA and regulatory subcontracting goals, CHA contractors also offered other economic opportunities, including paid internships, full-time training programs, and youth mentorships.

Exhibit B outlines contributions to the Section 3 Fund from existing legal contracts. The contribution to the Section 3 Fund from Legal Contractors will be raised from 1.5% to 3% as per the VCA. The date of the change is yet to be determined and will be reported in the July 31, 2015 report. CHA continues to explore alternatives to contributions from law firms to CHA's Section 3 fund as a means of compliance.



3. Supporting documentation detailing Section 3 related outreach and training activities.

As required under the VCA, the CHA partnered with the U.S. Small Business Administration (SBA) to host a networking and resource fair with representatives from the SBA, Service Corps of Retired Executives, and the Small Business Development Center. Presenters discussed counseling resources, access to capital, and doing business with the government. The networking and resource fair was held on August 12, 2014 at the CHA's Family Investment Center. In addition, the SBA provided a Basic Marketing webinar on October 9, 2014 for Section 3 residents interested in starting or expanding a business.

Representatives from CHA's Housing Rights and Nondiscrimination Department (HRND) and Department of Procurement and Compliance participated in the Construction Industry Conference on August 27, 2014. CHA set up an exhibitor booth and spoke with owners and managers in the construction and professional services sectors about the Section 3 Hiring System and the Section 3 Business Concern Registry. Pamphlets and other promotional materials were handed out to visitors. CHA also provided information on how to apply for contracts with CHA.

CHA conducted meetings on October 2nd and 9th, 2014, to promote Section 3 Job Opportunities and the Section 3 Hiring System. Approximately 20 residents from the Villages of Westhaven, Westhaven Park and the Annex attended the sessions and many of them expressed interest in both construction and non-construction job opportunities.

On November 6, 2014, more than 20 vendors marketed their businesses to CHA's prime contractors and property managers at CHA's inaugural Section 3 Business Vendor Fair. The Director from the Region V FHEO office at HUD addressed the audience and described the CHA's new programs as a "model" for other housing authorities. The vendor fair elicited a positive response from the attendees, who made several connections for possible future partnerships.

On November 12, 2014, CHA met with representatives from The Cara Program and Clean Slate Chicago. The Cara Program is an organization that provides in-class job training and job placement for individuals affected by homelessness and poverty. Clean Slate Chicago is a subsidiary of The Cara Program that places formerly incarcerated persons in neighborhood beautification jobs. The CHA provided a presentation on the Hiring System and Business Concern Registry and spoke in-depth about job readiness.



The CHA also provided presentations at the Government Contractors forum hosted by Seyfarth Shaw LLP, Black Wall Street and the CHA's resident Local Advisory Council.

All sign-in sheets and fliers for these trainings and outreach efforts are located in **Exhibit C**.

Section 3 Telephone Hotline

The CHA's HRND operates the Section 3 Hotline. HRND began tracking calls on September 1, 2014. Between September 1, 2014 and December 31, 2014, the line received 160 calls. The most common call topics are: Section 3 residents who are inquiring about the Section 3 Hiring System, general questions about Section 3 job opportunities and troubleshooting issues that require technical assistance.



4. Supporting documentation detailing Section 3 related monitoring, enforcement and complaint processing activities.

CHA Internal employment monitoring

Exhibit D outlines the internal hires at the CHA for the reporting period.

In January 2015, CHA enhanced its online employment application system. This updated system will provide hiring personnel with an additional option to search for qualified Section 3 residents who may have applied for available employment opportunities through the CHA Careers section on the website. In addition to a more robust online employment application system, applicants who apply via the career website and self-certify as being Section 3 eligible, will be informed of the opportunity to visit and register for other employment opportunities available on the Section 3 job website. CHA will continue posting internal job opportunities directly to the CHA Section 3 job site.

As mandated by the VCA, the CHA offered other economic opportunities to Section 3 residents to assist with job readiness (Section 5 of this report). In order to reach the 30% hiring goal to the maximum extent feasible, the CHA will conduct improved tracking of applicants and hires (as outlined above). In addition, the CHA will conduct broader outreach to Section 3 residents to ensure that residents are informed of available positions and will follow the Section 3 Internal Hiring procedure when processing Section 3 applicants.

Section 3 Resident Employment Monitoring

Exhibit E illustrates the breakdown of the 179 Section 3 hires, including their public housing development, for the reporting period of July 1, 2014 – December 31, 2014. There were 120 Section 3 hires who are residents of a CHA development or participants in the HCV Program (LICAR- Low-income CHA/HCV Residents) and another 59 Section 3 hires who are LICARs (Low-Income Chicago Area Residents).

The CHA's Section 3 Hiring System currently has over 5,400 registered Section 3 Residents and has received positive feedback from residents who have utilized the system to secure employment. **Exhibit F** is a line-by-line report of all Section 3 applicants for positions posted during the reporting period. For example, [REDACTED], a public housing resident at Cabrini, is new to the workforce and utilized the hiring system to find her first job as a computer aid at Holsten Management.

[REDACTED] stated "[The Section 3 job] is setting me up for my next gig. I'm in school for nursing and this is the best job I ever had. The hours, the schedule,



interacting with people, getting experience with the one-on-one relationship with individuals. So I think it's preparing me. I am a better nurse."

The CHA will continue to update and improve the Section 3 Hiring System. The hiring system is now automated to generate HUD's annual 60002 report. Upgrades scheduled to be completed in the next reporting period include: an automated notice to employers requiring them to complete all Interview Statuses before job orders are officially closed; a function that enables applicants to view the status of their website applications online; and a portal for employers to electronically submit Section 3 job change order requests.

The CHA conducted construction site audits to determine Section 3 resident hiring compliance. The contract number and site visit dates are attached in **Exhibit G**.

Private Property Managers

In 2014, the Asset Management department at the CHA allocated 10 million dollars in capital funding to Private Property Managers to be utilized by May 31, 2015. The funding is for projects such as unit maintenance and repairs. Private Property Managers (PPMs) will be required to meet the 10% Section 3 subcontracting goal for the entire amount of funding. Moreover, Asset Management will designate specific projects that must be solicited to Section 3 Business Concerns. PPMs will be issued an advisory outlining the procedures for soliciting and contracting with Section 3 business concerns, including upfront mobilization payments, to ensure Section 3 Business Concerns can qualify for the designated contracts. Data for those projects and contracts will be included in the next report.

New PPM contracts will be in place starting July 1, 2015 for Senior Housing and on August 1, 2015 for Family and Scattered Site Housing. All contracts will be updated to conform to the Section 3 VCA and CFR 135. In addition, the PPMs Manual and Procedures have been updated and provide the PPMs with guidance on Section 3 hiring and contract compliance.

Enforcement and Complaint Processing

The CHA received one internal Section 3 Complaint. The Complaint alleged verbal assaults and threats of bodily harm by a Section 3 Business Concern. The CHA determined that, while clearly inappropriate, verbal assaults and threats of bodily harm are not considered to be acts of non-compliance under Section 3 and had no jurisdiction over the complaints and could not further investigate the matter. The Complainant was referred to HUD for any further investigation. The complaint and response are found in **Exhibit H**.



5. Supporting documentation detailing other economic opportunities provided, consistent with Section III.(B)(4) of this Agreement.

Exhibit A outlines the Section 3 Business Concern subcontracting and other economic opportunities for construction and professional services contracts.

The CHA partners with the City of Chicago and other local organizations to provide social services to residents including, but not limited to, case coordination, educational advancement and employment preparation, placement and retention. These services aim to further four main goals: increase economic independence, increase earning power, develop academic achievement and increase stability and quality of life.

Case Coordination Services

CHA utilizes its FamilyWorks case coordination program to serve about ten thousand (10,000) CHA families throughout Chicago. In 2014, CHA contracted with nine service providers to administer the FamilyWorks program in the aggregate amount of \$21.6 million.

The FamilyWorks program model addresses important challenges facing CHA families, including housing stability and employment. It also includes a clinical/wellness component to address mental health and disability issues that may become barriers to stable housing and employment. The program model utilizes measurable outcomes and targets services to families who need it most, including those with unemployed adults. FamilyWorks agencies are responsible for providing wrap-around support services and ensuring that families are aware of the programs available in the network of social services throughout Chicago.

Each FamilyWorks provider has a specialized workforce development team that is responsible for conducting job preparation training (soft skills), direct placement and employment retention services for residents. The workforce development teams also make appropriate referrals to services that will support residents in obtaining the education, skills and experience necessary to participate in Chicago's workforce. CHA's case management providers placed two thousand, one hundred and thirty-three (2,133) residents in permanent, unsubsidized employment in 2014.



Educational Advancement

Through an Intergovernmental Agreement (IGA) with City Colleges of Chicago (CCC), CHA provides residents the opportunity to enroll in degree and certificate programs at no cost after financial aid. In the first half of 2014, six hundred and five (605) CHA public housing and HCV residents were enrolled a CCC program through the IGA. CCC's career programs are offered in a variety of skill levels and industries for individuals who want to acquire the technical and occupational skills needed to enter the workforce. Upon completion of career programs, residents have the opportunity to obtain basic or advanced certificates and degrees in high growth industries.

In addition to career programming, CCC offers GED and English as a Second Language (ESL) programs for individuals who need to increase their basic skills while preparing to enter the workforce. CCC also provides CHA residents with assistance in navigating enrollment procedures, personalized counseling on available educational tracks and employment goals, tutoring services, and test taking for licensing support. CHA spends about \$1 million annually to support CHA residents attending City Colleges throughout Chicago.

This year, CHA launched a new scholarship process, which accepted applications from January 15 through May 15. In July, CHA awarded two hundred and twenty (220) scholarships – more than double the number last year – in amounts of \$1,000 and \$2,500 for a total of \$250,000 for the 2014-2015 academic year. Compared to past years, an increased percentage of applicants are heads of household, indicating that the scholarship program may be an important step as they move toward self-sufficiency. At the close of the application period, four hundred and twenty (420) college-bound youth and adult residents had submitted applications.

Employment Preparation Programs

Transitional Jobs (TJ) is a workforce strategy that uses time-limited, subsidized wages in jobs that combine real work, skill development and supportive services to “transition” participants successfully to unsubsidized employment. Participants are matched with three to six month paid subsidized employment opportunities to provide onsite training and workplace experience. For example, CHA residents have been placed in subsidized positions delivering meals to CHA seniors through the Chicago Department of Family and Support Services’ (DFSS) Golden Diner program, in warehousing positions at the Greater Chicago Food Depository, and in customer service positions at various local and national businesses throughout Chicago.

While in a subsidized employment placement, participants receive \$8.25 per hour. At the end of subsidized placement, participants are connected to unsubsidized jobs while



receiving continued retention and support services. The agencies may provide additional program components in their TJ program, including adult basic education and contextualized literacy training, customized training, technical skill development and customer service training. TJ participants receive supportive services (e.g. transportation, career coaching, job appropriate clothing or uniforms and resources for childcare assistance) from their FamilyWorks provider throughout the duration of the program. In late 2013, CHA expanded its TJ programs from one provider to four and added an On-the-Job Training program for residents who possess more work experience, with a new annual aggregate contract amount of \$2.7 million. In 2014, CHA's TJ programs resulted in three hundred and eighty-six (386) placements in unsubsidized employment (counted among the 2,133 placements above).

Jobseekers are also connected to Workforce Investment Act (WIA) services to help them find and keep quality employment. WIA services in Chicago are divided into three levels through a self-service center, similar to a college career center or public library. Core services include access to job listings, resume and interviewing preparation materials, career planning and self-exploration tools, and information on available education and training. Additionally, more intensive services are available to individuals based upon their need, including help identifying skills and barriers to employment, individualized counseling or case management, job search and career development assistance. Residents may be eligible for an Individual Training Account (ITA) up to \$5,000 for education or job training.

In the first half of 2014, CHA developed a contract in the annual amount of \$400,000 with Chicago Cook Workforce Partnership, the Local Workforce Investment Board, to increase residents' access to these and other programs. In 2014, three hundred and twenty (320) CHA residents accessed services and utilized technology at the Workforce Centers. One hundred and eighty (180) CHA residents participated in job readiness training and eighty-one (81) CHA residents showed improvement from attending job readiness training. Eighty (80) CHA residents enrolled into Illinois Joblink; fourteen (14) Workforce Investment Act (WIA) enrollments and four (4) WIA placements.

Urban League

In 2012, the CHA entered into a 2 year contract with the Chicago Urban League. Under this contract, the Chicago Urban League provides to CHA residents and Housing Choice Voucher ("HCV") participants the opportunity to develop the skills necessary to fully execute a business plan, network with other business owners, and successfully market their business to the larger community. **Exhibit I** demonstrates the number of CHA residents who have participated in the Urban League's 16 week business development program from December 2012 through November 2014.



The Chicago Urban League's curriculum consists of practical training, interactive courses and one-on-one coaching sessions with industry professionals. Program participants receive training on starting a business, business expansion and retention, outreach and advertising. Participants also learn about finance, including: access to credit, loan programs, bonding, and insurance and government contracting.

The Business Development Program has been revamped for 2015, to focus more on outreach, marketing and integrating CHA families into existing entrepreneurship programs and offering expanded services through the Chicago Urban League's established business development partners rather than operating a separate program. The new program will focus on outreach and workshops and support completing program applications. Residents will receive program tuition scholarships and 1-year memberships to incubator rental space. Established business owners will receive a 1-year membership on the Contracts and Connections Economic Opportunity Portal.

Youth Programming

In addition to programming for adults eligible for participation in the workforce, CHA provides opportunities for youth and young adults to obtain the skills and experience to enter into a career path or higher education after high school. Most of these opportunities take place during the summer; in the first quarter of 2014, CHA prepared to offer more than two thousand five hundred (2,500) paid summer youth opportunities, including one thousand five hundred and seventy-five (1,575) Summer Youth Employment program placements in partnership with DFSS. Employment opportunities offer youth a range of experiences, such as "green" jobs like community gardening, work in the Chicago Police Department Neighborhood Youth Corps and placements in businesses throughout the city. In 2014, two thousand five hundred and eighty-six (2,586) working-age youth participated in CHA's paid academic and career exploration programs, with one thousand six hundred and forty-five (1,645) placements through the Summer Youth Employment Program.



6. Supporting documentation summarizing the financial information concerning the Section 3 Fund, including a list of the contractors and subcontractors that were required to deposit to the Section 3 Fund, contracts associated with those contractors and subcontractors, and detailed accounting of the expenditures made out of the Section 3 Fund.

Exhibit J outlines the contributions to the Section 3 Fund from July 1, 2014 until December 31, 2015. The bottom of the spreadsheet provides the Fund balance and contributions and expenditures from the Fund during that time period. The Fund is currently being used for scholarships and tuition for public housing residents at the City Colleges of Chicago.

The CHA has drafted a grant application for Section 3 Residents and Business Concerns and will utilize the Section 3 fund to administer the grants. The grant program will be outlined in the July 31, 2015 report.



7. Explication and documentation of any impediments to meeting the goals of Section 3 and this Agreement and actions taken or to be taken to overcome such impediments.

Labor Organizations

The CHA is meeting with the Region V HUD FHEO office and City of Chicago officials on February 18, 2015 to discuss impediments to Section 3 Compliance as they relate to Labor Organizations. Details regarding the meeting and subsequent actions will be outlined in the July 31, 2015 report.



IV. Other Section 3 Efforts

Section 3 Business Concern Database

The CHA utilizes a Self-Certified Section 3 Business Concern Registry. Section 3 Business Concerns who self-certify in the registry will qualify to be entered into CHA's database which is searchable by the public, including CHA contractors. This registry has replaced the list the CHA previously used through BuySpeed. Section 3 Business concerns that were registered in BuySpeed will need to register in B2Gnow to ensure entry in the new system. The registry is accessible through B2Gnow and available to anyone with internet access. Two hundred and nine (209) companies have signed up as Section 3 Business Concerns in the "Directory of Self-Certified Section 3 Business Concerns" (**Exhibit K**).

Leveraging the existing Section 3 Job Opportunities website, CHA has begun the development of an additional module that will house its Section 3 Business Concern registry. This system will replace the existing Section 3 Business Concern Registry that is housed within the B2Gnow system. CHA's new registry will provide flexibility with analysis and reporting as well as promises to be a much more interactive program than what is currently being used. All of CHA's solicitations will be advertised within the system and Section 3 Business Concerns will have the ability to select the contracting opportunities they are interested in working on. Prime Contractors will in turn use the system to identify companies that will aide them in meeting their subcontracting percentage goals. The system will list each Section 3 Business Concern in accordance with the required preference tier ordering and Primes will be required to give explanations if companies are not chosen. In addition, the system will be used to automate the Schedule B – Section 3 Utilization Plan.



V. Conclusion

The CHA respectfully submits the January 31, 2015 semi-annual report concerning the progress of its Section 3 obligations under the VCA. The CHA acknowledges that the next semi-annual report is due to HUD on July 31, 2015.