

**TESTIMONY FROM NYCHA'S EXECUTIVE VICE PRESIDENT FOR COMMUNITY  
ENGAGEMENT AND PARTNERSHIPS SIDEYA SHERMAN  
SECTION 3 HIRING REQUIREMENTS  
COMMITTEE ON PUBLIC HOUSING WITH THE COMMITTEE ON CIVIL SERVICE AND  
LABOR  
TUESDAY, JANUARY 22, 2019 – 1:00 PM  
250 BROADWAY, 16<sup>TH</sup> FLOOR COMMITTEE ROOM, NEW YORK, NY**

Chairs Alicka Ampry-Samuel and I. Daneek Miller, members of the Committees on Public Housing and Civil Service and Labor, and other distinguished members of the City Council: good afternoon. I am Sideya Sherman, NYCHA's Executive Vice President for Community Engagement and Partnerships. Joining me today are Director of Vendor Integrity & Supplier Diversity Ester Tomicic-Hines and other members of NYCHA's team.

Connecting residents to high-quality job training and employment opportunities is a crucial part of our mission to improve the quality of life of our residents. Thank you for the opportunity to discuss this work today.

**Connecting NYCHA Residents to Opportunity**

Since we last discussed this topic with the Council in 2016, we've made progress connecting residents to employment, and are pleased to share with you some of the highlights of these efforts.

We recently announced nearly 15,000 resident job placements since 2014. This significant milestone was made possible by the work of our Office of Resident Economic Empowerment and Sustainability (REES), which is devoted to helping NYCHA residents increase their income and assets through strategic partnerships. Since 2015, about 5,700 residents were hired through Section 3. This includes residents hired directly by the Authority via the NYCHA Resident Training Academy (NRTA) and our Superstorm Sandy recovery funding.

The NRTA is a key REES program that provides residents training in construction, janitorial services, and pest control, equipping them with the knowledge, skills, and industry certifications they need to succeed. Since its inception in 2010, more than 2,100 residents have graduated from the NRTA – over 90 percent of whom have gained employment at NYCHA or with NYCHA vendors and other employers. In recent years, NYCHA’s and the NRTA’s success in hiring and workforce development have been recognized by the New York City Employment and Training Coalition and the New York Association of Training & Employment Professionals, respectively.

### **Section 3**

As the largest public housing authority in the country, NYCHA is committed to generating jobs and other economic opportunities for residents through our spending and direct hiring. Section 3 is one tool to achieve that goal.

Section 3 is a HUD regulation that requires recipients of HUD financial assistance to generate jobs and other economic opportunities for public housing residents and other low-income members of the community to the greatest extent feasible. The goal is that 30 percent of new hires are Section 3 hires (that is, NYCHA residents or other low-income members of the community).

NYCHA regularly reviews the certifications of new hires submitted by contractors to see that contracts meet or exceed the 30 percent threshold. Of the nearly 900 Section 3-monitored contracts that were closed out from 2016 through 2018, 98 percent were in compliance with Section 3 requirements. Of the 2 percent, 1 percent demonstrated that they attempted to comply with the requirements to the greatest extent feasible and 1 percent are being evaluated.

NYCHA reports Section 3 hiring figures to HUD annually. We provide our overall resident job placement data every month to the City as part of the Citywide Performance Report and the Mayor’s Management Report. In addition, we will

publish a report on Section 3 compliance for closed contracts twice per year on our website in furtherance of our transparency efforts.

The NRTA supports the pool of residents qualified to meet contractors' needs. Residents interested in working on a Section 3 project can get their skills, interests, and qualifications assessed at REES's info sessions at our central office or offsite. They are then connected to partner providers and can be added to REES's database, from which referrals to contractors can be made based on the position and skillset requirement. REES also works to connect residents to economic opportunities beyond Section 3 through its partnerships with local service providers.

In addition to our regular capital program, our Rental Assistance Demonstration (RAD) work is subject to Section 3, and NYCHA has taken the additional step of applying Section 3 to our Sandy recovery projects. We also incorporate resident hiring requirements for other real estate development activities, energy contracts, and more.

NYCHA has implemented several internal enhancements over the years to increase Section 3 hiring, such as centralized Section 3 oversight and compliance; improved tracking and monitoring of hiring; diversified employment offerings; and better oversight of Section 3 requirements.

NYCHA also created a Section 3 Business Concerns (S3BC) registry, which contractors and vendors can access online. S3BCs are businesses that are at least 51 percent owned by Section 3 residents or at least 30 percent staffed by Section 3 residents, or that will subcontract at least 25 percent of their award to other S3BCs. In addition, NYCHA regularly promotes contracting opportunities for S3BCs and minority- and women-owned business enterprises.

## **Goals and Progress for 2019**

Under Interim Chair and CEO Stanley Brezenoff's leadership, the Authority is undertaking a number of initiatives to transform this agency. As part of these efforts, NYCHA is making improvements related to Section 3, which, for an organization of NYCHA's size, can be complex to implement. For instance, moving forward, we will specify Section 3 hiring requirements in the terms and conditions for micro-purchases and some small procurements (i.e., those under \$5,000) – this was a compliance vulnerability we identified. We're also implementing new tracking measures and developing updated procedures and training for staff.

One of the goals of NYCHA's Project Labor Agreement (PLA) with the Building and Construction Trades Council (BCTC) is to provide residents with access to union jobs and training. We've requested data on these efforts from BCTC, and look forward to receiving that information. We're currently renegotiating the PLA, with lessons learned from the past three years and Section 3 hiring at the forefront of these discussions.

NYCHA 2.0, our updated long-term strategic plan, is dedicated in part to increasing economic opportunities for residents, by connecting more residents to jobs and job training and education programs every year. That includes expansion of the NRTA with City funding to train an additional 250 NYCHA residents annually, a 70 percent increase. This marks the first time the City has funded this valuable initiative. Additionally, NYCHA will hire more NRTA recruitment and job placement staff.

We are also excited about the recent announcement of the expansion of the Jobs Plus program. This interagency partnership is designed to exclusively serve NYCHA residents and has been integral to the success of our resident employment efforts.

## **Conclusion**

Thank you for your support of our efforts to provide residents with economic opportunity; this work has a real and lasting positive impact on our communities. City funding will go a long way in serving NYCHA residents, particularly with the expansion of the NRTA and the Jobs Plus program. We look forward to working with you as we identify additional funding for these, and new, initiatives – and as we continue to make improvements and progress within our organization.

Thank you. We are happy to answer any questions you may have.