

# METROPOLITAN PLANNING COUNCIL

## The New Workforce Development Initiative



The task of assisting public housing residents in becoming self-sufficient – an essential goal of the Plan for Transformation – is at least as daunting as the actual redevelopment and rehabilitation of properties, and does not necessarily follow construction timelines (recently extended by five years to 2015). **This Update on the CHA Plan for Transformation explores the efforts by CHA and a number of partners to develop an effective workforce development strategy to connect CHA families to the job market.**

An essential goal of the Chicago Housing Authority (CHA) Plan for Transformation is to help CHA residents rebuild their lives and obtain self-sufficiency. To achieve that, the Plan aims to increase the income of public housing families by helping residents enter the job market and succeed in it through job training, employment readiness and placement, job retention strategies, and career development.

**While the minimum wage in Illinois is only \$6.50 per hour, the average entry level position in Cook County actually pays \$8.79 per hour, or \$18,293 per year. But to afford<sup>2</sup> a two-bedroom apartment, a Chicago-area household working 40 hours per week must earn \$17.98 per hour.<sup>3</sup>**

The road to self-sufficiency for low and moderate-income households in our region is a rocky one and, for public housing residents, it is lined with roadside assistance as well as slick spots. This Update looks at the Plan's workforce development efforts since their inception in 2001, noting lessons learned and significant adjustments made, until the most recent employment strategy designed by CHA, the Chicago Dept. of Human Services (CDHS), and Mayor's Office of Workforce Development (MOWD), with assistance from the Partnership for New Communities (PNC) and a variety of public, private and civic stakeholders.

To provide context for the complexity of achieving self-sufficiency goals, it's useful to step back and look at the bigger picture. While the minimum wage in Illinois is only \$6.50 per hour, the average entry level position in Cook County actually pays \$8.79 per hour, or \$18,293 per year.<sup>1</sup> But to afford<sup>2</sup> a two-bedroom apartment, a Chicago-area household working 40 hours per week must earn \$17.98 per hour.<sup>3</sup> The average income of a working CHA household is closer to \$15,000 per year.<sup>4</sup> It's no wonder that so many households in our region pay more than 30 percent of their incomes on housing. As a most basic indicator of self-sufficiency, the ability to afford a home is a considerable challenge.

In our region, a family of four earning \$59,600<sup>5</sup> or less is eligible for federal housing assistance through the U.S. Dept. of Housing and Urban Development, though only a small percentage have access to this limited resource. As such, nearly 30 percent of these families are "severely" housing cost burdened, which means they spend over half of their incomes on housing.<sup>6</sup>

In addition to being rocky, the road to self-sufficiency may also be a long one. For example, in 2003, a study by the University Consortium on Welfare Reform found that, despite having increased their income, 89 percent of a sample of working families participating in moving-to-work programs since 1999 were still living below poverty levels in 2002.<sup>7</sup> Fortunately, the routes paved by the CHA and its key partners demonstrate the patience and perseverance required to help families.

In the past, succeeding in the job market seemed impossible for many CHA families. People lived in isolated neighborhoods, with low-quality schools, complicated access to support services, a lack of

community and recreational centers, and a dearth of employment opportunities. On top of these environmental handicaps, public housing families showed much higher rates of poor health than the national average, with obesity and depression taking a toll on their ability to obtain and maintain work.<sup>8</sup>

The task of assisting residents in becoming self-sufficient – an essential goal of the Plan for Transformation – is at least as daunting as the actual redevelopment and rehabilitation of properties, and does not necessarily follow construction timelines (recently extended by five years to 2015.) The percentage of CHA residents of working age who were not employed at any point during the year has remained virtually constant since 1999, and was 48 percent in 2005 (see Chart 1). Still, the average income of working residents has increased from approximately \$10,000 per year in 2000 – the year the Plan for Transformation commenced – to just over \$15,000 per year in 2005 (see Chart 2).

The workforce development opportunities the Plan for Transformation offers to families are important not only to foster self-sufficiency, but also to ensure as many families as possible access these opportunities and are admitted into mixed-income communities. CHA requires all able adults between 18 and 62 to work at least 30 hours per week or be engaged in educational or training programs, in order to be eligible for new or rehabbed homes located within mixed-income communities.<sup>9</sup> As more and more apartments come online, families whose new homes are getting ready for occupancy are facing a demanding deadline to meet this work requirement – as are the service providers charged with assisting families in meeting the tenant selection criteria at each new development.

## THE EVOLUTION OF WORKFORCE DEVELOPMENT STRATEGIES IN THE PLAN FOR TRANSFORMATION

The Service Connector Program was initially conceived as a referral system administered by CDHS to connect public housing residents to supportive services. It has evolved into a more comprehensive strategy to better serve CHA residents and relocatees.<sup>10</sup> When it was created in 2001, the Service Connector helped families achieve lease compliance, family stability, community integration, and employment. Its initial workforce development goals were very modest: 400 residents placed in jobs per year. The caseload of service providers was high, reaching ratios of 1:155. In 2003, responding to inefficiencies in service delivery coordination and communication, CHA developed a new Service Connector model in collaboration with CDHS and increased the annual budget for the program from \$12.4 million to over \$20.5 million. The new model was designed to provide a single point-of-contact for residents, reduce caseloads for service providers, and address a broader range of resident issues. The goals of the program were both expanded and refined, with employment-related objectives being placed under a broader strategy to promote economic self-sufficiency.

Until 2005, the main focus of workforce development was job placement, which proved to be too limited an approach for a large portion of residents who were not job-ready and lacked the basic skills necessary to obtain and maintain employment. Nevertheless, the Service Connector has achieved more than 6,000 job placements between 2001 and 2006, primarily for residents with some education and work experience.<sup>11</sup> Subsequent funding increases in 2005 and 2006 expanded the program to include 13 Service Connector agencies operating in 37 offices in Chicago and serving over 12,000 CHA residents. Each Service Connector is now required to have a formal agreement with a MOWD Worknet Chicago member agency.

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Once families move into a redeveloped mixed-income community, a number of services become available to them via contractors hired by the developers of these properties, including job training and placement. Developers receive near-term funding from CHA to pay for this, and have specific goals in terms of number of people placed and retained in jobs and engaged in training opportunities or job-readiness services. Job placements must be full-time (30 or more hours per week) and must be retained at least 30 days.<sup>12</sup> Developers are also required to provide other support services to help residents maintain employment.

#### **On-the-Ground Snapshot: Centers for New Horizons' Workforce System Navigator**

Since October 2005, Centers for New Horizons' (Centers) Service Connector program has focused on its employment initiative. Centers wanted to give families access to employment opportunities and a path to self-sufficiency that would qualify them for mixed-income sites or allow them to move into the private market independent of CHA assistance. With this in mind, Centers restructured its program and created the Workforce System Navigator.

The Workforce System Navigator has a dual focus: finding out the labor needs of employers and making sure CHA residents are qualified to meet those needs. Working with the Bronzeville Chamber of Commerce, Centers targeted potential employers and held meetings to identify their interests and employment requirements. Centers works with employers in industries in the Bronzeville and greater South Side communities: healthcare, finance, retail, hospitality, transportation, and construction. Residents are referred to the Workforce System Navigator by case managers and are then required to complete a program orientation. Based on career interests and goals, residents are placed in appropriate training programs and ultimately connected to employers in the area that have partnerships with Centers including Macy's, Levy Security, AF Services, and Mt. Sinai.

On average, about 30 to 35 percent of Centers' Service Connector caseload goes through the Workforce System Navigator. Since implementing this program, Centers has placed 73 CHA residents in jobs, 32 percent above its goal of 55 placements. Of those 73 residents placed in jobs, 45 (63%) have now worked for over 90 days. In addition, Centers continues to support 42 CHA residents placed in jobs in 2005; many of these residents have now worked steadily for over a year and are on paths to self-sufficiency.

Source: Centers for New Horizons

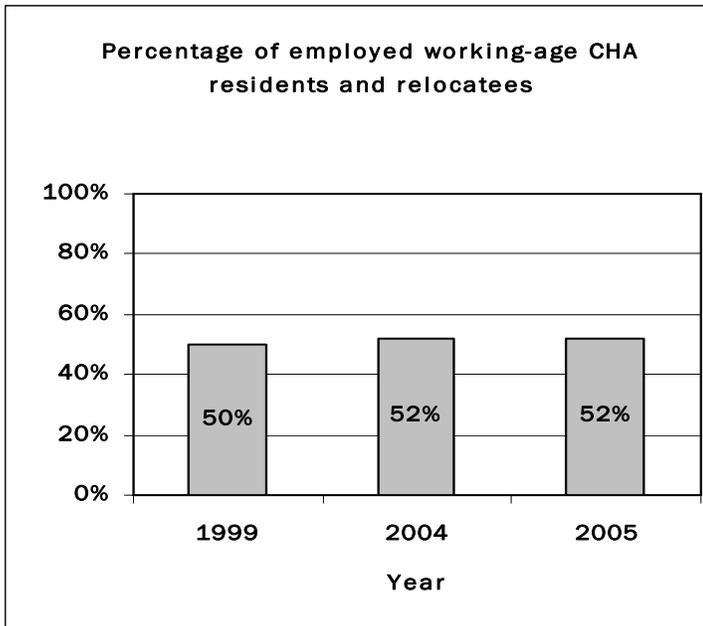
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## **THE STATUS OF WORKING-AGE RESIDENTS**

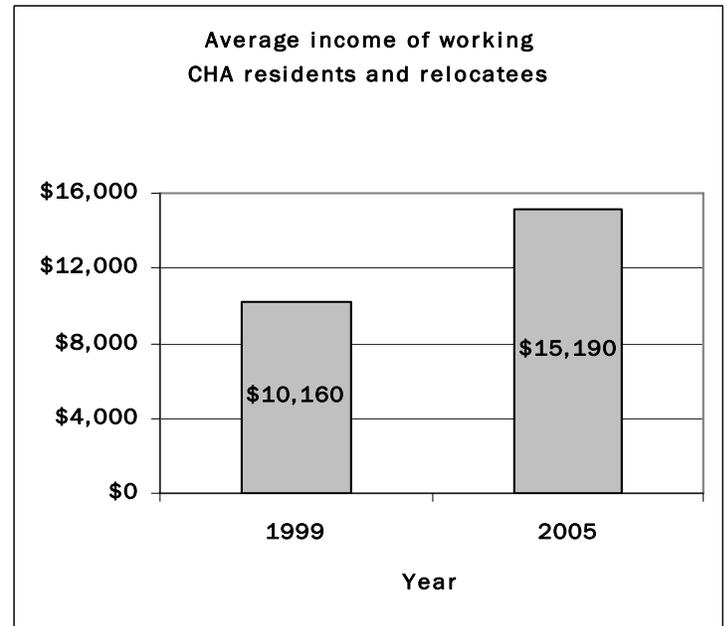
A 2005 analysis by CDHS showed that, 44 percent of the residents involved in the Service Connector program did not complete high school, 63 percent showed reading abilities below the 8<sup>th</sup> grade level, and 84 percent tested below 8<sup>th</sup> grade levels in math proficiency. The economic status of CHA residents—though better than at the outset of the Plan—continues to be tenuous. Since 2001, the Service Connector program has successfully assisted residents with over 6,000 job placements, though the number of working-age (18-62) CHA residents employed at any time during 2005 was only 52 percent, virtually constant since 1999 (Chart 1). This percentage includes *all working-age residents* who have worked for *any amount of time* during that year. Among 11,206 heads of households—a subgroup of these employed residents—only 3,026 had worked consistently the entire year.

CHART 1



Source: CHA based on Ill. Dept. of Employment Security data

CHART 2



Source: "Opportunity Chicago" (2006) by CHA, PNC and MOWD

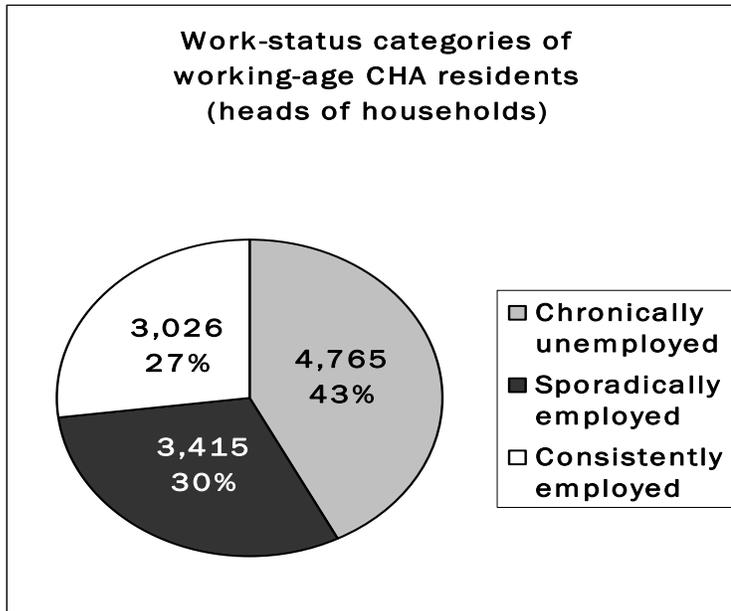
On the other hand, there has been a significant increase (over 50 percent) in the average income of working CHA residents between 1999 and 2006. (See Chart 2.) Because both the percentage of employed working age residents and the salary growth rate between those years have been modest, it is likely the increase in income levels is the result of a limited number of individuals working more hours or for longer periods of time. Overall, the average annual household income of *all CHA families* – both working and unemployed – in 2005 was under \$13,000, with 70 percent of households (6,158 families) making less than \$8,000 per year.<sup>13</sup>

A further analysis of CHA residents in 2005 showed that most working-age heads of households fell into one of three categories:

- **Consistently employed** residents have relatively stable but typically low-wage jobs, and have worked all eight quarters in the last two years. These residents may be underemployed, in dead-end jobs, or not earning family-supporting wages. This accounts for 3,026 CHA heads of households.
- **Sporadically employed** residents are struggling to retain their jobs, but have worked one to seven quarters of the last two years. This represents 3,415 CHA heads of households.
- **Chronically unemployed** residents have little or no work history and have worked less than one quarter in the last two years. This describes 4,765 CHA heads of households.<sup>14</sup>

A new workforce development initiative of CHA, in collaboration with CDHS, MOWD, PNC, and other public and civic partners is creating services tailored to the needs of each group.

CHART 3



Source: "Opportunity Chicago" (2006) by CHA, PNC and MOWD

**In November 2006, Mayor Richard M. Daley announced a major infusion of capital to fund the Initiative. The state of Illinois and Partnership for New Communities are contributing \$5 million each to previous commitments from the City of Chicago (\$6.5 million) and HUD (\$6 million), for a total of \$22.5 million.**

## A PARADIGM SHIFT: THE NEW WORKFORCE DEVELOPMENT INITIATIVE

The work requirements in the new mixed-income communities continue to pose significant challenges for a large segment of CHA residents who want to live in the new communities. Because the first homes available to public housing residents within mixed-income sites went to families who were already working, the pool of eligible, employed residents is rapidly diminishing as more apartments become available. The remaining CHA residents require intensive workforce development programs in order to qualify for the mixed-income communities. Moreover, residents currently living in these communities may be underemployed or need additional services to help maintain employment and remain eligible for their homes.

In light of these challenges, in 2005 CHA began to reevaluate its resident employment strategy and brought together experts and policymakers to develop a three-year comprehensive Workforce Development Initiative that addresses the varying needs of residents.<sup>15</sup>

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### WORKFORCE DEVELOPMENT INITIATIVE STRATEGIC ADVISERS GROUP

- Chicago Housing Authority
- Mayor's Office of Workforce Development
- Chicago Dept. of Human Services
- Chicago Workforce Board
- Chicago Dept. of Children and Youth Services
- Chicago Dept. of Planning and Development
- The John D. and Catherine T. MacArthur Foundation
- The Joyce Foundation
- Annie E. Casey Foundation
- Community College Research Center at Columbia University
- The Partnership for New Communities
- U.S. Dept. of Labor
- Chicagoland Chamber of Commerce
- Ill. Dept. of Commerce and Economic Opportunity
- Ill. Dept. of Human Services

Source: "Opportunity Chicago" (2006) by CHA, PNC and MOWD

The overall goals of the Workforce Development Initiative are:

- **Recognizing the distinct needs** of the three different categories of residents (outlined in Chart 3) and offering customized services accordingly.
- **Setting aggressive goals** that service providers must achieve for each group.
- **Partnering** with public agencies, civic organizations and the private sector – especially employers – to improve access to job opportunities.

**"It is ironic how sometimes people say that public housing residents lack 'life skills' when, in reality, these families have managed to live for decades in very difficult environments. What these families need is not life skills, but more work-related skills."**

-Molly McGrath, CDHS deputy commissioner

### RECOGNIZING THE DISTINCT NEEDS OF RESIDENTS

As Molly McGrath, CDHS deputy commissioner in charge of the Service Connector, puts it: "It is ironic how sometimes people say that public housing residents lack 'life skills' when, in reality, these families have managed to live for decades in very difficult environments. What these families need is not life skills, but more work-related skills."

The new Workforce Development Initiative for CHA residents incorporates programs currently available to residents, and aims to connect residents more efficiently to these programs based on their unique needs and employment status. CHA has also developed a menu of programs to be developed by 2008 for each resident employment category.

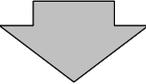
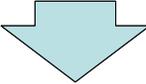
#### SELECTED TYPES OF WORKFORCE DEVELOPMENT PROGRAMS FOR CHA RESIDENTS

- **Work readiness preparation** assists residents in becoming employment-ready by creating or updating resumes, gathering necessary documentation, and defining career interests and goals.
- **Literacy and adult education** offers adult residents the chance to gain basic literacy skills and knowledge that are necessary for employment.
- **Transitional jobs programs** help residents with limited or no work history learn and establish work routines and acquire work skills, while gaining work experience and employer references through a set period of paid employment coupled with case management services.
- **Bridges to Careers programs** (through City Colleges of Chicago) are designed for residents with more consistent work experience. After completing basic education classes, residents are enrolled in technical training programs, receive certification, and placed in jobs.

**Since the ABLA/Roosevelt Square transitional jobs program began 18 months ago, 117 residents have completed job readiness training and 67 residents have been placed in unsubsidized employment earning an average of \$8.53 per hour. In addition, 70 percent of residents placed have retained jobs for more than 90 days.**

FIGURE 1

POPULATIONS SERVED, PROGRAMS PROVIDED AND PROJECTED OUTCOMES

<p><b>Chronically Unemployed</b>                      (4,765 residents ages 18-62 who have held less than 1 qtr. of work in 2 yrs.)  <b>GOAL: 1,000 Placements/3 yrs.</b></p>	<p><b>Sporadically Employed</b>                      (3,415 residents ages 18-62 who have held 1-7 qtrs. of work in 2 yrs.)  <b>GOAL: 1,000 Placements/3 yrs.</b></p>	<p><b>Consistently Employed</b>                      (3,026 residents ages 18-62 who have held 8+ qtrs. of work in 2 yrs.)  <b>GOAL: 1,000 Placements/3 yrs.</b></p>
<p><b>SERVICES</b></p> <ul style="list-style-type: none"> <li>• Workplace Literacy</li> <li>• Transitional Jobs Programs</li> <li>• Job Readiness</li> <li>• Employment</li> <li>• Temporary Jobs</li> <li>• Post-placement Support</li> <li>• Job Replacement</li> </ul> <p style="text-align: center;"></p> <p><b>Sporadically Employed</b></p> <p><i>Eligible for mixed-income housing in the 2<sup>nd</sup> priority group (working-to-meet employment category).</i></p>	<p><b>SERVICES</b></p> <ul style="list-style-type: none"> <li>• Bridges to Careers</li> <li>• Job Readiness</li> <li>• Employment</li> <li>• Post-placement Support</li> <li>• Job Replacement</li> </ul> <p style="text-align: center;"></p> <p><b>Consistently Employed</b></p> <p><i>Eligible for mixed-income housing in the first priority group (meeting the employment criteria).</i></p>	<p><b>SERVICES</b></p> <ul style="list-style-type: none"> <li>• Career Development</li> <li>• Employment</li> <li>• Career Development Supports</li> </ul> <p style="text-align: center;"></p> <p><b>Continuous Employment</b>  <i>for more than 2 years or placement in a career pathway with sustainable (living) wages</i></p> <p><i>Eligible to stay in mixed-income housing or move out of subsidized housing.</i></p>

Source: Chicago Jobs Council

**On-the-ground Snapshot:  
 Heartland Human Care Services' "Transitional Jobs" program**

In April 2005, Heartland Human Care Services (HHCS) launched its first transitional jobs program, for CHA residents at ABLA/Roosevelt Square. The program has a strengths-based approach and focuses on the existing skills of residents, as well as their interests and goals. Residents participate in a two-week/60-hour job readiness training program and graduate with a certificate of completion and transitional job slot. The final days of job readiness training offer opportunities for residents to interview with one to two participating employers for transitional job positions.

HHCS pays residents in transitional jobs \$6.50 per hour (plus FICA) as the employer of record for 30 hours per week for up to four months. During the subsidized employment period, HHCS staff tracks residents' progress while site supervisors complete performance evaluations every month. In the first two months, residents are required to attend a "career development" program once a week. Once residents are ready, they may be placed in higher-wage, unsubsidized employment with one of the many employers who have partnerships with HHCS.

Since the ABLA/Roosevelt Square transitional jobs program began 18 months ago, 117 residents have completed job readiness training and 67 residents have been placed in unsubsidized employment earning an average of \$8.53 per hour. In addition, 70 percent of residents placed have retained jobs for more than 90 days. HHCS has 129 employer partners, primarily in the clerical, maintenance, retail and food service industries. Top employers include MS Management, Lutheran Social Services, Walgreens, Fitness Formula Clubs, Ashley Quality Care, and McDonald's.

In September 2006, HHCS launched a new transitional jobs program in the MidSouth, serving residents from its Service Connector sites at Dearborn, Madden/Wells, Lake Parc Place, Washington Park, and Stateway Gardens. HHCS also accepts referrals of CHA residents moving into Jazz on the Boulevard, Keystone Place, Lake Park Crescent, Oakwood Shores, and other MidSouth communities. As of November 2006, 34 residents have completed job readiness training and been placed in transitional jobs, four residents have secured unsubsidized employment, and an additional 66 residents are on a waiting list for the program.

Source: Heartland Human Care Services

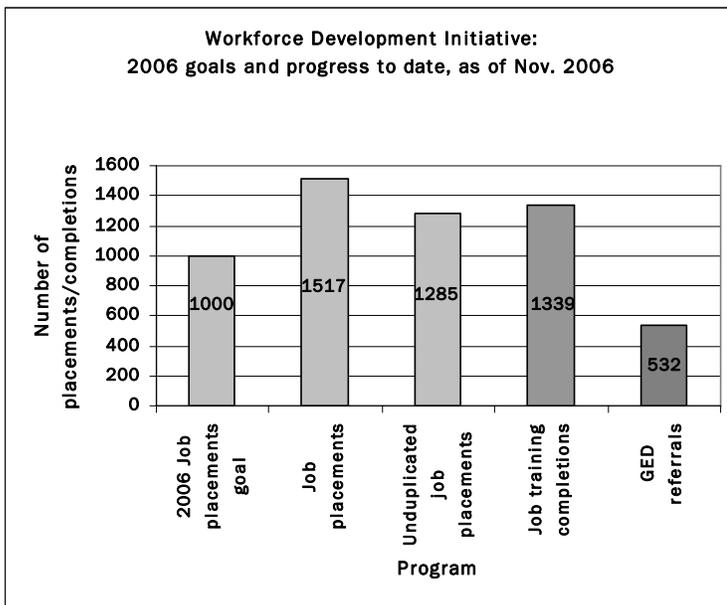
**SETTING AGGRESSIVE GOALS**

Through this new employment strategy, CHA plans to place 3,000 residents in jobs over three years, lease 1,628 public housing units coming online between 2006 and 2008, and achieve specific program outcomes for each resident group (chronically unemployed, sporadically employed, and consistently employed). CHA has outlined specific goals for the Initiative, including:

- Screening and offering services to 6,000 families in order to meet housing criteria.
- Placing 1,000 residents in jobs through WIA employment placement providers.<sup>16</sup>
- Engaging 1,000 residents in transitional jobs programs.
- Engaging 1,000 residents in Bridges to Careers programs at Chicago City Colleges.

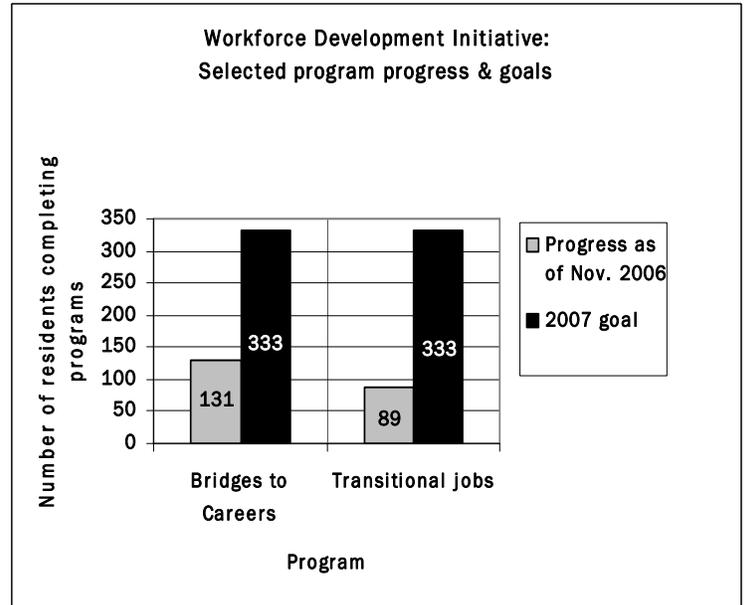
Although the Initiative is still ramping up, there have been some early results during its first year. Chart 4 shows the progress in several areas, as of November 2006, and illustrates job placement goals are being exceeded. In total, the Workforce Development Initiative has made 1,517 job placements this year, 1,285 of them unduplicated. (The target for 2006 was 1,000 placements.) The Initiative is also making progress with job training (1,339 completions) and GED referrals (532 referrals). Two pilot programs, with ambitious goals for 2007, have made only moderate progress this year (Chart 5). As of November 2006, 131 residents have been engaged in Bridges to Careers and 89 in transitional jobs, suggesting that all partners must make a special effort to help these programs “take off” in the coming year in order to meet the goal of engaging 1,000 residents in each by 2008.

**CHART 4**



Source: CDHS

**CHART 5**



Source: CDHS

**PARTNERING WITH THE PUBLIC, CIVIC AND PRIVATE SECTORS**

Coordination and partnerships with city agencies are defining traits of the new CHA Workforce Development Initiative. As seen above, CDHS will continue to be the conduit for workforce development services to CHA residents through the Service Connector program. Also, over the next three years, MOWD will directly service CHA residents. It has committed roughly \$4 million in services with goals of registering approximately 1,400 CHA residents in the WIA program and placing 1,000 of these residents in jobs. As part of these services, MOWD will also provide roughly \$2 million worth of Individual Training Account (ITA) vouchers to WIA-enrolled

residents. These vouchers are used for training from state certified vendors for commercial drivers licensing, nursing, and other programs.

MOWD will also strengthen its relationship with Service Connector agencies. Specifically, 25 WIA agencies have partnered with the Service Connectors in their areas and are scheduled to begin convening regional meetings with workforce development staff before the end of 2006. To ensure the success of this collaboration, CHA will fund a full-time project coordinator at MOWD to help maintain partnerships between individual Service Connectors and WorkNet providers<sup>17</sup>, and to ensure that CHA residents are included in programs funded and managed by MOWD.

**FIGURE 2**

**EXISTING PARTNERSHIPS BETWEEN SERVICE CONNECTORS AND WIA AGENCIES**

<b>Service Connector</b>	<b>WIA Agencies</b>
Centers for New Horizons	MidSouth Workforce Center-E&ES
Changing Patterns for Families	Calumet- Dynamic Educational Systems, Inc.(DESI) MidSouth Workforce Center-E&ES
Employment and Employer Services (E&ES)	North Side Workforce Center-DESI Pyramid Partnership Inc. Garfield Workforce Center- SERCO Greater West Town Community Development North Lawndale Employment Network Jane Addams Hull House
Heartland Human Care Services, Inc.	Pilsen Workforce Center- National Able MidSouth Workforce Center- E&ES
Housing Opportunities for Women	North Side Workforce Center- DESI Howard Area Community Center Inspiration Corporation
Jane Addams Hull House Association	Southwest Side Workforce Center- E&ES MidSouth Workforce Center- E&ES North Side Workforce Center- DESI Pyramid Partnership Inc. Asian Human Services Inspiration Corporation
Metropolitan Family Services	North Side Workforce Center-DESI Calumet- DESI Easter Seals of Metropolitan Chicago Albany Park Community Center Polish American Association
National Able Network	Garfield Workforce Center- SERCO Greater West Town Community Development Pilsen Workforce Center- National Able Easter Seals of Metropolitan Chicago North Lawndale Employment Network CARES Chicago Sinai Community Institute Jane Addams Hull House
Near West Community Development Corporation	Garfield Workforce Center- SERCO
The Woodlawn Organization	MidSouth Workforce Center- E&ES Chicago Urban League Pilsen Workforce Center- National Able South East Chicago Development Commission (SEDCOM) Community Mental Health Council
Uhlich Children's Advantage Network	CABET, Inc. YMCA of Metropolitan Chicago Calumet- DESI
Universal Family Connections	Southwest Side Workforce Center- E&ES St. Sabina Employment Resource Center
West Englewood United Organization	Southwest Side Workforce Center- E&ES Chicago Urban League Goodwill Industries of Metropolitan Chicago

Source: MOWD

In addition, CHA plans to enhance its employer outreach strategies to ultimately connect employers to a continuous flow of employable CHA residents who complete workforce development and training programs.

### RECRUITING EMPLOYERS: SECTION 3 AND OPPORTUNITY CHICAGO

Attracting employers willing to participate in the CHA Workforce Development Initiative is as critical as training residents. Tools available to recruit employers include Section 3 and Opportunity Chicago.

#### SECTION 3

Section 3 is a federal program that requires initiatives receiving HUD assistance (such as public housing redevelopment) to hire low-income people and/or contract with businesses owned by or employing low-income residents. A CHA resident can benefit from the Plan for Transformation by obtaining a Section 3 job in one of the many industries engaged in the Plan (construction, management, service delivery, etc.). For jobs at a specific CHA property, residents there are given preference. CHA aims for at least 30 percent of new hires to be covered by Section 3 provisions. The program generated around 500 placements a year during 2004 and 2005. As of November 2006, 444 CHA residents have been hired thanks to Section 3. Hourly wages for these jobs range from minimum wage to \$40.15 per hour, and include a variety of positions, such as construction worker, property manager, janitor, security guard and quality control specialist.

#### OPPORTUNITY CHICAGO

In 2006, the City of Chicago launched Opportunity Chicago, a program designed to prepare CHA residents for long-term employment. This program provides training for corporate job positions that companies dedicate for residents who participate in the program. Opportunity Chicago employers receive federal tax credits ranging from \$2,500 to \$8,500 if they hire CHA residents. National Able Network, a Service Connector agency, maintains a database for this program. To date, 160 employers are now participating in Opportunity Chicago, including Exelon/Peoples Energy, LaSalle Bank, and Hilton Hotels.

Source: CHA

## CHALLENGES, RECOMMENDATIONS AND ONGOING QUESTIONS

In the words of CDHS Deputy Commissioner McGrath, “The Service Connector program is not about fixing people’s lives, but about fixing the way we, as a society, think about breaking the cycle of poverty and promoting economic independence.” The new Workforce Development Initiative for CHA residents reflects this change of paradigm in its scope, goals and philosophy.

As CHA and its partners move forward with this new strategy, they need to consider a number of issues to ensure they accomplish their ambitious mission.

1. **Federal funding for public housing has been declining**, as has funding for workforce development programs under the Workforce Investment Act (WIA) of 1998. This directly affects the ability of the city to partner with CHA, because WIA provides nearly 90 percent of MOWD’s budget. Despite the recent commitment of \$22.5 million from the city, state, HUD, and PNC for workforce development for CHA residents, strong advocacy efforts are needed to guarantee the federal government invests funds appropriately and these much needed resources are maintained and expanded over time.

**CHA and its partners need to link retail and commercial development in new mixed-income communities to job creation for CHA residents.**

2. The availability of accessible jobs is a prerequisite to success, so partnering with local and regional employers is essential. **CHA and its partners need to link retail and commercial development in new mixed-income communities to job creation for CHA residents.** For example, at Roosevelt Square, formerly the ABLA Homes, the development team is requiring firms renting commercial space to make best efforts to hire 30 percent of its workforce from qualified neighborhood residents, including CHA residents. **Transit improvements are also necessary to reconnect old CHA sites to the economic fabric of the city and allow residents to get to work using public transportation.** Better transit can also attract employers back to these areas and promote new business opportunities.

**Transit improvements are also necessary to reconnect old CHA sites to the economic fabric of the city and allow residents to get to work using public transportation.**

3. **Families moving into, or living in the mixed-income communities need more flexibility with work requirements.** National<sup>18</sup> and local<sup>19</sup> experiences show that the road to a stable job is meandering and can take several years. Flexible work requirements will give families time to adapt to their new situations in a more compassionate way, and provides developers and property managers more space to maneuver when an otherwise desirable tenant loses his or her job.

4. All stakeholders in the new Workforce Development Initiative must remain connected and involved to make sure lessons learned are exchanged and timely corrections and improvements are made. **Appropriate forums for Service Connectors, WIA providers, mobility counselors and contractors working at the different mixed-income sites are needed to exchange best practices, success stories and challenges.** Moreover, since the population served includes many families moving from one neighborhood to another while mixed-income communities are being developed, continuity in the transition from one workforce development provider to another must be a guiding principle.

5. The Workforce Development Initiative includes an evaluation component, done by an independent party, that is scheduled to begin soon. **To make sure this evaluation is meaningful and the Initiative's approach is not merely top-down, providers and residents need to play an important role in the ongoing evaluation process.** The Initiative also must pay special attention to community-based organizations working at the neighborhood level, not only to improve the Initiative itself, but also to gauge the overall infrastructure needs to provide workforce development services in the community, and then invest resources accordingly.

## CONCLUSIONS

The progress achieved in workforce development for CHA residents, in recent years, has occurred due to responsive policymakers at the Chicago Housing Authority, Chicago Dept. of Human Services and, now, Mayor's Office of Workforce Development. It has also necessitated significant philanthropic support, dedicated case managers and other "on the ground staff," innovative curricula in the City Colleges system, receptive employers, and a major realignment of local, state and federal programs advancing workforce and economic development.

Looking forward, this spirit of innovation and cooperation must continue at the work place, in vocational training, and also at home. The road to self-sufficiency for low and moderate-income households in our region can be steep and long, especially for families living in public housing. These families have new customized roadside assistance. For today's youth and families living in public housing to excel in the future, they are counting on all stakeholders to fix the problem spots, keep the road clear, build the necessary bridges, and persevere.

For a more comprehensive analysis of CHA's historic Plan for Transformation, visit MPC's website at [www.metroplanning.org](http://www.metroplanning.org). MPC Fact Sheets, Updates, and other research papers that examine various components of the Plan are available.

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## Endnotes

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- 1 Illinois Dept. of Employment Security (2006), County Occupational Wages.
- 2 Housing is considered "affordable" when the owner or renter uses no more than 30% of monthly income to pay for it.
- 3 See "Out of Reach" (2006) by the National Low Income Housing Coalition: [www.nlihc.org/oor/oor2006](http://www.nlihc.org/oor/oor2006)
- 4 See "Opportunity Chicago. Thinking Strategically about Workforce Development for Chicago Public-Housing Residents"(2006) by CHA, PNC and MOWD.
- 5 Households earning 80% of the Area Median Income (AMI) are eligible for HUD assistance- \$59,600 is 80% of the AMI in the Chicago region (\$75,400 per year for a family of four).
- 6 American Housing Survey for the United States (2005) by U.S. Census Bureau: <http://www.census.gov/hhes/www/housing/ahs/ahs.html>
- 7 In "The Two Worlds of Welfare Reform in Illinois" University Consortium on Welfare Reform (2004): <http://www.northwestern.edu/ipr/publications/papers/IFSsummary4.pdf>
- 8 See "How Are HOPE VI Families Faring? Income and Employment" (2004), by Levy, D. and Kaye, D. The Urban Institute: [www.urban.org/publications/411072.html](http://www.urban.org/publications/411072.html)
- 9 For more on this work requirement, see "July 2005 CHA Plan for Transformation Update" by MPC, available at <http://www.metroplanning.org/ourwork/articleDetail.asp?objectID=2829>
- 10 The Service Connector program provides services to three specific groups of CHA residents: those living in family properties not scheduled for imminent demolition, those living in scattered sites, and those relocating with temporary or permanent Housing Choice Vouchers. Participation in the Service Connector program is voluntary, but agencies are required to perform aggressive outreach to engage eligible residents in the program. For more on the Service Connector program, enter "Service Connector" in the search box at [www.metroplanning.org](http://www.metroplanning.org).
- 11 See "Opportunity Chicago..." cited above.
- 12 Section 3 placements don't count toward these goals. See following section for information on the Section 3 program.
- 13 FY2005 Annual Report. CHA.
- 14 See "Opportunity Chicago..." cited above.
- 15 Beginning in 2006, a Strategic Advisers Group, including representatives of city agencies, foundations, and other stakeholders, began to meet regularly to assess the strategy and progress of the Workforce Development Initiative. A subset of this group, Public Agencies Partners, which include CHA, MOWD, the Chicago Workforce Board, and CDHS, is more directly involved in implementing the program and combining their respective resources. The Chicago Jobs Council is staffing and managing the Initiative.
- 16 WIA providers are organizations that are certified to provide workforce development and training according to the Workforce Investment Act of 1998.
- 17 WorkNet providers include WIA agencies as well as other service providers funded by MOWD
- 18 See "How Are HOPE VI Families Faring? Income and Employment" (cited above)
- 19 See the lessons learned in Chicago in a variety of reports developed by Project Match on its Pathways to Rewards program: [www.pmatch.org](http://www.pmatch.org)