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Testimony by The Legal Aid Society
Before the New York City Council
Committee on Public Housing- Oversight Hearings-
Improvements and remaining challenges to the New York City Housing
Authority's (NYCHA) Section 3 Resident Employment Program

The Legal Aid Society (the Society) in New York City is the nation's oldest and largest not-for-profit provider of legal help for vulnerable low-income children and adults.

Operating from 25 locations in New York City with a full-time staff of 1,600, including 925 lawyers and 675 social workers, paralegals, investigators, and support and administrative staff, the Society handles some 300,000 individual cases and legal matters each year. The Society operates three major practices: the Criminal Practice, which serves as the primary provider of indigent defense services in New York City; the Juvenile Rights Practice, which represents virtually all of the children who appear in Family Court as victims of abuse or neglect or as troubled young people facing charges of misconduct; and the Civil Practice, which improves the lives of low-income New Yorkers by helping families and individuals obtain and maintain the basic necessities of life - housing, health care, food, and subsistence income or self-sufficiency.

With a focus on enhancing family stability and security, through a network of neighborhood offices and city-wide special projects in all five boroughs of the City, the Civil Practice helps vulnerable families and individuals with these legal problems: housing, foreclosure and homelessness; family law and domestic violence; income and economic security assistance (such as unemployment insurance benefits, federal disability benefits, food stamps, and public assistance); health law; immigration; HIV/AIDS and chronic diseases; elder law for senior citizens; low-wage worker problems; tax law for low-income workers; consumer law; education law; community development opportunities to help clients move out of poverty; and reentry and reintegration matters for clients returning to the community from correctional facilities. Typically, clients seek assistance from the Civil Practice after exhausting all other avenues for assistance. The Society's Civil Practice is the safety net when all other safety nets fail. During the past year, our Civil Practice completed work on over 43,000 individual cases and legal matters, benefiting nearly 100,000 low-income children and adults, with an additional two million low-income New Yorkers benefiting from our law reform and class action litigation.

The Society is counsel on numerous class-action cases concerning the rights of public housing residents and is a member of the New York City Alliance to Preserve Public Housing, a local collaboration of NYCHA resident leaders, advocates and concerned elected officials.

We appreciate the opportunity to testify before the Committee on Public Housing, Oversight Hearings, concerning improvements and remaining challenges to the New York City Housing Authority's (NYCHA) Section 3 Resident Employment Program. We greatly appreciate the leadership of Chair Rosie Mendez and her commitment to public housing and Section 8 residents.

The purpose of the Department of Housing and Urban Development's (HUD) Section 3 program established by the Housing and Urban Development Act of 1968, is to provide economic, training and other employment opportunities to low-income individuals¹.

¹ 12 U.S.C. 1701u(b).

Specifically, Section 3 requires that recipients of certain forms of HUD funding, to the greatest extent feasible, provide job training, employment and contracting opportunities to low- and very low-income residents and eligible businesses² in connection with projects and activities in their neighborhoods. The potential for jobs for low-income residents under Section 3 is extensive and continues to be so.

On July 26, 2011, John Trasvina, Assistant Secretary for Fair Housing and Equal Opportunity at the United States Department of Housing and Urban Development (HUD) issued a letter to John B. Rhea, Chairman of NYCHA in which HUD determined that Section 3 and its requirements are applicable to the 1994 Memorandum of Understanding (MOU) between NYCHA and the City of New York on the merger of the NYCHA Police Department with the New York City Police Department (NYPD). In FY 2010, pursuant to the MOU, NYCHA paid over \$75 million to NYPD for ongoing law enforcement services for NYCHA's properties and residents. In its letter in July, 2011, HUD further directed NYCHA to ensure that NYPD becomes or remains in compliance with Section 3, as a "recipient" of Section 3 covered financial assistance.

We are pleased that NYCHA is now implementing Section 3 and are encouraged by the most recent data released by NYCHA in its Section 3 Program Summary Report contained in Attachment M to the NYCHA FY 2012 Annual Plan submitted to HUD in October, 2011. However, the Society believes that there are still steps that NYCHA must take to ensure that the Section 3 program reaches its full potential - that all unemployed NYCHA residents and other low-income New Yorkers have an opportunity to find a job or to have meaningful training towards employment. To that end, the Society also supports the Affordable Communities Employment Act of 2011, legislation recently introduced by U.S. Congresswoman Nydia M. Velazquez, that brings meaningful improvements to the Section 3 program and creates new job opportunities for the unemployed, underemployed, especially those living in public housing and federally assisted rental housing.

² *Id.* At §1701u(c)-(d).

We have the following recommendations to NYCHA to help ensure that the Section 3 program reaches its full potential:

1. NYCHA should use the “Philadelphia Section 3 Model”. Under this model, NYCHA would:
 - a. institute comprehensive programs to pre-qualify the resident workforce for a range of job opportunities through GED programs, internships and pre-apprenticeships.
 - b. create a centralized pool of qualified residents for contractors, NYCHA and NYPD to draw from.
 - c. require contractors, NYPD and other recipients of Section 3 covered financial assistance to draw from the qualified resident pool.

2. Section 3 should be used to off-set the mandated community service requirement which is being implemented effective January, 2012. NYCHA should actively promote enrollment in GED programs as a way to fulfill the community service requirement. If Section 3 was fully implemented, many public housing residents would have jobs and could be thus exempt from community service. We recommend that anyone who has a Section 3 form on file and is waiting for training or work opportunities through NYCHA’s Department of Resident Employment Services should be exempt from the community service requirements.

3. Compliance by NYPD with its Section 3 obligations is vital and should be a priority. Since 1994, NYCHA has paid over \$1.2 billion to NYPD for policing, funds that are covered by Section 3. The Society urges NYCHA to ensure that any negotiation of a compliance agreement between HUD, the NYPD and NYCHA should be an open process involving residents and advocates and that a restitution plan be considered to address the lost employment, training and other economic opportunities that result from 17 years of non-compliance with Section 3 obligations. Furthermore, if the forthcoming NYCHA-NYPD plan for Section 3 compliance represents an amendment to the standing Annual

Plan, NYCHA must designate it as a “significant amendment”, which would require written notice, a 45-day review period, and a public hearing.

4. NYCHA should implement a much-needed program to recruit and train qualified NYCHA residents as auxiliary police officers on NYCHA properties. The creation of a NYCHA auxiliary police program was approved at a meeting of the NYCHA Safety and Security Task Force in April, 2010. It is our understanding that NYCHA has not implemented this idea to date in any of its developments and we believe that Section 3 is the appropriate and necessary funding source for the NYCHA auxiliary police.

5. The Society also urges NYCHA to include Section 8 participants in its implementation of the Section 3 program.

Conclusion

We appreciate the opportunity to testify before the Council Committee today and hope that the Council will do all that is within its power to compel NYCHA to address the concerns outlined above.

Respectfully Submitted:

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