

# PORTLAND HOUSING BUREAU

8/1/2014

2013-2014 Fiscal Year Review

# Portland Housing Bureau

## 2013-2014 FISCAL YEAR REVIEW

### BACKGROUND

The City of Portland, Bureau of Internal Business Services, Procurement Services office, administers the following Social Equity Programs for the Portland Housing Bureau:

- The Workforce Training & Hiring Program;
- The Good Faith Efforts Program; and
- The Section 3 Program.

The Workforce Training & Hiring Program promotes apprenticeship and diversity on City construction projects. The Good Faith Efforts Program requires contractors to provide subcontracting opportunities to state-certified Minority-owned, Women-owned, and Emerging Small Businesses (MWESBs). The Section 3 Program requires recipients of certain HUD financial assistance to direct employment and contracting opportunities to low and very-low income persons and businesses residing in the community, where projects are located.

### SUMMARY

A total of 12 Portland Housing Bureau funded projects, listed in the table below, were monitored for compliance with the City's Social Equity Programs during Fiscal Year 2013/14. Over \$61 million dollars were expended, with most projects either meeting or exceeding Social Equity Program goals and/or requirements. Though this report summarizes the results for Fiscal Year 2013/14, a more detailed summary of each project is attached at the end of this report.

### CONSTRUCTION ACTIVITY

Project Name	Prime Contractor	Project Name	Prime Contractor
<b>1200 Building</b>	R&H Construction	<b>MLK &amp; Eliot</b>	Walsh Construction Co.
<b>Beech Street Apartments</b>	O'Neill/Walsh Community Builders	<b>Park Tower</b>	R&H Construction
<b>Glisan Commons</b>	R&H/Colas Construction	<b>PCRI – Scattered Sites – Big 11</b>	Albina Construction
<b>Glisan Commons Ph.2</b>	R&H/Colas Construction	<b>Providence House</b>	Walsh Construction Co.
<b>Kehillah Housing</b>	R&H Construction	<b>SE 171<sup>st</sup> &amp; Division</b>	Habitat for Humanity
<b>Lexington Apartments</b>	R&H Construction	<b>Ventura Park</b>	Habitat for Humanity

### WORKFORCE TRAINING & HIRING PROGRAM

One method for increasing the diversity of the City's construction trades workforce is by requiring apprenticeship training on Portland Housing Bureau funded projects via the Workforce Training & Hiring Program. The training requirements offer a vehicle for women, minorities, and disadvantaged individuals, who have been historically underutilized to gain access to training and employment in the construction trades.

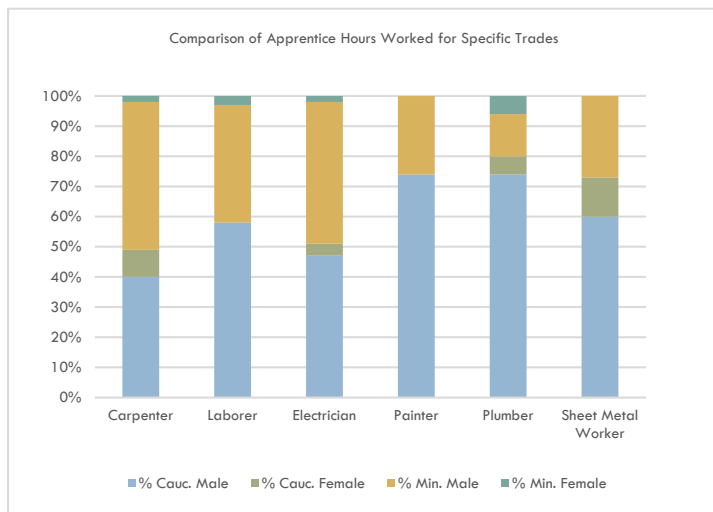
As part of the Portland Housing Bureau’s Intergovernmental Agreement with the Portland Development Commission (PDC), PHB agreed to strive to meet the phased workforce diversity goals, as outlined in PDC’s Workforce Equity Program. The workforce diversity goals for Fiscal Year 2013/14 were 28% minority participation and 11% female participation. As part of the Workforce Program, the City requires contractors to complete a Workforce Plan. The plan outlines how contractors intend to meet the apprenticeship requirements and diversity goals on the project and notes whether or not any assistance is needed to meet the goals.

This fiscal year, PHB projects achieved 35% minority participation, thereby exceeding the minority goal for the second straight year. Minority workers also worked a higher number of hours this fiscal year (Table 1.1), when compared to last fiscal year. Of the minorities working on PHB projects, 23% were Hispanic, 7% were African American, 3% were Asian, 1% were Pacific Islander, and less than 1% were worked by Native Americans or Other minorities.

Contractors continued to struggle to meet the goal for female participation this fiscal year. Considering the percent of active female apprentices in the State of Oregon is only 7%, it’s not entirely surprising that the hours worked by women represented a mere 5% of total hours on Housing Bureau funded projects. Though efforts have been made to connect contractors with female graduates of pre-apprenticeship programs, additional efforts should be considered moving forward, as more and more we’re seeing multiple agencies competing for a share of available women and minorities in the construction trades.

**Table 1.1**  
**Workforce Apprenticeship Hours**

	FY 2012/13		FY 2013/14	
	# of Hours	% of Hours	# of Hours	% of Hours
<b>Total PHB Project Workforce Hours</b>	181,667		185,828	
<b>Minority Hours Worked</b>	58,978	32%	64,505	35%
<b>Female Hours Worked</b>	10,497	6%	9,059	5%
<b>Total Apprenticeship Hours (all apprentices)</b>	37,567	21%	43,074	23%
<b>Minority and Female Apprentice Hours as a % of Total Hours</b>	15,650	9%	20,490	11%



Apprentices worked over 43,000 hours on PHB funded projects this Fiscal Year or 23% of total hours. Minority and female apprentices are working close to half of the apprentice hours on PHB funded projects, which represents an increase in participation of women and minorities, when compared to last fiscal year (42%).

The table, at left, compares apprentice participation for minority and female workers against Caucasian Male participation, on PHB funded projects, for specific trades. This information should be helpful in identifying where focus should be given in terms of recruitment of women and minorities in the future.

## MWESB UTILIZATION

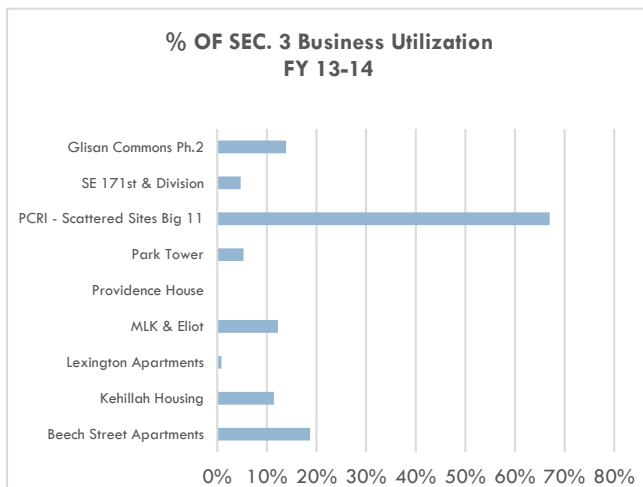
The Good Faith Efforts (GFE) Program requires prime contractors to make an effort to provide subcontracting opportunities to state-certified MWESB firms. This not only provides an opportunity for MWESB contractors to become involved on PHB funded projects, but also develops working relationships and mentoring opportunities with prime contractors. PHB has adopted a 20% MWESB utilization goal on its projects based on the total contract amount.

Several of the projects this fiscal year represent partnerships between majority owned firms and minority owned firms. During Fiscal Year 2013/14, 83% of PHB funded projects either met or exceeded the 20% goal for MWESB participation. Overall, thirty percent of total dollars awarded on PHB projects went to state-certified MWESB firms. Of this year's \$18,566,541 MWESB commitments, minority owned firms received \$9,160,584, or nearly half of MWESB dollars. African American firms accounted for 22% of total MWESB utilization and 45% of MBE utilization at \$4.1 million. Hispanic American firms followed closely behind and accounted for 15% of total MWESB utilization and 30% of MBE Utilization. A summary of each project and the percent of participation is attached at the end of this report.

Total MWESB Commitments	\$	%
MBE	\$9,160,584	15%
WBE	\$3,282,068	5%
ESB	\$6,152,415	10%

## SECTION 3

Section 3 is a provision of the Housing and Urban Development Act of 1968. Section 3 requires recipients of certain HUD financial assistance to direct employment and contracting opportunities to low and very-low income persons and businesses residing in the community where the project is located, to the greatest extent feasible. HUD has set goals that 10% of contracting opportunities be directed towards Section 3 Businesses and that 30% of new hiring opportunities go to Section 3 Residents.



Nine PHB funded projects were subject to Section 3 requirements during Fiscal Year 2013/14. Section 3 Businesses were awarded \$6,029,907, which is 13% of the total dollars awarded on projects subject to Section 3 requirements. In addition, 60% of the projects receiving HUD financial assistance met or exceeded HUD's 10% Section 3 Business utilization goal.

Many of those projects are also meeting or exceeding HUD's 30% goal for new hiring opportunities. A total of 31 new hires were made on projects subject to Section 3 requirements this Fiscal Year. Of those, 29% were Section 3 Residents. In addition, 56% of the Section 3 Residents were minorities and 22% were women.

## NEXT STEPS/RECOMMENDATIONS

- Continued efforts to work closely with Oregon Tradeswomen to provide technical assistance and ensure that contractors are aware of their recruitment resources to address under representation of women on Portland Housing Bureau projects.
- Expand and improve Section 3 Program through concentrated outreach efforts to increase the number of available Section 3 Businesses and through discussion with the trades to allow contractors easy access to qualified Section 3 Residents.
- Investigate potential for technical assistance fund to help certified firms, who bid on Portland Housing Bureau projects.
- Possible monthly/quarterly meetings with PHB staff to coordinate outreach efforts for upcoming projects, inform staff of current compliance issues, and discuss items for possible program development.
- Continue presence at pre-bid and pre-construction meetings to make sure that contractors understand equity requirements on PHB projects.