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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE THE COUNCIL COMMITTEE ON
COMMERCE & ECONOMIC DEVELOPMENT

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- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, Oct. 27, 1999
4:05 p.m.

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Bill 990563 - Amending Title 17 of The
Philadelphia Code, entitled " Contracts and
Procurement" by adding a new Chapter 17-900,
entitled "Neighborhood Benefit Strategy," which
provides for the applicability, implementation,
and administration of a Neighborhood Benefit
Strategy for housing, commercial development,
community revitalization, and public development
projects sponsored or supported by the City of
Philadelphia.

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PRESENT: COUNCILMAN MICHAEL A. NUTTER, Chairman
COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN FRANK DICICCO
COUNCILMAN BRIAN O'NEILL

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2 P R O C E E D I N G S

3 COUNCILMAN NUTTER: This is the
4 Committee on Commerce and Economic Development.
5 There is a quorum in the room -- Councilman
6 Nutter, Chair of the committee, Councilman
7 O'Neill, Councilwoman Verna, Councilwoman Miller,
8 and Councilman DiCicco.

9 This is a hearing on Bill No. 990563,
10 which is an ordinance amending Title 17 of The
11 Philadelphia Code, entitled " Contracts and
12 Procurement" by adding a new Chapter 17-900,
13 entitled "Neighborhood Benefit Strategy," which
14 provides for the applicability, implementation,
15 and administration of a Neighborhood Benefit
16 Strategy for housing, commercial development,
17 community revitalization, and public development
18 projects sponsored or supported by the City of
19 Philadelphia.

20 It's my understanding there are some
21 Administration witnesses here to testify in favor
22 of the bill as it is proposed to be amended.
23 Duane Bumb, do you. . . wonderful.

24 Are there any members of the general
25 public who are here and would like to testify with

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2 regard to Bill No. 990563? Ma'am, then why don't
3 you come up to the witness table and we can take
4 your testimony.

5 (Judith Robinson comes forward.)

6 COUNCILMAN NUTTER: Please identify
7 yourself for the record.

8 MS. ROBINSON: Yes. My name is Judith
9 Robinson.

10 COUNCILMAN NUTTER: Okay, and you can
11 proceed with your testimony.

12 MS. ROBINSON: Okay. Good afternoon to
13 everyone. I am concerned about this bill because,
14 back in 1995, I have a copy of Executive Order
15 295, which is Neighborhood Benefit Strategy. It
16 was an executive order that came from the Mayor's
17 Office at that time, to be put into effect
18 immediately, and it was dated January 31, 1995.

19 I would like to know since that time
20 till now. . .

21 COUNCILMAN NUTTER: Go ahead. I'm
22 sorry.

23 MS. ROBINSON: Okay. I am concerned
24 that since that bill -- that executive order, I
25 should say, was put into effect, that it has not

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2 necessarily benefited my community, and I am from
3 North Philadelphia.

4 I understand that OHCD did the
5 monitoring since then to see if developers were in
6 compliance with the executive order, and that's
7 what I'm really interested in seeing, because I
8 contend that there may not be many
9 low-income-owned businesses that have the capacity
10 to take advantage of this. And I would be very
11 much interested in seeing whether there has been a
12 substantial number of low-income owners of
13 businesses that have been able to take advantage
14 of this Neighborhood Benefit Strategy.

15 I would suggest that they take --
16 create a higher-income guideline to take advantage
17 so that people that have already been in the
18 neighborhood for a substantial period of time
19 running their business without any benefit, just
20 struggling along out in the open market, but have
21 stayed in the neighborhoods, can take advantage of
22 the Neighborhood Benefit Strategy. For instance,
23 a person that owns a roofing company or a
24 construction management committee company is not
25 going to necessarily be low-income, or else they

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2 testify and not ask questions such as, do you all,
3 or Council, have information from OHCD telling you
4 how this executive order of 1995 has been working
5 so far?

6 COUNCILMAN NUTTER: Well, why don't we
7 try to get some answers to the questions. The
8 representatives from the City Administration who
9 are responsible for monitoring and compliance
10 issues, they are now in the room, so I can are
11 have them come up. If they didn't hear all of
12 your questions, we'll get some of those answers
13 and you can hear what the response is.

14 MS. ROBINSON: Thank you.

15 COUNCILMAN NUTTER: Ms. Robinson, let
16 me also just mention to you with regard to the
17 bill that's in front of us, there are detailed and
18 strict reporting requirements for City Council.
19 There was mention in the executive order of
20 reporting requirements, and we do get information
21 from time to time.

22 With this particular bill, those
23 requirements are somewhat more stringent, and
24 there are timetables that must be adhered to get
25 certain documents, certain information, but we'll

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2 have that discussion when the individuals come up
3 to the table.

4 So thank you for your testimony, and
5 we'll try to get you some answers, okay?

6 I see Mr. Kromer, Mr. Fina, Mr. Brooks,
7 and Mr. Feder. If we can have those individuals
8 come up to the table.

9 (Above-named individuals come forward.)

10 MR. KROMER: Good afternoon. My name's
11 John Kromer. I'm the Director of the Office of
12 Housing and Community Development, and I wanted to
13 offer a few comments on Bill No. 990563 and then
14 discuss any questions or comments that you may
15 have.

16 The Rendell Administration is very
17 pleased to have drafted and issued in 1995 the
18 executive order creating the requirement for the
19 Neighborhood Benefit Strategy, and it's very good
20 news to hear that Council is taking up this issue
21 and is proposing to enact this legislatively as
22 well.

23 I believe the only concern that the
24 Office of Housing and Community Development had is
25 already being addressed, and that was a concern

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2 that the executive order and the bill be in
3 conformity with one another and that the intent of
4 both be to address the HUD Section 3 regulations.
5 And rather than going into the detail, which I
6 believe has already been covered, I would say that
7 that is a goal that we support. And the
8 additional reporting requirements, I feel, are
9 appropriate, they are doable, and are very
10 relevant to the issue, and we know of no reason
11 why the Administration could not comply with those
12 requirements.

13 COUNCILMAN NUTTER: Good, thank you.

14 Mr. Fina, before I go to you, let me
15 try to get -- because I think Mr. Feder may not
16 have been in the room when Miss Robinson asked a
17 series of questions.

18 The questions, Mr. Feder, revolved
19 around the meaning or the definition of
20 "low-income business" that could take advantage
21 of provisions in the Neighborhood Benefit Strategy
22 and what does that mean for a person who's in
23 business.

24 I think the crux of her question was,
25 you might not be low-income but can you in fact

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2 take advantage of this opportunity? What's the
3 project area, how large is it in comparison to
4 where the actual project is taking place?

5 Are -- this may not be your area, but
6 are residents in the area getting in training
7 programs? That may be one more for you, Mr.
8 Kromer, or Mr. Brooks. What are the reporting
9 requirements, at least presently? And how has
10 this executive order been functioning or working
11 so far?

12 MR. FEDER: I thank you, Councilman.
13 My name is Richie Feder and I'm the Deputy City
14 Solicitor with the Law Department. I'll try to
15 answer some of those questions, and the ones I
16 can't, I'm sure you'll help me with.

17 In terms of what is a low-income
18 business, the owner of the business does not have
19 to be low-income herself. I believe the
20 ordinance, as you have drafted it and as the
21 executive order currently reads, makes it clear
22 that there are two or three ways that one can
23 qualify as a low-income business. In the
24 ordinance, as introduced, in Section 17-902,
25 Subsection 1, on Page 3 of the pink bill, it says

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2 that a low-income business either is one which is
3 owned by 51 percent or more of the owners are
4 low-income project-area residents; or roughly, it
5 says, 30 percent of its employees must be
6 low-income. And so the owner herself does not
7 have to be low-income. It is certainly measured
8 -- or the business intends to subcontract with
9 other businesses which themselves are low-income.

10 In terms of what is the project area,
11 the executive order and the ordinance allow OHCD
12 to make the ultimate determination within the
13 confines of Section 3, and Section 3 makes clear
14 that the project area can be no larger than the
15 City of Philadelphia itself. In individual
16 instances, it's up to OHCD to make the actual
17 determination. I'm not sure I feel comfortable
18 speaking to how they make that determination.

19 And in terms of the reporting
20 requirements, essentially, the ordinance and the
21 executive ordinance both require contractors to
22 provide the City with enough information to
23 determine whether or not they are complying with
24 Section 3 -- how many low-income they are hiring
25 and what their goals are for the coming period.

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2 COUNCILMAN NUTTER: Okay. Mr. Kromer,
3 can you talk to us -- or Mr. Brooks -- about
4 residents getting training? Who again is able to
5 benefit from the Neighborhood Benefit Strategy as
6 well as what your office's role is in adhering to
7 the present executive order which talks about
8 reporting requirements. And can you give us a
9 sense on the record, at least on the record, as to
10 what that has been over the past few years.

11 MR. KROMER: I'll ask Kevin Brooks to
12 provide some more detail on the training, but
13 we've directly supported some training and
14 job-readiness programs, such as Youth Build, and
15 have tried to help those programs make the
16 connection with employment in construction that is
17 funded with the HUD funding available to
18 Philadelphia.

19 Another program that's been a big
20 priority for us has been the Congreso program, and
21 recently particularly, we've been able to make
22 connections between graduates of that program and
23 the building trades.

24 Clearly, there is more to be done.

25 The Section 3 mandate from HUD is a

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2 very general one. And although some progress has
3 been made during the years since the Neighborhood
4 Benefit Strategy has been adopted, and although
5 the City is, strictly speaking, in compliance with
6 Section 3, I think there is room for a lot more
7 improvement.

8 The monthly reporting that Council
9 required on the Community Development Block Grant
10 funded activities will begin next month, and I
11 expect that there will be a variety of opinions
12 about how satisfactory the level of neighborhood
13 employment was.

14 There's clearly a lot of room for
15 improvement, but I feel that we're doing as well
16 as other cities, and probably better than most
17 cities, in making the connection between the
18 Section 3 mandate and the availability of training
19 for neighborhood residents.

20 I want to ask Kevin Brooks to add a
21 little detail on the training issue.

22 COUNCILMAN NUTTER: Mr. Brooks, before
23 you start, then go right into it. Mr. Fina, I'd
24 like you to add your testimony to the record after
25 Mr. Brooks. And then, Mr. Feder, I would like for

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2 you to go through -- you have a copy of some
3 proposed amendments that there has been agreement
4 between the Administration and myself as sponsor
5 of the bill that will make the bill constitutional
6 as well, as there's an agreement between the City
7 Administration and the Council on the executive
8 order being amended so as to comport with what the
9 bill is proposed to be after amendments, okay?
10 And I'd like you to walk through those amendments
11 and what they mean and what the reason is for
12 them.

13 Mr. Brooks, please.

14 MR. BROOKS: Thank you, Councilman. My
15 name is Kevin Brooks, and I'm Assistant Director
16 for Equal Opportunity and Affirmative Action in
17 the Office of Housing and Community Development.

18 Just to echo what John Kromer said, we
19 have partnered with Congreso de Latinos as a
20 primary training resource for our projects.
21 Graduates from Congreso have been referred to
22 building trade unions on City projects, and we
23 establish a number of individuals to be hired on
24 any specific project, and then they go through
25 apprenticeship training programs and are hired on

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2 projects around the City, downtown, as well as
3 neighborhood projects.

4 We do reports on all projects that we
5 have Neighbor Benefit Strategies on all of the
6 project. They are administered by the
7 Redevelopment Authority and PHDC. So we have
8 reports that summarize the employment and
9 contracting for all of our project activities.

10 MR. FINA: Good afternoon. In the
11 absence of the Chairman, Mr. DiCicco, I will
12 present myself to you. My name is Robert Fina,
13 and I am a Senior Vice President with PIDC.

14 I would like to withhold comment of
15 PIDC's position on the bill, which are generally
16 supportive, until the amendments are proposed,
17 because our support would be with those
18 amendments. So once the amendments are presented
19 and discussed, I would like then to have the
20 opportunity to offer PIDC's support for the
21 legislation. And also I'd like to offer that
22 support when the Chairman returns.

23 COUNCILMAN DICICCO: Thank you. I
24 think we'll just take like a three-minute recess.
25 The Councilman should be back momentarily.

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2 (Short break taken.)

3 - - -

4 (Proceedings resume.)

5 COUNCILMAN NUTTER: It's my
6 understanding that we have a representative from
7 the People's Emergency Center here, so could one
8 of you wonderful gentleman. . .

9 (Violet Marrero comes forward.)

10 COUNCILMAN NUTTER: Could you please
11 identify yourself for the record, and I understand
12 you want to read some testimony into the record?

13 MS. MARRERO: My name is Violet
14 Marrero, and I'm the CDC Coordinator for People's
15 Emergency Center.

16 COUNCILMAN NUTTER: Okay. Bring the
17 microphone a little closer.

18 MS. MARRERO: People Emergency Center
19 is a nonprofit organization that provides a
20 continuum of care for homeless women and their
21 children, which includes housing development.
22 Gloria Garber was unable to be here, so I'm here
23 to read her prepared statement into testimony.

24 Thank you, Chairman Nutter, for giving
25 me the opportunity to come before the Commerce and

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2 Economic Development Committee to express our
3 interest in Bill No. 990563, the Neighborhood
4 Benefit Strategy bill.

5 The Neighborhood Benefit Strategy is a
6 great opportunity for Philadelphia, its
7 contractors, local area and community-based
8 businesses, nonprofit organizations, educational
9 institutions, economically disadvantaged
10 individuals, and neighborhoods. Simply put, it's
11 Philadelphia assisting Philadelphians.

12 This concept is an excellent starting
13 point for developing a program that takes into
14 account the requirements for projects utilizing
15 federal funds. However, we need to ensure that
16 all projects utilizing public funds are required
17 to participate in this program.

18 This bill should be applicable to PHA,
19 its subsidiaries, and related organizations
20 because several of PHA's projects utilize federal
21 and local public monies. Every entity that
22 receives public funds for community revitalization
23 or economic and community development should
24 adhere to the same standards for educating,
25 training, and employing local-area residents and

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2 businesses.

3 The Neighborhood Benefit Strategy
4 initiative will strengthen our commitment to HUD
5 Section 3 program requirements.

6 The Neighborhood Benefit Strategy
7 initiative will coordinate resources to provide a
8 qualified labor pool. Training is necessary
9 before low-income individuals will be ready to
10 meet qualifications for skilled labor.

11 Certainly, we should mandate that
12 businesses interested in acquiring public
13 contracts share in the responsibility of employing
14 local-area residents. Some will consider this
15 requirement a burden; others will suggest that it
16 is too cumbersome to enforce. But I am confident
17 that this legislation will create an equitable
18 balance between the private and public sectors,
19 nonprofit organizations and corporations,
20 educational institutions, and religious
21 communities.

22 Since we sponsor our welfare-to-work
23 program for half of the homeless mothers in the
24 City, we are very interested in any way that the
25 City can use the leverage of its funds to pressure

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2 the private sector into employing neighborhood
3 people because, ultimately, this means employment
4 for our residents and clients.

5 Everyone must be willing to share their
6 knowledge, insight, and resources as we create
7 communities of opportunity. Section 3 is a
8 flexible program that will allow the interested
9 parties to achieve their goals while increasing
10 local-area resident employment, developing a
11 larger skilled workforce, and nurturing
12 community-based businesses.

13 The Neighborhood Benefit Strategy bill
14 will go a long way towards eradication of poverty,
15 underemployment, and homelessness. It is
16 essential that the public and private sector come
17 together to move Philadelphia's poorest residents
18 forward into the new millennium.

19 Residents working on Section 3 projects
20 are more than employees; they are parents,
21 mothers, children, and neighbors. Residents are
22 the life lines of Philadelphia's neighborhoods.

23 It is an opportunity for both the
24 public and the private sector to embrace the bold
25 and innovative strategy that will forge a dynamic

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2 partnership in education, housing, and community
3 and economic development that will concentrate on
4 the revitalization of Philadelphia's low-income
5 residents and communities.

6 Philadelphia has come a long way in
7 providing opportunities for its low-income
8 residents and community-based businesses, but
9 there is still work to be done before the barriers
10 to employment are removed, and distressed
11 neighborhoods are memories past.

12 Together, Philadelphians can make a
13 difference for everyone and for every
14 neighborhood. Let's work together to make the
15 American dream a reality for everyone.

16 Thank you.

17 COUNCILMAN NUTTER: Thank you very
18 much. Thank you for coming down.

19 (Applause.)

20 COUNCILMAN NUTTER: Mr. Feder, why
21 don't you go through the proposed -- the bill and
22 the proposed amendments, as drafted with the gray-
23 shaded areas and any other areas that have been
24 fully stricken or reworded, and walk us briefly
25 through the highlights of the document. Then

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2 we'll have Mr. Fina testify. We'll put forward
3 the amendments in the public meeting, but I'd like
4 to get the discussion on the record during the
5 public hearing.

6 MR. FEDER: Okay, Councilman. Do you
7 prefer that I work off the document that was
8 prepared by your office, which is, I believe,
9 identical to the one that I've prepared?

10 COUNCILMAN NUTTER: Yes.

11 MR. FEDER: Okay. First, just an
12 overview. The purpose of these amendments, as I
13 understand them, is to conform the bill to Section
14 3, to make clear that the bill essentially
15 requires the City to comply with Section 3, but
16 not go any further than Section 3.

17 It's also to conform the bill to what
18 has been the intent of the executive order. There
19 may have been some ambiguities in the executive
20 order, there may have been some ambiguities in the
21 bill, but I'm confident that after these
22 amendments are enacted, it will be clear that the
23 bill is designed to cover what Section 3 covers,
24 no more and no less. And I believe that is the
25 intent of the executive order, which also will be

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2 conformed as well.

3 The first page is mostly a series of
4 simply draft changes to the legislative findings,
5 solely for clarity purposes. Throughout the
6 ordinance and the executive order, there were
7 some, what I thought were, ambiguities as to
8 whether the preferences are for simply area
9 residents or simply low-income residents, or
10 residents of the project area, and I just simply
11 tried to make clear that the preferences are for
12 low-income project-area residents, and so we just
13 tightened that up. And I believe that it's really
14 just a drafting issue, not a substantive change.

15 The second page, on Section 17-02, we
16 added a new Subsection 1, which also is consistent
17 with what has always been the intent of the
18 executive order, but this is just to clarify that
19 the substantive requirements of this bill only
20 apply to covered projects which we define as a
21 housing or community development construction or a
22 construction-related project funded by OHCD or DOC
23 or their agents or designees if such project was
24 financed in any part by HUD funds. And that's
25 designed to make clear that it is only projects

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2 which are covered by Section 3 that are covered by
3 this ordinance.

4 The changes to the definition of
5 low-income project area business are solely for
6 clarification; they don't make any changes.

7 And the same thing with low-income
8 person: just to be very clear, we simply said
9 we're incorporating the HUD definition of
10 low-income person, rather than trying to replicate
11 it. Again, no change intended other than
12 drafting.

13 The same thing with project area,
14 subsection 5. Again, it's as I described before;
15 it's determined by OHCD and it's never any larger
16 than the City itself.

17 Section 17-1903 are the reporting
18 requirements. The changes that are included in
19 these amendments are solely for drafting, solely to
20 clarify again that what we're interested in the
21 reports are the percentages of low-income
22 project-area residents -- not simply area
23 residents but always low-income project-area
24 residents. And I believe that has always been the
25 intent.

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2 Section 17-1904, which is the
3 substantive part of the ordinance, the changes
4 here are --

5 COUNCILMAN NUTTER: Mr. Feder, is that
6 to distinguish it from the non-substantive
7 portions of the bill?

8 MR. FEDER: Procedural, Councilman,
9 procedural.

10 COUNCILMAN NUTTER: Just checking.

11 MR. FEDER: All right. These are the
12 requirements that actually impose -- these are the
13 portion of the bill which actually impose
14 requirements on contractors. What we've done here
15 is, we've explicitly said the requirement is that
16 every contract on a covered project must certify
17 that he or she is in compliance with Section 3.
18 Again, no more, no less.

19 It then goes on to describe, including
20 but not limited to, it describes roughly what
21 those Section 3 requirements are, but it makes
22 clear that the requirements are what Section 3
23 imposes. And those requirements are to provide
24 opportunities for training and employment for
25 low-income residents of the metropolitan area, and

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2 to give priority for low-income project-area
3 residents, all to the greatest extent feasible;
4 and similar requirements with respect to
5 low-income project-area businesses.

6 Subsection 2 are what we call "safe
7 harbor goals." These are the numerical goals,
8 which are not meant to be substantive
9 requirements. There is no requirement that any
10 employer must contract 50 percent of his or her
11 employees to be project-area residents.

12 What this is, in any case where a
13 contractor does actually meet these goals, such as
14 50 percent of their hires are project-area
15 residents, they will be presumed to be in
16 compliance with Section 3, absent any evidence to
17 the contrary. However, the ordinance makes very
18 clear that a contractor who does not meet these
19 goals still can show compliance with Section 3 in
20 other ways -- for instance, by showing that
21 they've made good-faith efforts to hire as many
22 local low-income residents as possible. But if it
23 was not possible to meet those goals, there's no
24 requirement to meet those goals.

25 And Subsection 3 makes clear that

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2 failure to comply with Section 3 of the HUD Act
3 shall be grounds for declaring -- may be grounds
4 for declaring a contractor not responsible under
5 the Home Rule Charter. But, again, the
6 requirement isn't to meet the numerical goals; the
7 requirement is to meet Subsection 3 of the HUD
8 Act.

9 COUNCILMAN NUTTER: Is that it?

10 MR. FEDER: I think that's it.

11 COUNCILMAN NUTTER: Mr. Fina?

12 MR. FINA: Mr. Chairman and Councilman
13 DiCicco, I previously identified myself as Robert
14 Fina, a representative of PIDC. I am pleased to
15 state, Mr. Chairman, that PIDC fully supports this
16 legislation with the amendments that have just
17 been proposed by Mr. Feder of the City Solicitor's
18 Office -- both the substantive and non-substantive
19 matters, in fact.

20 Thank you.

21 COUNCILMAN NUTTER: Thank you.

22 Mr. Kromer and Mr. Brooks, a couple
23 other questions. How has Executive Order 2-95
24 been applied to or benefited PHA or PHA
25 residents? Do you have any information about

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2 that? I'm assuming -- are PHA activities covered
3 by Section 3?

4 MR. KROMER: My understanding is that
5 they are, and we recently, in particular, PHA has
6 worked with the building trades on a training
7 approach that would train public housing residents
8 for jobs on HUD-funded PHA maintenance and
9 construction activities. Kevin Brooks and myself
10 and others went to visit the training site at
11 Tasker Homes several months ago, and I believe the
12 conclusion that we all had was that it was a very
13 effective approach for addressing this issue as it
14 relates to PHA.

15 So my understanding is that PHA is
16 bound by Section 3, and although -- and I believe
17 that the board members of PHA as well as Carl
18 Green, the Executive Director, would be supportive
19 of this legislation as well.

20 COUNCILMAN NUTTER: And just for the
21 record, when the bill and the executive order talk
22 about projects financed in any part by HUD funds,
23 the terminology "HUD funds" is not exclusive to --
24 is not solely talking about CDBG dollars; is that
25 correct?

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2 MR. KROMER: That's right.

3 COUNCILMAN NUTTER: Any funding from
4 Housing and Urban Development?

5 MR. KROMER: That's my understanding,
6 yes.

7 COUNCILMAN NUTTER: Okay. And how does
8 OHCD define the project area? What methodology do
9 you use? Is it zip code, census tracts, City
10 Planning Commission area planning?

11 MR. BROOKS: Chairman, what we do is,
12 we take wherever the project is located -- for
13 example, 19107 -- what we would do is we would say
14 that the immediate area or the zip codes
15 surrounding 19107. And so that would be the
16 primary area of emphasis for outreach for
17 employment and contracts. Who are the businesses
18 located in these zip codes surrounding the
19 project, the immediate project, adjacent to the
20 project. Who are the people living in the zip
21 code surrounding the project area.

22 And then we sort of ripple out to the
23 surrounding zip codes of the city. And then if
24 you've exhausted the immediate areas, the adjacent
25 areas, and in the city, then contractors could

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2 look outside of the city.

3 But it's local, immediate, and then
4 expanding outward. So that's -- really, we just
5 have a list of all the zip codes surrounding the
6 area.

7 COUNCILMAN NUTTER: And are the
8 developers, I guess, given any kind of a handbook
9 or a directive on how to come into compliance? I
10 mean, how do they find the people that they would
11 be looking for in order to come into compliance?
12 How does that happen?

13 MR. BROOKS: There would be one or two
14 pre-construction meetings that are convened where
15 all the requirements that exist on a project are
16 reviewed. And part of the requirements would be
17 developing a plan for identifying people for hire
18 and contracting with businesses. The general
19 contractor would often convene a meeting where
20 there would be a job fair, where individuals would
21 be asked to apply for employment on a construction
22 project. At the job fair, the contractors will
23 take the names, addresses, and zip codes of the
24 people who are interested in employment. And then
25 we would screen the contractor, along with the

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2 oversight agency, would screen those applicants
3 for employment and refer qualified applicants to
4 the contractors, the subcontractors, electrical
5 plumbing, HVAC for the employment opportunities.

6 So there would be a meeting to go over
7 the requirement, there would be job fairs for
8 outreach, and then there would be screening by the
9 contractors and the oversight agency to refer
10 qualified people to the jobs.

11 COUNCILMAN NUTTER: And you monitor
12 those various activities, you know when those job
13 fairs are taking place and all the other things
14 that the developer is supposed to do?

15 MR. BROOKS: The housing agencies are
16 -- it's one of our requirements to manage and
17 monitor that activity.

18 COUNCILMAN NUTTER: All right. My last
19 question is, in the original executive order --
20 and it's carried over into the proposed amendments
21 to the bill -- can you just tell me what the
22 genesis was of the provision that talks about 50
23 percent or more of the aggregate number of new
24 hires associated with the project or 50 percent or
25 more of the aggregate value of all construction

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2 contracts and service contracts associated with
3 these projects. Where did that number come from?

4 MR. BROOKS: My recollection is that we
5 wanted to be proactive. There was the federal
6 requirement of 10 percent new hires and -- I'm
7 sorry, 10 percent business contracting, and 30
8 percent new hires.

9 We wanted to be more proactive than the
10 federal standards and we said, If we had half of
11 the value, half of the value in terms of
12 employment contracting and supply purchase, we'll
13 return to the community, then that's a good
14 standard. So half of the value through employment
15 contracting supply purchases. That's -- we used
16 the benchmark of the federal standard and just
17 tried to boost it up.

18 COUNCILMAN NUTTER: Okay. And is it
19 your recollection -- not that you necessarily have
20 all your records handy -- that you've been able to
21 meet that standard on both of those areas for most
22 of the projects over the past couple of years?

23 MR. BROOKS: I would say that we have
24 not been able to achieve 50 percent or more return
25 of value on 75 percent. Maybe half of the

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2 projects were able to achieve about 50 percent
3 return. On the larger -- some of the larger-scale
4 development commercial projects, it's been
5 difficult for us to achieve that.

6 COUNCILMAN NUTTER: Can you tell us
7 briefly why that is?

8 MR. BROOKS: Right now, the
9 availability, the learning curve for applicants
10 for the building and trades. The availability is
11 a major problem right now, the availability of
12 skilled people for commercial project is a major
13 problem right now.

14 COUNCILMAN NUTTER: Which indicates --
15 I mean, on the other hand, we have people who are
16 unemployed but they may not be presently trained,
17 and so do we need to upgrade on the training side
18 to get people ready for all of this work?

19 MR. BROOKS: You're absolutely right.
20 And I think some previous testimony made reference
21 to the cooperation that we're receiving from some
22 of the building trade unions. The carpenters and
23 electricians have been really, really good about
24 expanding training opportunities and sponsoring
25 applicants into the union for membership into

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2 those unions.

3 COUNCILMAN NUTTER: Okay. Any other
4 questions?

5 (No further questions.)

6 COUNCILMAN NUTTER: Hold on for a
7 second.

8 (Ms. Robinson addresses Chairman Nutter
9 off mike.)

10 COUNCILMAN NUTTER: Well, you can't ask
11 them a question. If you want to provide
12 additional testimony, you can come up to the table
13 and we can take your testimony. Or if you want to
14 ask me a question, you can put it on the record.
15 Come on up.

16 (Ms. Robinson returns to the witness
17 table).

18 COUNCILMAN NUTTER: Are there any other
19 members of the general public who wish to be heard
20 on this bill?

21 (No response.)

22 MS. ROBINSON: I heard the --

23 COUNCILMAN NUTTER: Miss Robinson,
24 please identify yourself again for the record.

25 MS. ROBINSON: Judith Robinson.

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2 COUNCILMAN NUTTER: Yes, go ahead. Do
3 you have a question for me?

4 MS. ROBINSON: Yeah. I guess I do want
5 to ask these gentlemen questions. You said you
6 have problems trying to match people or residents.
7 You're only using one training program; am I
8 correct?

9 COUNCILMAN NUTTER: What did you hear?
10 Did you hear that there was only one training
11 program being used?

12 MS. ROBINSON: Yes.

13 COUNCILMAN NUTTER: Okay, I
14 understand. Mr. Brooks, you can come up, please.

15 (Mr. Brooks returns to witness table.)

16 COUNCILMAN NUTTER: Can you tell us
17 what training programs you're using?

18 MR. BROOKS: Congreso de Latinos, Top
19 Win, Youth Build. There are three programs that
20 we've been using on this initiative.

21 MS. ROBINSON: Okay. How do you find
22 your area businesses?

23 MR. BROOKS: The emphasis on
24 Neighborhood Business Strategy is employment
25 primarily, not businesses. It is -- it's a

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2 training program primarily, not a business
3 expansion program.

4 MS. ROBINSON: I understand that, but
5 this is to also include businesses, area
6 businesses, so are you having trouble finding
7 'em?

8 MR. BROOKS: We emphasize employment,
9 so we haven't focused on businesses. And a
10 low-income business could be a business that's not
11 low-income but that employs low-income people. So
12 it is designed to be a training program for
13 employment. It's a training program for
14 employment.

15 COUNCILMAN NUTTER: Miss Robinson, why
16 don't we do this 'cause I think I pretty much
17 understand your concern, both by your testimony
18 and -- what I would ask you to do, as we move
19 forward with this particular bill, if you would
20 like to communicate all of the issues and
21 questions and concerns that you have, if you could
22 get those to me as quickly as possible, I will
23 contact the various people who have responsibility
24 for all of this and get you detailed answers to
25 those questions.

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2 adopted.

3 The Chair recognizes Councilman DiCicco
4 for a motion on Bill 990563, as amended.

5 COUNCILMAN DICICCO: Mr. Chairman, I
6 make a motion that Bill No. 990563, as amended, be
7 voted out of this committee with a favorable
8 recommendation and that the rules of Council be
9 suspended so as to permit first reading at our
10 next session of City Council.

11 (Duly seconded.)

12 COUNCILMAN NUTTER: All in favor,
13 signify by saying aye?

14 All opposed say nay?

15 The ayes have it, and Bill No. 990563,
16 as amended, is adopted with a rules suspension to
17 be heard at our next session of City Council.

18 That concludes the business of the
19 Committee on Commerce and Economic Development.
20 Thank you very much.

21 (Adjourned at 4:45 p.m.)

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RE: COUNCIL COMMITTEE ON COMMERCE

14

AND ECONOMIC DEVELOPMENT

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BILL NO. 990563

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JOSEPHINE CARDILLO,

Registered Professional Reporter