

17 Sep 2015 Workshop Agenda Topic: Provide jobs for low income people in Bahama Village

PROPOSAL:

Propose a resolution to forward to the City Commissioners for approval:

"ensure that no less than 25 percent the employment and other economic opportunities generated by the redevelopment activities in Bahama Village and related to the Truman Waterfront Park, shall, to the greatest extent feasible, be directed toward moderate, low and very low income persons, particularly those who are recipients of government assistance who are residents of Bahama Village."

"Non-compliance with this resolution may result in termination, suspension, debarment, or penalty of \$45.00 per hour for shortfalls in hours worked by Bahama Village residents."

RATIONALE:

Redevelopment creates new jobs, both temporary jobs during the construction phase and permanent jobs once a project is complete. These jobs range from entry level service jobs to higher paying management jobs. Creating jobs for residents who live in blighted areas, is the number one method of reducing and eliminating blighted conditions in CRAs.

REQUEST:

Request that all BVRAC TIF and Truman Waterfront Park related contractual and government related hiring activities be required to comply with this new resolution and that the BVRAC Program Manager receive reports, track progress and report results to the BVRAC and City Manager related to this requirement.

Background information:

HUD Section 3 was passed to "ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very low income persons, particularly those who are recipients of government assistance for housing." For more information see: www.hud.gov/fhe/sect3faq.html

Going Beyond...

In 2001, the San Francisco Housing Authority made a resolution to not only embrace and comply with Section 3 guidelines, but to broaden their mandate as well. Construction contracts over \$25,000 and non-construction contracts over \$50,000 are required to maintain good faith efforts toward the following goals:

- **30 percent of new hires will be low-income;**
- **25 percent of the total workforce will be tenants of the San Francisco Housing Authority; and**
- **Minority or women business enterprises will make up 20 percent of the aggregate involvement of outside firms.**

Non-compliance with these goals may result in termination, suspension, debarment, or a penalty of \$45.00 per hour for shortfalls in hours worked by residents.

- Tucson's ordinance requires that employers with city contracts in certain services - facility and building maintenance, refuse collection and recycling, temporary employee services, janitorial and custodial, landscape maintenance and weed control, pest control, security, or moving services - maintain a workforce of at least 60 percent city residents, in addition to paying a living wage.

- **HUD Community Development Block Grants.** Firms receiving CDBG grants, and related Section 108 loan funds are required (with some exceptions) to create one permanent position for every \$35,000 in loans received. Low- to moderate-income residents must fill 51 percent of these jobs. Geographic restrictions are not automatic, but may be added, depending on the particular situation. Unlike most of the programs profiled in this tool, Section 108 explicitly requires the creation of permanent, non-construction jobs. Section 108 loans target commercial businesses, creating jobs in industries varying from manufacturing to technology. For more information: www.hud.gov/local/stl/108faqs.html

- *Creation of jobs.* Redevelopment creates new jobs, both temporary jobs during the construction phase and permanent jobs once a project is complete. These jobs range from entry level service jobs to higher paying management jobs.
- *Creation of public infrastructure, schools and parks.* TIF revenues must be used for a public purpose, generally infrastructure improvements associated with the redevelopment. These include site acquisition and clearance; construction and/or reconstruction of streets, water and sewer systems; and removal of hazardous materials or conditions. TIF revenues also are used to build schools, parks and other community facilities.
- *Creation of housing.* Redevelopment projects help increase and improve the city's housing stock. Many DURA projects have created both market-rate and affordable housing, and some, such as Clyburn Village and the West Nevada Place townhomes, contain 100 percent affordable units.
- *Improved quality of life.* Although difficult to measure, there are many intangible benefits of redevelopment that fall loosely into the category of "improved quality of life." Redevelopment projects can allow residents to live near where they work, spending less time commuting to jobs and shopping. They can help reduce the crime rate, making an area safer. And they can improve the beauty of an area, making it more desirable and helping boost property values.

<http://www.renewdenver.org/about-dura/citizens-guide-to-urban-renewal/section-2-redevelopment-and-the-community.html>