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Failing, but not Fooling, Public Housing Residents: The Impact of Job Interventions

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and
Mary Ochs

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With the assistance of Anastasia Loukaitou-Sideris and Eva Vera and research assistants Susan Castro, Bonnie Chavez, Dora Epstein, Minnie Ferguson, Mike Schmitz and Reshma Mehta.

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Between the time we received seed money from the Poverty Research and Race Council (PRRAC) until the release of this report, policies changed concerning the lives of those living in public housing. Privatization and deregulation efforts are yet to be fully enforced but blueprints for reinventing the U.S. Department of Housing and Urban Development (HUD), shorthand for privatization and deregulation, are moving forward. Much has been written about the remaking of welfare, but far less about the transformation of public housing. Even as this report is being published, only a few articles appear in either the left or right journals. As we write in this report, public housing and welfare are not synonymous; not all residents who live in public housing are on welfare, and not all welfare recipients live in public housing. But they are linked and both are part of a punitive approach to public policy.

It is not surprising to us that so little has been written about public housing. In general, housing has long been a political stepchild for politicians at the local, state, and federal levels. Even among those sympathetic to housing issues, public housing has either been ignored, misunderstood, or condemned. Among those writing about public housing, the viewpoints of residents are barely heard.

We researched and wrote this report alongside our other activities as educators and organizers. The issues were not abstract because they were continually informed by what we learned about the ways in which residents were experiencing job training programs and public housing authority plans. At the same time, we used traditional social science research methods and reviewed evaluations to better understand the quantitative, as well as qualitative, findings of other researchers. We conducted interviews with people around the country who run job training programs. Throughout this process, people were gracious in sharing with us their findings.

During the writing period, Chester Hartman of PRRAC gave us the benefit of his expertise, as did Lynn Kanter of the Center for Community Change who edited several versions of this report. Assistant Professor Julia Henly from the UCLA School of Public Policy and Social Welfare, Department of Social Welfare; Professor Peter Marcuse, Columbia University, Department of Urban Planning; and Anthony Dorono, Community Organizer; all of whom generously provided time to read and comment on the draft. We wish to thank all of them, and the many others whom we spoke to through the development of this project.

EXECUTIVE SUMMARY

Introduction

In early 1993, we interviewed 30 enrollees in the Job Training Partnership Program (JTPA) in Los Angeles, directors of Community Service Centers (CSCs) at five public housing sites in Los Angeles, and held over 30 interviews with staff in various job training programs across the country. In addition, we reviewed private and public initiatives. Virtually all the interviews and written material confirm the multiple inadequacies of most existing job interventions.

Most job creation and job training fail to reach or assist those in need of employment.

- JTPA does not guarantee placements at the end of the training period.
- Lag times exist between training and placement.
- Oftentimes recipients have gone through one training program after another without finding a permanent job.
- Trainees may be seen to be entrepreneurial, gaining residual benefits, such as a high school diploma, and, for the time they are in a program, child care or clothing and transportation allowances.

In cases where people experience greater success in finding and keeping jobs, guiding principles emerge.

- Job demands and placements are identified **prior** to the onset of training.
- Training includes on-the-job experience, is geared to the actual needs of employers, and provides state-of-the-art learning.
- Education -- getting a high school diploma, enrolling in community college or college courses -- increases the options for finding and retaining jobs, as well as for realizing long-term income gains.
- Adequate, accessible, and flexible hours for child care are essential.
- Supportive services, such as child care and counseling, are critical during training **and** for at least one year post-training.
- Medical benefits for a household are required in order for people to develop a cushion from which to leverage any savings.
- Similarly, housing assistance, such as waivers prohibiting rent increases in public housing, are required in order to encourage people to find affordable housing in the private sector.

Few job creation, training, and intervention strategies uncovered appear worth pursuing.

Enterprise Zones, the preferred administration policy that offers incentives for businesses, are unable to generate new jobs. For example, our research uncovered no jobs created that employed public housing residents who live in the five public housing developments in the Watts Enterprise Zone.

Only aggressive behavior by community-based non-profits can counter the lack of poor marketing and recruitment on the part of Enterprise Zone staff.

The few strategies that are worth pursuing include the following exceptions.

The use and enforcement of Section 3 of the 1968 Housing and Community Development Act, and as amended in 1992, which provides a greater incentive for a housing authority to link its shelter function with job creation.

The joint venturing of a housing authority with residents, as has been done in Los Angeles around construction jobs and modernization moneys, and around a moving company and relocation of authority residents.

Successful ventures in job training and job creation need to be incubated at home, that is, they are place-based.

This maximizes access for residents, reduces transportation costs, and, if child care is on-site, affords residents opportunities to visit their children and/or be readily available in case of emergencies.

On-site resources should be seen as one step in reducing residents' isolation.

On-site resources that are open to the surrounding community can encourage greater interaction among neighborhood residents.

Some successful models appear to exist in other cities, such as Chicago, Boston, New York, and Baltimore.

Chicago has pioneered linkages with public schools, as well as created strong linkages with industries where a demand for workers has been identified and where training is responsive to changing technology, thus making trainees more desirable.

Boston's and New York City's concentration of health facilities has encouraged walk-to-work opportunities in various neighborhoods.

The University of Maryland has set up a purchasing program that buys goods and services from neighborhood firms.

Existing efforts are insufficient.

No one job creation strategy is sufficient by itself.

It is unlikely that the private sector will bail out the public sector.

Workfare or make work are unacceptable responses, wasting human potential and exploiting labor.

Linkages between public employment and public works need to be forged. Well-run public works and/or public service jobs should pay a living wage and be created for those able to work but unable to find other employment. In Los Angeles, the Alameda Corridor Transportation Authority and the L.A. River are two massive public works projects, but countless others exist in rebuilding the city's infrastructure, including parks, sidewalks, streets, etc.

A greater investment in elementary and secondary public education is needed to prepare today's youth for a job market that demands increased skills in state-of-the-art technology.

Section 3 offers greater potential for job creation when coupled with union apprenticeships. Section 3 also offers business development and contracting opportunities with the housing authority in a position to provide seed capital.

Conclusions

The future of public housing and income supports is changing dramatically. Rather than preserving affordable housing, national housing policy is aimed at reducing the number of units, dispersing public housing residents, and effectively replacing the permanency of the existing program with the temporary benefits of Section 8 vouchers. HUD's policy banks on residents being able to find decent jobs in order to afford higher rents in the private market.

The new welfare program, Temporary Assistance to Needy Families (TANF), limits the time a person can be on welfare and severely limits opportunities for training and education. TANF assumes that enough jobs will exist to support needy families and individuals.

In light of these changes, public housing residents and community organizations need to organize around economic development strategies to control such opportunities within public housing and the surrounding communities, as well as to build coalitions region-wide.

Part I. Introduction

The Importance of Public Housing as a Basic Resource for the Poor

Not all public housing residents are on welfare, but all public housing residents are, by definition, poor. The annual median income in public housing hovers between \$6,000 and \$7,000.¹ In 1992, the U.S. Department of Housing and Urban Development (HUD) established Los Angeles' fair market rent at \$804 when the city's average rent for all housing was about \$650. Someone paying an average monthly rent of \$194 for public housing, and even bringing home about \$822 in wages monthly, would have needed to find a second job, get a raise, or pool incomes with another household in order to afford an unsubsidized apartment.²

Merely finding a low-rent, unsubsidized unit in Los Angeles has become more difficult. Between 1974 and 1989, subsidized units increased from 41,900 to 57,000, but the number of unsubsidized low-rent units declined by 86,400.³ Los Angeles' housing problems are exacerbated by the percentage of overcrowded housing (in 1989, it was greater than any other large metropolitan area in the nation) and the degree of physical deficiencies that characterize the private stock. Under such circumstances, public housing is an invaluable -- indeed, almost the only available -- resource for low-income tenants. Rather than preserving such housing, national policy aims to severely reduce the number of units, disperse residents, and effectively substitute the permanency of the existing program with the short-term benefits of vouchers.

If the U.S. Congress endorses the Department of Housing and Urban Development's proposals to privatize and thin out public housing, existing residents will face limited options. Section 8 vouchers (which pay the difference between 30 percent of a resident's income and the fair market rent) will be available for those who choose to move or wish to stay. The movers may find only temporary benefits **if** the tenants find units that meet HUD standards, and **if** the vouchers do not expire after the initial five years. Those who stay in rehabilitated or new public housing face the same problems. For those who choose to buy a unit, **should** they meet HUD's income requirements, paying maintenance costs may prove burdensome. Most likely, many public housing residents will move into private housing that is deteriorating and/or endure overcrowding as families combine incomes to meet higher rents. Should they reallocate what money they have for rent, they will have to skimp on other necessities, including food.⁴

HUD's policy changes rely on public housing residents being able to find jobs in the private sector, or, in the event that fails, employment in public agencies. Those who promote a policy of privatization speak of the transformative role to be played through job training, jobs, and economic development. This collective mantra for rationalizing the dramatic shift from permanent availability of affordable units to privatizing public housing (as well as for justifying the changes made in public assistance) ignores numerous evaluation studies that document flaws in the underlying premises about jobs.⁵ California's experience with more than a decade of workfare programs led the former Executive Director of California's Employment Training Panel (ETP) to say: Training has a very limited role solving the problems of Los Angeles. . . First, you've got to have jobs.⁶

This report describes the fallacies of relying on jobs or adequate job training programs to graduate public housing residents in Los Angeles into the private real estate market. Even when the Housing Authority of the City of Los Angeles (HACLA) aggressively pursues economic development activities, their efforts produce relatively few jobs and oftentimes they have occurred as a result of at least a decade of resident struggles. At that, the resident struggles had to coincide with external pressures from HUD in order to move the authority. At the same time, as this report will demonstrate, under conditions similar to L.A., public housing developments are logical sites for place-based interventions that can promote more job **training** possibilities.⁷

Linking A Jobs Strategy to Public Housing

Public assistance and Social Security are the two main forms of income for public housing residents, but they are *not* the only sources. In 1993-94, 21 percent of all public housing residents were wage earners, 12 percent had asset income, and 13 percent had other income. Even if public assistance were to account for the entire source of income, other studies provide evidence that the recipient is more than likely working part- or full-time, or looking for work.⁸

Interviews in early 1993 in Los Angeles, with 30 participants in the program created by the Job Training Partnership (JTPA) Act, highlight linkages between jobs and public housing.⁹ Because large scale public housing developments, as they exist in Los Angeles, are concentrations of poverty, findings from the interviews focus attention on the advantages and disadvantages of place-based job interventions. This, in turn, suggests comparisons between place-based and non-place-based programs.

The experience of public housing residents with JTPA in Los Angeles.

Some Interviews with 30 people and directors of programs at Community Service Centers (CSCs) located at five public housing sites provided a human face to the statistical evaluations of JTPA.¹ Some participants were angry, others grateful for the few months work that paid their bills. All but one of the 30 people were public housing residents. were graduates of every job training program offered; for others, JTPA was their first encounter with a federal jobs policy. Some mentioned that they acquired people skills, such as how to talk, be around co-workers. A number of people told us they learned the way to answer phones, take messages, file, develop a resume, write a cover letter, and read the newspapers for job possibilities. Their comments portray a program that functioned less, but others found the experience unrewarding because they were *not given any training, just put you there, wouldn't learn anything*. . . In one young man's case, his satisfaction with pre-employment training, where he learned interviewing skills, was overridden by his greater dissatisfaction with the lack of training directly related to a job.

Several people interviewed experienced serial or episodic training, taking advantage of the training program of the day, and moving onto others when they became available. Their stories are not reassuring about the success of an income strategy resolving a low-income housing problem. Lydia, who lived at Rancho San Pedro for all of her 18 years, had gone through three programs previously: summer youth training in June of 1991, JTPA in 1991, and the Youth Service Academy (a state-funded program) in June of 1992. Carlos, living in Ramona Gardens for 24 years, was twice in programs funded by the Comprehensive Employment Training Act (CETA) in 1979 and 1982, and

three times in JTPA in 1980, 1981, and 1983 (as JTPA did not begin until 1982, he may have confused program titles). Frances, an African-American woman, who lived with her husband and three children at Rancho San Pedro for eight years, had experienced CETA, WIN (Work Incentive Program), and JTPA in 1975, 1980, and 1989, respectively.

Threaded throughout such training odysseys were difficulties in obtaining permanent jobs. Two pictures emerge: First, whether or not residents are consciously aware of their actions, they are entrepreneurial; in a tough situation, those in the program have found some ways to survive a little bit better, at least for a limited period of time. Second, without income from permanent jobs, public housing acted as a buffer, and protected tenants from having to double up, at best, and to become homeless, at worst.

Gender distinctions. Although women were not the only participants that we interviewed, women as a group are a majority in public housing and among the poor. In 1994, women headed 76 percent of the households in public and Indian housing across the nation, with a slightly higher rate among African Americans and a slightly lower rate for white households.¹⁰ In 1992, the latest year for which we have published data for public housing in the city of Los Angeles, women were half the population overall, although each development varied in its profile.¹¹

In the 30 interviews we conducted, gender differences emerged most around the types of jobs wanted and the support services required. Women sought traditionally gendered positions in offices as clericals, or as counselors and child care minders, or wanted work in hospitals and schools. One man expressed interest in a child care job. Several men wanted to become computer technicians. The men most frequently mentioned jobs as medical technicians, janitors, mechanics, or office workers. Men and women participants differed as to the types of supportive services they used. Women were the main recipients of child care services. Their comments reinforce the overall finding in JTPA evaluations that female participation in training programs would be impossible without child care.¹² Even where child care may exist, the service may not be sufficient. For example, Pam, a single mother at Mar Vista Gardens, told us that the \$110.00 that the program gave for child care was not enough.¹³ She suggested that a need also existed for *child care services that cater to separate age groups*. . . , as well as an on-site school *that is open till 6:00 p.m.*

In another study of JTPA, the Women's Action Alliance (WAA) interviewed 31 women and talked with staff members at Women's Centers, JTPA administrators and counselors, other community-based JTPA contractors for women, and observed procedures at intake centers and at Private Industry Council meetings.¹⁴ WAA concluded that JTPA was a very sex-segregated job training system.¹⁵ Of the 31 women in the program who were interviewed, three were working or had worked in a machine shop, whereas two-thirds were in clerical programs or jobs. Male wages were higher than women's in seven of nine occupational areas, including clerical and sales. One JTPA participant felt that the staff screened out women who, if counseled, would seek more than what the program was capable of delivering. On the other hand, some center directors and vocational school subcontractors agreed that occupational segregation existed, but maintained that women had the freedom to choose jobs in which they were interested. That freedom to choose, however, was clearly compromised by the availability of child care.

WAA concluded that transportation also affects women's abilities to benefit from training. Compared to men, fewer women own cars, women are more likely to earn less and do not have the money to pay for repairs, and are unlikely to have the skills to repair and maintain their cars. Women also have more problems with mass transit because of their greater vulnerability to attack while waiting for buses or rail services. A 1989 survey of the predominantly female population at Nickerson Gardens public housing in L.A. identified similar problems. Over half the population (57 percent) had no driver's license. Only 28 percent had a reliable car.¹⁶

Part II. The Housing and Economic Legacy in L.A.

Implications for a Jobs Strategy in Public Housing

Housing.

HUD classifies the Housing Authority of the City of Los Angeles as large, but its 8,756 units of conventional public housing are far smaller than Baltimore's almost 18,000 units, Philadelphia's 23,000 units, and a host of other cities with double digit numbers in their inventory. The limited stock of public housing units reflects L.A.'s longstanding animosity that began with the lobbying and passage of the U.S. Housing Act in 1937. L.A.'s history includes the Ku Klux Klan marching in front of proposed sites in the late 1930s, the city dragging its heels in submitting proposals for federal money in the early 1940s, and the red baiting of progressives, such as Frank Wilkinson, who promoted the building of more units and tenant integration in the 1950s. Scholars generally agree that the federally funded public housing program was sustained only because of the entry of the U.S. into World War II. Without Los Angeles' strategic position in the defense industry, especially in aircraft assembly and shipbuilding, it is doubtful that the city would have as many public housing units as currently exist. Don Parson writes:

By the end of the war, the CHA [City Housing Authority, the previous name of HACLA] had built and was managing 3,468 units housing 17,186 people under the Wagner Act; and managing a further 12,275 units housing 53,469 war workers and their families under the Lanham Act.¹⁷

Many of the Lanham Act units became part of the reconfigured Housing Authority of the City of Los Angeles, but other units were demolished, and there was a net loss of about 7,000 units.

Los Angeles' existing 21 developments are concentrated in three locations, each of which has different characteristics depending on the surrounding population, economy, community resources, transportation, etc.¹⁸ We include Extensions as separate developments; although they may have the same manager, the buildings were erected at different times. Normont Terrace, now called Harbor Village, is the first example in L.A. of mixed-income public housing. These characteristics directly and indirectly affect the job prospects for many residents, especially those without automobiles. A consultant's evaluation of job training at the five developments where we also conducted our interviews rated Nickerson Gardens as having limited access to transportation for **all** program enrollees, while a similar problem existed for many of those enrolled at Ramona Gardens in East L.A.

When other consultants to HACLA evaluated the economic potential for selling authority land to private developers (with conditions for their replacing the public housing), market indicators of

income and population for the surrounding area were used as measurements to rank developments.¹⁹ These also suggest the variations in location that have an effect on residents' proximity to job options. For example, Rancho San Pedro in the Harbor area and Mar Vista Gardens in the West Side, both in sections of the city unassociated with the severity of inner-city problems, received high scores. The two developments provide comparatively easy access to a wide variety of facilities and transportation, and therefore provide greater potential for job opportunities. Rancho San Pedro is near the Port and one terminal for the transportation improvements along the Alameda Corridor. Mar Vista is near a number of universities and colleges, as well as medical institutions, all of which are accessible through two bus systems.

The economy. While proximity plays a critical part in determining opportunities for jobs, the overall low-income population, in and out of public housing, is vulnerable to California's weak economy, statewide and regionally.²⁰ From 1991 to the first quarter of 1996, Los Angeles led other metropolitan areas throughout the country in the loss of jobs. The defense industry, with which the Los Angeles region is so closely associated, reached its peak in 1968 and shrank in 1973, at the end of the Vietnam War and upon completion of the Apollo moon-landing program. A turnaround was noticed by 1986,²¹ but the Bush administration cut the defense budget substantially and by 1989, fear was widespread that U.S. industry would lose control over all high-tech industries to Asian producers who had low labor costs or a seemingly superior system for long-term technological development."²²

Since 1989, of the more than 100,000 jobs lost in the aerospace industry in Southern California, most were in Los Angeles County. The number of jobs lost was greater because of the thousands of smaller suppliers, vendors, and service firms. . . that typically employ at least 1.5 workers for every 'direct' worker in the aerospace industry.²³ At the same time, contractors who survive are able to because they cut jobs. The overall result is that even if defense spending were to increase, job creation is not expected to grow substantially, and the aerospace industry is not expected to play the same role it once did in the state's or region's economy. Robert Paulson of McKinsey & Co. concludes: It's not a temporary cycle we're in but 'a structural change' in how the industry is organized. . . They're shrinking the industry.²⁴

Although the Los Angeles area remains the nation's leader in manufacturing jobs, employment in this sector peaked in 1979.²⁵ The closure of firms, such as Bethlehem Steel, Johns Manville, Firestone, and General Motors, the latest in 1983 (and most of which were located near South L.A.), meant a loss of union jobs that typically carried steady wages and benefits. The losses in manufacturing took their greatest toll on many unskilled workers.

The impact. The restructuring and downsizing of firms provide neither opportunities nor quality jobs for low-income people. People who are looking to break into the job market face difficulties in getting a foot in the door. Isaac Shapiro and Robert Greenstein point this out for AFDC recipients who are likely to have difficulty finding jobs when more experienced, better educated workers cannot find employment.²⁶ As a group, public housing residents are in a similar situation and will find few occupations when an already available labor pool of highly trained and experienced workers exists.²⁷ With changes in public assistance, the job pool at the bottom will increase. Civil service jobs, a traditional entry point for mobility, particularly for African Americans, are also shrinking as government downsizes.²⁸

Even when jobs are found, increases in unemployment figures are a conservative indicator of the shrinking opportunities for permanent job placement. Trends in Los Angeles County show unemployment rising from 5.5 percent in 1989 to 5.8 percent in 1990 and to 8.0 percent in 1991. In 1996, one survey reports that as many as 3.9 million Californians would like either full- or part-time work, compared to the official count of 1.1 million who are counted as out-of-work. In 1989, only 12 percent of all poor families were headed by someone working full-time for the entire year in the state. In 1990, the ratio of ready-to-work adults to jobs that paid above poverty wages was six to one.²⁹ Los Angeles County's poverty rate, which has been increasing steadily from the 1970s, reached 17 percent in 1993, and included 49 percent of the working poor, that is, families whose wage earnings did not prevent them from being poor.³⁰

While public housing affords ways to cushion the hardships for those who aren't working or earning minimum wages, some residents perceive that they face discrimination in the job market **because** of where they live. Residents are aware of the stereotypes about public housing.³¹ Deborah, a homeless mother with four children, found temporary respite in public housing, and while she is not from Los Angeles, the all-encompassing pressures on her are typical:

I have children in school, I'm trying to work, I'm trying to go to school, trying to do the laundry, trying to cook, trying to help the kids with their homework. Everybody is pressuring me: You know, my job wants me to work overtime; school wants this turned in, that turned in; you can't send kids to school with dirty clothes and *because you live in public housing they focus on you more than normal. They stereotype your children, and if something happens, your kid gets blamed; they get treated like public-housing little animals and then, you know, the more the school treats them different the more they act different. . .* (our emphasis)³²

Interviews with the five CSC directors suggested similar stereotyping among JTPA participants.

The more experienced director at Rancho San Pedro believed a more supportive private sector was needed in order to identify job placement, but found that *public housing residents have [a] stigma. . .* He believed that *[The] economy makes it tough. . . Participants are too busy surviving. . . affected by events in family, and outside, incarceration, death, etc. It is a high stress environment. . . Can't get job because of the economy. . . I don't blame it on culture and family values.* The least-experienced director we interviewed was at San Fernando Gardens, where high turnover in staff had occurred. There, the director seemed to be describing and blaming low-income people, in general, or at least those who live in public housing, when he characterized the JTPA participants as *youth, coming over from Mexico with limited literacy. . . these people are just knocking out babies and not thinking about who will feed them.* At the same time, he seemed to acknowledge a self-fulfilling prophecy when he said, *there is no rehabilitation in the jails. They are told they will not make it, no skills are being taught. They are not given work experience.*

Concentrations of low-income people in public housing, coupled with residents' low self-esteem about their home address, and outsiders' views that negatively stereotype public housing projects, need to be considered in linking a jobs and housing strategy. Paul Ong and Evelyn Blumenberg report that the spatial concentration of unemployment in South Los Angeles increased between 1970 and 1990. This finding was also borne out in a study of Los Angeles by the United Way that found Watts, in South Los Angeles, had a 43 percent concentration of the poor. Because of site decisions made in the forties and fifties, and decades of disinvestment, at least two of the three areas in which Los Angeles' public housing are located -- South and East Los Angeles -- are poverty concentrations that extend beyond any one development's boundaries. Five of the six public housing units in Watts, in South Los Angeles, are less than a dozen blocks apart. In East Los Angeles, Pico Gardens, Aliso Extension, and Aliso Village and Estrada Courts and Estrada Courts Extension are contiguous.

Still, the advantages of locating job opportunities in poverty concentrations are suggested by the ways in which the 30 people we interviewed learned about JTPA. Community Service Centers (CSCs) were intentionally opened at public housing developments in order to determine if nearby outreach and case management would be more likely to increase participation.³³ The CSCs were a joint development project: HACLA provided space -- typically renovated units in vacant housing duplexes -- and the city's CDD (Community Development Department) allocated funds from three programs that it administers. Between November 1989 and July 1990, the comprehensive Community Service Centers opened at Rancho San Pedro, Ramona Gardens, Nickerson Gardens, Mar Vista Gardens, and San Fernando Gardens.³⁴

The 30 people we interviewed had heard of JTPA, sometimes through the Community Service Center or, just as likely, through word-of-mouth from family members, friends, or friends of the family. Yet, according to our interviews, on-site location created some positive results. Angelique, a resident at Rancho San Pedro for 10 years, had participated in GAIN in 1992 and JTPA in 1993. She found JTPA appealing because the *hours are shorter, closer to home, not like school*, and they put people in training so the entire package *sounded easier* for her. Elsa, one of the Latina residents at Mar Vista Gardens, also said that enrolling in JTPA *was convenient on site*. She originally *came to the [Community Service] Center because I was concerned about [my] education and GED [General Education Diploma]*. At the Center parent meeting, *"I heard about JTPA and children's programs, and then found out there was something for myself*.

At Mar Vista, Pam offered a perspective that was different, but which does not negate the importance of the on-site location. She thought her newly acquired self-esteem was partly due to her recognition that *she could work outside the development*. She was surprised that *you can find a lot outside [the] development for single parents . . .* Pam was interested in getting a college education in order to be able to counsel other single mothers. She received office administration training through JTPA, but her main concern was obtaining a GED, for which she went off-site. This reduced the seclusion she otherwise felt. For other residents like her, on-site access to services may be an essential component in a process of de-isolationism that requires an in-between, closer-to-home stage in the process of becoming self-sufficient.

Nonetheless, the people we interviewed believed that other public housing residents were unaware of the nearby training and supportive services. This may be partly attributed to tensions between public housing resident leaders and the leadership of the Community Service Centers. When the CSCs first opened, conflicts arose with existing Resident Advisory Councils (RACs), or Resident Management Corporations (RMCs are incorporated RACs): the issues concerned taking credit for the numbers of people participating and whether the services were being delivered to public housing residents. Adding to the tension was the de facto ignoring of Project Build. U.S. Congressional Representative Maxine Waters had brought Project Build, a job development and job readiness program, to five public housing developments in Watts. Some resident leaders questioned the city's decision to set up new centers rather than expand Project Build, an existing institution with a history of hiring public housing tenants to run its programs, and that had the trust of many residents.

Similar housing/job projects in 12 cities, including the Los Angeles CSCs, were evaluated in 1992.³⁵ This study identified irreconcilable barriers created by the ways in which the CSCs were introduced to the developments. The DOL study stated that linkages didn't encourage existing residents and Resident Advisory Councils to buy in to the program; promises were made that could not be kept; both clients and staff resisted on-site targeting; and residents were suspicious of instituting quick fixes that eschewed long-standing trust relationships with people in other on-site programs. In particular, this reference to older programs that were also on-site suggests that the usefulness of place-based programs is mediated by factors other than the location itself.

A part of the evaluation of Los Angeles' CSC program concentrated on the youth programs.³⁶ The Evaluation and Training Institute (ETI) interviewed parents about their participation and that of their children, also finding on-site location as a necessary, but insufficient, ingredient for greater use of the programs. The majority of adults thought that the Center made the community better and safer, and provided a place to meet other people from the community. The major criticisms concerned scheduling of staff time and the hours the Centers were open:

Although staff at some Centers remain in the early evening hours, staff at other locations leave at the end of the business day. Since almost all youth are in school during the day, this limits the amount of time for which Center staff are available for counseling to two to three hours. In combination with the staff vacancies. . .the number of participants who can be seen for individual, group or family counseling is limited.³⁷

The CSC concept was not expanded to the other 16 public housing sites in Los Angeles. Ultimately the CDC discontinued funding for the program but the housing authority continues to maintain the centers.

Part III. Existing and Potential Job Programs Tied to Public Housing

Existing Programs

Public housing was originally a federal jobs strategy. After years of lobbying by proponents, the 1937 U.S. Housing Act received presidential approval because of the impact on the economy rather than its effect on housing. Construction jobs and shelter would help the temporary downwardly mobile, primarily White, population. Once the economy revived, residents were expected to find jobs and housing in the private sector. After the U.S. entry into World War II, public housing again was intended only for a limited duration, this time because of the need to house defense workers. At the end of World War II, residents earning above the eligible income were evicted and told to find housing in the private sector. In Los Angeles, some residents protested leaving the developments at a time when too few units existed to eliminate overcrowding.³⁸

Federal programs, then as now, were used as incentives to change housing policy. In turn, this affected land values and settlement patterns. Subsidies favored ownership over rental housing, and new programs successfully drove the largely White population from public housing into the private sector. There were important distinctions between then and today. First, the economy was about to enter a growth period that was to last a long time; the White majority was poised to improve their standard of living and to define themselves as middle- rather than working-class on the basis of home ownership. Second, the terms of ownership for veterans were attractive, including no down payments, as well as low interest rates on mortgages, and benefits from the income tax deduction. Third, the assurance of federal guarantees encouraged the private housing sector to build. In Los Angeles, this led to the build-up in much of the San Fernando Valley. As Whites fled to the Valley and Los Angeles' West Side, large areas of South and East Los Angeles became demographically transformed. Coupled with de facto racial and economic discrimination, historically segregated communities of the poor continued to live in under-maintained housing. The need for publicly subsidized housing did not abate.

In fact, as Peter Marcuse points out, public housing passed through seven stages in which support for the program waxed and waned as changes occurred in the economy and social climate. We have added an eighth stage that is reflected in today's approach to privatize public housing.³⁹

While public housing survived with federal funding, very limited linkages were sustained to job training, job creation, and/or economic development. Only in the post-civil unrest periods in 1965 and 1992, at times of social upheaval, did housing authorities seriously make linkages to unemployment and underemployment. That stable, well-paying jobs for everyone might offset civil disturbances and intra- and inter-ethnic conflicts may seem too obvious to bother stating, even though reports going back to the 1950s consistently identify the lack of jobs as a problem in Los Angeles' poor areas.

First source hiring/local hiring preferences. The major tool that housing authorities can use for job training and hiring intervention has been Section 3, a little-known part of the Housing and Community Development Act of 1968.⁴⁰ Known as a first source hiring preference requirement, the passage of Section 3, three years after the 1965 Watts Rebellion, represented a faint hope that jobs would reduce the possibilities of further urban unrest. It took another 27 years before the little-

used Section 3 regained visibility. In 1992, the Housing Act was amended to clarify and strengthen Section 3's targeting of benefits to low-income persons and businesses. In 1994, HUD launched a 30 city (including Los Angeles) technical assistance initiative to double the number of low-income persons employed through Section 3 projects. Section 3's substantial power is limited by weak monitoring and enforcement that have minimized the impact in many public housing authorities. The program's low standing within HUD is reflected in the lag time accumulated before a staff person is assigned to monitor or enforce the Section, and even after someone is assigned, the continued low priority paid to compliance.

Section 3, however, has enormous potential, through targeting low-income residents in public housing and other low-income communities, for jobs, training and contracting opportunities generated by the expenditure of HUD dollars. Section 3 also applies to new jobs created through management improvement and other operating funds from HUD. Up until recently, the L.A. housing authority has interpreted this to mean that the richest sources of employment lie with the necessary modernization/rehabilitation work at each development. Section 3 can be more widely applied. All recipients of HUD funds, including housing authorities, redevelopment agencies, state and local governments, nonprofit housing developers and their contractors, are required to make good-faith efforts to provide job opportunities to low-income people and small businesses located in the area of HUD-funded developments.

As we will show below, based on available information, and assuming the authority's best efforts, HACLA's role in job training or job creation remains woefully inadequate to meet the needs of Los Angeles' public housing residents.

HACLA and resident involvement in employment policy. HACLA's entry into job training, job creation, and economic development occurred as the result of struggle. The agency dragged its heels on this policy until February 28, 1992 when the Board of Commissioners adopted a general Resident Employment Policy. The Resident Employment Policy was enacted two months and one day prior to the 1992 civil unrest, but it was not passed without repeated resident pressure that went back to at least the mid-1980s.

The Housing Authority Residents Advisory Committee (HARAC) is made up of one elected representative from each of the city's 21 developments, with two representatives from the largest ones. Each development elects a Resident Advisory Committee. In the 1980s, HUD Secretary Jack Kemp's push to privatize public housing by selling units to tenants led RACs to incorporate as 501(c)(3) Resident Management Corporations. This allowed them to qualify for tenant participation grants, i.e., grants that were preparatory to implementing a dual management plan with residents learning through on-the-job training, working alongside housing authority personnel.

RACs, RMCs, and the HARAC fluctuate in their capacities to protest policy or initiate and follow-through on their own policies. Variations in their effectiveness depend on: priority issues at each site; the mix of leaders from different developments at the citywide level; the amount, quality, and duration of technical assistance that they may receive (from the authority, universities and colleges, the Legal Aid Foundation of Los Angeles, individuals and interested parties, other citywide

organizations, foundations, community-based development organizations, etc.); and turf wars among politicians and tenants over control of the RACs and programs delivered on-site.

Permeating all of this is the existing HACLA structure and the control over tenants, from qualifying them as residents, to reviewing their income each year, to enforcing rules, to responding to complaints about physical conditions, etc. When a new policy direction occurs, a window of opportunity exists whereby residents may be able to leverage greater control. This became most apparent after the 1980s, and particularly in the relationships between HUD, local authorities, and resident councils.

Under Kemp, HUD was able to fund RMCs directly. Incorporated, the RMCs were also able to apply for grants to other agencies independently of HACLA. This did not always sit well with local authorities. In Los Angeles, the history at Nickerson Gardens is instructive about this point. Prior to incorporating the RAC, the Nickerson Gardens residents formed a separate community development corporation, initially as a vehicle for receiving funds from the Irvine Foundation to pay for a labor base survey. The Nickerson Gardens CDC hired resident interviewers and paid residents \$25 per interview. Later, as a RMC, Nickerson applied for and received a more than \$400,000 Economic Empowerment Development grant, the only resident group among those who received this multi-year funding (subsequently reduced to one year). HACLA staff expressed displeasure at this further sign of Nickerson's independence, and that residents had applied for the grant without going through the authority. Resident leaders became convinced that the authority was so angered that stumbling blocks were set up to prevent the RMC from submitting an application for drug elimination monies. Subsequently, the authority overlooked Nickerson when funds were dispersed, in part suggesting that other developments deserved a fair share. The argument that other public housing developments needed resources had merit, but the authority tended to use Nickerson's entrepreneurialism as a wedge to discredit their other independent initiatives.

As HACLA looms large within the context of residents' lives, so does HUD play this role in relation to HACLA. HACLA mostly reacts to HUD's policy shifts, but the exact lines of authority are difficult to disentangle. It is in HACLA's self-interest to perform as if a policy starts with them. Other times, HUD's priorities may change or high-level staff will reinterpret a policy, but the new direction may never filter down to the local authority, or if new operating procedures are known, they may be left to languish. One example concerns home businesses. Enterprising public housing residents survive poverty through the exchange of services, such as babysitting for braiding hair, or they raise extra money by informally selling jewelry, and in some instances, beverages as well as food. Rather than encouraging this very small scale entrepreneurialism, housing authorities were quick to crack down on these endeavors, threatening eviction and citing health and safety rules. In Los Angeles, at one development at least, it came as a surprise to other residents when a resident was able to conduct business openly from a freestanding outdoor stand that he erected next to his unit. Nonetheless, resident leaders found it impossible to track down the HUD memorandum that permitted such activities and that might have spurred similar activities.

In general, job interventions are one example where resident leaders' initiatives were repeatedly stymied, until HUD began to reinvent itself and get more involved in linkages with economic

development. In turn, this resulted in HACLA's approval of the local Resident Employment Policy referred to earlier.

An evolving policy. In the mid-1980s, HARAC, responding to their constituencies, raised questions with HACLA about jobs related to modernization monies. Residents argued that they felt they could carry out some tasks, or be trained to do so, especially when outside contractors damaged their furniture and other personal property during renovation. Many felt that hiring residents would result in better workmanship and reduced damage claims. As a result, the citywide HARAC held a series of meetings with the Interim Executive Director, Gary Squier. Squier was receptive to the ideas, including creating apprenticeship programs in conjunction with the unions representing HACLA's workers and setting specific percentages for hiring goals as existed in other PHAs, such as Baltimore's. When HACLA Executive Director Joe Shuldiner succeeded Squier, he also embraced the idea of resident employment. In part, he may have been quick to respond to HARAC leaders, who made it clear within his first few days at the helm that residents wanted HACLA to be more active in creating job opportunities.

Both Squier and Shuldiner were hampered by major and longstanding stumbling blocks. Contractors were opposed to creating permanent jobs because they did not want to pay Davis-Bacon required wages on the grounds that inexperienced workers made programs too expensive and too risky. This complaint, shared by housing authorities nationwide, was resolved by an agreement that was reached with the U.S. Department of Labor, or the corresponding State Labor Department, to approve Step-Up, an authority apprenticeship program that trains and employs new workers at lesser wages during the apprenticeship period. When the DOL or the appropriate state agency recognizes Step-Up, residents can be hired at training wages that are less than Davis-Bacon wages. Many states defer to the DOL for approval of this program. Some states, including California, maintain their own approval standards which take precedence over DOL's. At the initial time that the HARAC made their demands for more resident hiring, HACLA's Step-Up program was declared pre-apprenticeship and had to be dismantled.

Other breakthroughs enabled a hiring policy to move forward. In some cases this occurred because of the intervention at the HUD Secretary level, as with Henry Cisneros' meetings with unions. Unions were aware of Section 3 requirements. Coupled with the moral recognition that public housing residents were traditionally underserved among the building trades, changes were instituted, presumably because this was the right thing to do. The Carpenters and Painters unions announced a joint national initiative to provide access to union apprenticeships for public housing residents. Soon after, HACLA began discussions with representatives of the Laborers, Plumbers, and Electricians unions. The unions agreed to flexible ratios of journey persons to apprentices; the lower the ratio, the more apprentice positions can be supported. The tangible pay-off for a union was hiring journey persons to provide on-the-job training to apprentices, and collecting dues from apprentices and journey persons.

The formal entity between HACLA and the unions is the Joint Apprenticeship Training Committee (JATC), which was approved by the State of California in June 1993. The first apprenticeship positions were made available to qualified HACLA employees. Later, the list was made up of residents exclusively. HACLA entered into agreements with five building trade unions: Carpenters,

Painters, Laborers, Plumbers, and Electricians. Those agreements allow priority entry into apprenticeships for public housing residents who will work on modernization or Urbanization Revitalization Demonstration (URD)/HOPE VI funded projects. When work is completed, the unions will help those residents find other employment so that they are able to continue their apprenticeships and move into journey person positions.

It took time to put all these pieces in order. When Joe Shuldiner left to become HUD's Assistant Secretary for Public and Indian Housing, the ideas that Squire had been receptive to, and that Shuldiner had helped conceive and put into motion, were ready to move to the next stage. In 1994, under the new Executive Director, Donald Smith, the authority formed Kumbaya, an in-house, but separate (to protect HACLA from liability claims), construction company. Kumbaya, composed of HACLA's own workers, plus per diem union journey persons and residents, performs a wide variety of construction and rehabilitation work funded through HUD modernization grants. In 1994-1995, Kumbaya was authorized to use HACLA's account funds to provide very short-term employment opportunities to residents; these may last from a few weeks to a year or more.

Between July 1, 1994 and June 30, 1995, HACLA estimates that \$1.6 million was paid in wages to residents employed in modernization projects subject to Section 3. This includes jobs in site security, relocation, and community liaison positions. HACLA estimates that wages will rise to \$2 million for fiscal year 1996. We were unable to obtain reliable and specific information from HACLA as to how many residents were employed in non-modernization projects under Section 3. However, we were able to document that women comprise only 30.5 percent of the overall work force.

Also in 1994, HACLA began major lead-based paint (LBP) abatement. After years of denying this condition existed, it appears that HACLA was reacting to HUD's prompting. In turn, HUD was being pressured by the growing national awareness of damage to children under five who were exposed to and ingested lead. The vast majority of abatement work is done through contractors, including some public housing resident-owned construction companies, subcontractors, or through HACLA/Kumbaya.⁴¹ HACLA provided lead-based paint abatement training and subsequently hired 106 residents. Contractors have also hired residents. As this report was being written, six more residents were scheduled to be trained and hired. Work in environmental hazard removal is an emerging demand occupation with potential for long-term employment. In keeping with this, some HACLA residents trained in LBP have been accepted into a union apprenticeship program, although the authority was not able to provide us with the exact number.

Overcoming other barriers. One significant hurdle was overcome by ensuring that contractors who bid on HACLA work would associate with unions to provide apprenticeships.⁴² Since early 1995, HACLA has implemented a qualification for bid award and contracting that requires contractors and subcontractors to sign agreements with unions to hire and train resident apprentices. Thus far, this policy has been a part of three major modernization construction bids.

Another barrier concerned the source of funding for training and the unions' willingness to provide this for residents.⁴³ HACLA subsidizes the Carpenters Educational and Training program, with almost half of the money paid to the resident in the form of a training wage and supportive services,

such as transportation and child care. The Laborers union agreed to provide four weeks of training in Anza, California with funds from the HACLA-paid indenture fee for entry into the union.⁴⁴ The Plumbers and Electricians unions do not generally endorse pre-apprenticeship training.⁴⁵

The unions have the final choice of selecting candidates. The authority analyzes the scope of work in order to determine the number of resident apprentices who will receive pre-training or otherwise be available to the contractor. Contingencies are made for dropouts and/or additional positions that open. The ideal situation, achieved on the first bid/contract subject to the apprentice requirement, is that pre-trained or ready apprentices will be available to start work on the day that construction starts. HACLA reaches out to residents through on-site job fairs, and distributes a survey to each household, for those 18 or over, which is included in the household lease. Respondents interested in construction careers list their first three priorities in the trades. Returned surveys are cross-checked to ensure that respondents are on the lease. Candidates are drug-screened prior to starting training. As of January 1996, 55 HACLA public housing residents began careers as building trade apprentices, and another 100 were anticipated to start in the remainder of 1996.

Proposition A. In the November 1992 election, and seven months after civil unrest, the voters of Los Angeles County approved Proposition A. Prop A provides \$335,300,000 for a variety of public works projects dotted all over the county, some near public housing (both city and county) developments. The approved ballot measure requires employment and job training opportunities for youth, especially at-risk youth, from the areas where the developments are located. The types of projects include improvements to parks, beaches, and recreation centers, tree planting, and eliminating graffiti. Five million dollars, which went to the Department of Parks and Recreation, covers 41 different items including specific parks, such as six or seven in East Los Angeles, and improving countywide developments in order to meet the Americans with Disabilities Act. Another \$12,000,000 authorizes the Department of Parks and Recreation to identify competitive grants to public agencies and non-profit organizations for construction and development of at-risk youth recreation and service facilities districtwide.

The age of the applicants has become an issue. First, it is unlikely that youth will get a chance to work on the big construction contracts. Indeed, in reviewing Proposition A funded contracts that have been awarded to date, it appears that the youth employment requirement is not a priority. For example, the City Commissioners of the Board of Recreation and Parks recently approved a bid from a contractor promising to spend not more than \$50,000 to create four jobs for youth on a \$4,200,000 project. Second, some opposition has also been voiced by a coalition of community groups convened by the Venice Community Housing Corporation (VCHC). Members of this coalition have questioned the upper age limits that qualify a youth. This is currently set at 21, although some believe young men who are between 30 and 35 are more desirable trainees because they become role models for the younger generation and thereby create a positive ripple effect in their communities.

HACLA's Youth Entrepreneurship Demonstration. HACLA and the Philadelphia Housing Authority received a \$180,000 grant from HUD that is directed toward public housing youth, aged 16 to 25. The money will be used to cover HACLA's technical assistance and use of a curriculum by EDTEC, a pioneer in youth entrepreneurial training that is based in Philadelphia. A class of 10 started on March 4, 1996 and HACLA anticipates that 200 youths will be enrolled in the program

over the life of the two-year grant. Fully 75 percent of the youth must be school drop-outs who make a six-month commitment to the program. Training includes daily classes that cover life skills and an equivalent amount of time in remedial education. HACLA will continue to follow up and work with the youth beyond the six-month commitment. As of this writing, the first class of 10 started to develop ideas for businesses that include paging, hair braiding, opening a record shop, apartment preparation and carpet installation, child care, and silk-screening. HACLA will also administer a microloan fund.

In 1992, the citywide HARAC initiated a similar entrepreneurial program for youth, in conjunction with California One-To-One -- a non-profit organization that emphasizes the development of mentors for at-risk youth. Two youths from each of the 21 developments were recruited to attend an after-school entrepreneurial program. The HARAC strongly requested that adults living in public housing be hired under the grant to help with outreach, recruitment, and teaching. Six residents were hired in part-time positions, two as teaching assistants and four as participation aides. California One-To-One did not have the funds to continue the emphasis on public housing beyond the first class of students.⁴⁶

Potential Programs

Prototype of a community development model. HACLA can take lessons from the efforts of a Los Angeles CDC that mounted a low-cost training and job placement program with at-risk youth. The Venice Community Housing Corporation is a non-profit that was created in 1988 in response to the growing number of homeless and displaced residents in the Venice area of L.A. In January 1995, in the aftermath of gang violence that polarized Latino and African American residents in the Oakwood neighborhood, VCHC launched a Construction Job Training Program for an initial group of 10 at-risk young adults. The year-long training included hands-on experience at the CDC's affordable housing construction sites, plus academic and life skills training, including drafting, mechanical drawing, financial management, reading, and GED preparation. Participants were paid minimum wage for both classroom and on-the-job training, and Davis-Bacon prevailing wages when required. Graduates were helped to find other construction projects and are a source of labor when additional VCHC projects become available.

VCHC drew from its precious general operating funds to launch the job training program, and was able to raise some grant money to offset the costs. Steve Clare, VCHC's Executive Director, said:

We took an incredible leap of faith but it has been worth it. It was very tense those first few days, what with the gang tensions and also because VCHC was venturing into unknown waters. But when community leaders working to achieve a gang truce came to VCHC for help, we realized we needed to broaden our focus. . . that we had a bigger contribution to make.⁴⁷

The potential of spreading this program to public housing developments exists. Indeed, VCHC, in partnership with Mar Vista Gardens, a public housing development located near Venice, submitted a proposal to HACLA to extend its Construction Job Training Program. The idea was to mirror VCHC's program, recruit young adults from Mar Vista, and then integrate graduates into VCHC's

construction work. Projected costs were \$60,000. As this proposal continues to wend its way through the HACLA bureaucracy (over a year, as of the writing of this report), VCHC self-evaluated the program and decided to provide more emphasis on construction skills in the first six months. This would increase participants' skill levels, and make it possible for trainees to qualify for jobs beyond the laborer level. Attempts to move the joint CDC-public housing proposal along have been frustrating, and demonstrate how short-sighted HACLA can be. As Clare says: This training program is a prototype that could be replicated by other community development corporations serving areas near the other HACLA housing developments.

Job opportunities in major infrastructure projects. Two major infrastructure programs in Los Angeles are the \$1.8 billion Alameda Corridor rail and highway improvements, and a \$300 million dollar flood control project plan for the Los Angeles River.⁴⁸

The Corridor project, under the auspices of the Alameda Corridor Transportation Authority (ACTA), extends 21 miles from downtown Los Angeles to Long Beach, and passes through seven incorporated municipalities, as well as the city of L.A. ACTA's mandate is to oversee road and rail improvements that will double truck and triple train traffic. Improvements are intended to facilitate connections between railways, trucks, and ships and increase the speed by which products reach global markets. One feature of this massive public works project will be ACTA's designation of an Incentive Zone that is about a five- to ten-mile radius around the corridor. As of this writing, the California Legislature had approved a study of the Incentive Zone, but did not approve legislation in 1996 to create a zone. However, similar legislation is likely to be introduced in 1997. In general, businesses that locate within the zone will be given tax incentives and breaks on utility rates and permits, provided they hire a certain percentage of local residents. According to ACTA's publicity, employment benefits from the port expansion and the corridor improvements will create 10,000 construction-related local jobs, and through the year 2020, an additional 700,000 local jobs.

Conflict over the proposed L.A. River project has its origins in the 1930s when a public works project paved over much of the river in response to a series of floods. About sixty years later, the U.S. Army Corps of Engineers and the Los Angeles County Department of Public Works proposed a new and massive \$300 million dollar flood control project that will increase the height of the channel walls. The County Board of Supervisors agreed. In opposition, Friends of the Los Angeles River (FOLAR), an environmental group, proposed the use of natural flood control measures, such as settling basins, and allowing storm water to drain into aquifers. This would also permit the development of riverbank parks, a greenbelt, and a bike path that extends from the mountains to the sea.

Resolution of this conflict took a new turn at the end of August 1996 when an environmental attorney persuaded a judge that the environmental review had left out some items. At that point, the Federal Emergency Management Agency seemed to withdraw its threat to impose higher insurance rates on homeowners in the flood plain, and to postpone issuing flood-insurance rate maps, thus providing time for the Supervisors to develop a better plan. The L.A. City Council, the Regional Water Quality Control Board, the Environmental Protection Agency, and even the Army Corps, began making noises about setting up a task force. On September 3, 1996, the Board of Supervisors both approved the Corps' plan and set up a task force.

The Jobs Gap

Between 1994 and 1996, we estimate that HACLA created or had a hand in creating 647 jobs. Projected expansion of the Youth Entrepreneur Demonstration will raise the number to 837. Collaborations with organizations (e.g., Resident Advisory Councils and Resident Management Corporations; Project Build; and Community Service Centers) may bring the number of job interventions to as high as 1,000. But these numbers can be deceptive.

Some jobs were short-term, while others were only job readiness programs with no job placement afterwards. Most were public employment jobs with funding cobbled together, including monies from the federal JTPA, HUD, and through the City of L.A.'s Community Development Department, Community Development Block Grant (CDBG), Drug Enforcement, etc. In some cases, the housing authority was providing space in which to train participants, but not necessarily offering them jobs.

Between 1994 and 1996 (and HACLA was not always able to provide precise information), the following part- or full-time job interventions were made:

-	Section 3, pre-1996	55
-	Section 3, 1996	100
-	Lead Base Paint Abatement 1994	106
-	Lead Base Paint Abatement 1996	6
-	Youth Entrepreneurs	10
-	Community Service Centers total	300
-	Collaborations with Resident Advisory Councils, or Resident Management Corporations Jordan Downs Security Co.	70
-	with Project Build	Unknown
-	hired as Housing Authority administrative staff	Unknown
	Total	647
-	Expected by 1998 from Youth Entrepreneurs	190

Resident advisory; resident management. A word should be said about jobs created through the resident management groups. Resident Advisory Councils are creatures of the Housing Authority and have had an uneven history of activity in Los Angeles. In the mid-1980s, with technical assistance provided by The Legal Aid Foundation of the City of Los Angeles, a resurgence took place. For the first time, representatives to the citywide Housing Authority Residents Advisory Committee met and began to initiate actions. At the same time, under the Bush administration, HUD Secretary Jack Kemp was resurrecting the idea of selling units to public housing tenants. Toward that end, technical assistance grants of about \$100,000 were made available. In Los Angeles, the first developments to receive these grants were Nickerson Gardens and Jordan Downs in Watts and Estrada Courts in East L.A.

At that point, only Nickerson Gardens had set up a separate non-profit, the Nickerson Gardens Community Development Corporation. For several years, resident leaders at Nickerson Gardens were successful in community development, attracting technical assistance and funds, raising external money for some new playgrounds, and receiving an economic development grant with which they began training for security jobs. Nickerson had received this grant directly, effectively bypassing the Housing Authority for the City of Los Angeles. When Nickerson pursued another economic development project, a laundromat, the housing authority was only helpful insofar as residents would locate the laundry within the development. The Nickerson leaders wanted to generate business from the neighborhood, as well, and looked in vain for a nearby site without too much authority assistance. Subsequently, resident leadership that had secured the grant at Nickerson was ousted in a hotly contested election, development activities quieted down, and, more recently, the old leadership was returned to office.⁴⁹

From 1989 on, as more housing developments received technical assistance grants and incorporated, residents began to be paid for what had been largely voluntary, albeit elected, positions. Some residents began to work alongside housing authority personnel in order to learn administrative tasks. A few went to work for HACLA in the central administration. During this period, the citywide residents group was important in the realization of Kumbaya, as described above. Any one development depended to a great extent on the aggressiveness and emergence of on-site leaders. Were we to assume that each of the 21 developments incorporated and each hired six people, this would account for another 126 jobs.

By the mid-1990s, the climate within housing authorities has changed dramatically and entrepreneurial activities are being encouraged. Most recently, residents at Jordan Downs established the Jordan Downs Security Co. and secured more than \$1 million in housing authority contracts. With profits from the security firm, they set up a tenant-run moving company and a pest-control business, each time hiring tenants and filling a need. A 99 cents store is planned as a next venture. To date, 70 full- and part-time jobs have been created.⁵⁰

Some housing authorities around the country and some resident groups have had a longer history of being entrepreneurial. But this is still at best a limited strategy. Even if HACLA were to be involved in creating 1,000 permanent jobs, this falls far short of the number of needed jobs for existing residents.⁵¹ Crude and conservative figures reveal as many as 7,000 jobs would have to be made available for residents at all of the 21 developments, assuming 30 percent of the residents have earned income. Or, as some have said, the problem isn't housing, it's poverty.

Summarizing Four Different Strategies

Four main strategies emerge regarding job interventions, each with problems, but some with greater potential than others for leveraging decent jobs at living wages. Each strategy overlaps but is distinguished by differences in emphasis and incentives. The administration's preferred policy aims to woo businesses by reducing regulations over businesses within targeted zones that are known as either enterprise or empowerment zones. A second strategy establishes a special financial entity that targets capital to enterprises and where funds might not otherwise be available for specific geographic areas. A third strategy is tantamount to a public works program and relies on first source

local hiring preferences where public monies are targeted to residents living within a specific development or in the surrounding community. The fourth strategy is microenterprises that target individuals or groups who want to start up businesses and require funds to do so.

Enterprise zones and empowerment zones. Enterprise and empowerment zones have been described as areas where the rules under which private capital must operate are changed in targeted and relatively small geographic areas.⁵² California's Enterprise Zone program dates from 1984 and the passage of two bills in the state legislature. Then Assemblywoman Maxine Waters' bill set up the Eastside, Watts, and Wilmington/San Pedro economic incentive areas, and Assemblyman Pat Nolan's bill created two others, one in the Central City and the other in Pacoima. The Watts, Central City, and Pacoima zones were established in 1986, 1988, and 1989, respectively, and the Eastside and Wilmington/San Pedro zones after 1989. The objective of both bills was to give economically depressed neighborhoods a boost by offering tax breaks to businesses that locate, expand, or stay in the area. The tax breaks are in the form of a reduced state income tax of 9.3 percent or more if the business buys machinery or equipment. Distinctions between the enterprise zones have to do with meeting one of three standards in their hiring practices.⁵³ The Eastside, Watts, and Wilmington/San Pedro Enterprise Zones have specific requirements. Companies can earn as much as \$19,000 per employee, over a five-year period, by hiring low-income residents living in the zone or dislocated workers. Firms in the Central City or Pacoima zones can claim subsidies only if employees are in JTPA or GAIN, or are certified as eligible for the Targeted Jobs Tax Credit Program.

Criticisms of most of California's 34 zones are based on their failure to create much interest in investment. Studies report that zones are most successful when there is aggressive marketing and large amounts of available industrial space. Santa Ana, San Diego, and Long Beach -- all in Southern California -- meet these requirements; they hired full-time staff, who aggressively market zones that have an ample supply of inexpensive industrial space; each is in a location with a better-off economy, in proximity to freeways and ports; and each zone creates the perception of safety. In contrast, the Watts Zone -- the location of five of Los Angeles' 21 public housing developments -- has been poorly marketed, so much so that at one point it was without a manager for over one year.

The impact on employment in the zones is difficult to track. Los Angeles' Central City Zone does boast one bright spot. Concerned Citizens of South Central Los Angeles (CCSLA), a community organizing group whose record of accomplishments extends back to 1986, learned about a trucking company that wanted to locate in the zone. CCSCLA approached the owner of the business and offered to advertise, recruit, and screen local residents for jobs with the company. This enterprising group helped place residents, most from Pueblo del Rio, a public housing development in the area.

Among the first three zones begun, only Pacoima has demonstrated substantial residual job growth from 1986-90, after accounting for industrial mix and metropolitan area employment growth. According to Miles Finney's analysis, the special entity known as the Los Angeles Revitalization Zone, passed in 1992 as a response to damage from the civil unrest and in existence until 1997, has proven to be more effective in locating and rebuilding firms within a large part of Los Angeles County. The Revitalization Zone also offers a combination of state tax and wage credits, but Finney attributes its success to the lack of a local hiring provision or any requirement to hire from government employment programs.

Los Angeles' Community Development Department, which administers the program, does not keep good records and admits to difficulties in evaluating the impact of the zones. For example, the statistics provided are contradictory for the period from 1987 to 1990, at one point citing 116 jobs created and at another point 159 created in the Watts Zone.⁵⁴ The Eastside Zone certified 191 firms as eligible for benefits from 1988 to 1993, and Wilmington from 1989 to 1993 had certified 41 firms. Of these, the Community Development Department estimated that 95 percent of certified firms were already in the areas and few new firms were being attracted. By 1994, each of the incentive areas...stopped actively certifying or recertifying firms.⁵⁵ Finney reasons that the zones lost out to the Revitalization Zone because of the fewer constraints on hiring practices.

Los Angeles did not benefit from the 1993 Federal Empowerment Zone/ Enterprise Community legislation. Although attributed to the Los Angeles uprising of the year before, so much so that followers of government operations referred to it as the Rodney King Zone, the city lost out in the competitive bidding. Benefits for public housing residents were originally intended to be included through the Empowerment Zone legislation and HACLA was asked to submit goals and proposals for Los Angeles' application. HACLA did little to involve public housing leaders and residents in the preparation of its document. This would have hardly altered the outcome given HUD's criticisms about the proposal's goals being too diffuse, and the absence of monetary support from the private sector.⁵⁶

Perhaps mindful of the California voting block, perhaps reminded of the impetus for the legislation, President Clinton promised a consolation cash prize to establish and operate a Community Development Bank (CDB) modeled after Chicago's South Shore Bank. Unlike South Shore, a private commercial institution that offers savings and checking accounts and aims investments at residential uses, the L.A. CDB will direct funds toward economic uses.

Community Development Bank. The Community Development Banking Act, signed into law in September 1994, authorized \$382 million for more than four years, less than half the amount Clinton originally proposed. In July 1995, the Los Angeles City Council approved a request for \$450 million (\$125 million in Economic Development Initiative grant funds and \$325 million in HUD Section 108 Loan Guarantees). This time Mayor Richard J. Riordan was credited with securing private pledges that were missing from the original Empowerment Zone application. Four local banks, First Interstate, Wells Fargo, Bank of America, and Union Bank, initially promised \$210 million, and have since agreed to a co-lending strategy.

The CDB will establish underwriting criteria for economic development loans, guarantees, and technical assistance grants. Priority lending will extend to more than those neighborhoods that experienced the 1992 unrest, or the 20 square miles or so that were identified as L.A.'s original Empowerment Zone. Businesses that receive loans have to agree to hire at least 51 percent of their employees from the neighborhood.

The CDB will select different community intermediaries to make microloans and business loans, and to set up a revolving venture capital fund. The aim is to create 20,000 good, sustainable jobs over the next 10 years, that is, jobs that pay more than the minimum wage, and which offer training opportunities that lead people to higher positions. But it is likely that benefits will reach more established businesses, financial institutions, and CDCs, and individuals with good credit histories and/or equity.⁵⁷ It is not anticipated that the CDB will have much impact on job training or job creation in public housing, though its funds could seed resident-owned businesses. The CDB Board is already giving priority to loans where businesses commit to local hiring preferences. Given the history of agencies neglecting to monitor such policies, it is hoped that the CDB will take every precaution to ensure that compliance actually occurs.

First source local hiring preferences. First source local hiring preferences, be they ordinances or negotiated agreements, can result in employment and training opportunities for some low-income residents. These agreements, such as Section 3 discussed above, require and/or promote the hiring of residents in neighborhoods or communities where public dollars are to be spent on contracts or for grants or loans. Currently, municipalities meet stringent legal standards when implementing local hiring preferences, more so than when imposing race- and/or gender-based preferences. At a time when affirmative action is under attack, a well-designed, resident-based hiring program may more directly target low-income/disadvantaged workers through geography rather than race- or gender-based programs, which often will not survive political or constitutional tests.⁵⁸

This strategy also has its limitations, as noted above. A separate study of the use of Section 3 in seven public housing authorities also concludes that enforcement powers are weak and hiring practices on construction jobs lead to temporary employment for residents at the development where they live. The number of Section 3 jobs created in relation to funds spent is also limited, with the study reporting a low of 1.9 Section 3 jobs per \$1 million in construction and rehabilitation spending and a high of 3.1 Section 3 jobs per \$1 million.⁵⁹

Microenterprise and other self-employment. Microenterprise and other self-employment programs achieve some positive benefits, particularly for those inclined to be entrepreneurial, but they create relatively few jobs that can support a family, especially in the short term. Realistically, microenterprise programs help participants develop self-esteem, learn business and money management skills that may lead to other types of employment, and help generate funds to supplement their incomes. However, after both the Watts Rebellion of 1965 and the civil unrest of April 1992, government officials embraced microenterprise and small business development strategies as the cure-all for economically disadvantaged communities. Millions of dollars were loaned for business start-ups after 1965 and there was a high failure rate. Nationally, 80 percent of small businesses fail within the first year and 90 percent within three years. Women have a higher failure rate than do men.

At the same time, microenterprises, at and around public housing sites in Los Angeles, can serve a purpose. Developments are mini-economies, whether income is from public assistance or wages. Residents typically spend their money outside the community, or pay inflated prices for inferior quality goods at nearby stores. Establishing microenterprises can mean retaining more dollars on-site.

While incubating microenterprise and small business development should be one piece of an overall job training and economic development strategy, it is naive to project microenterprise as a path out of poverty for most low-income people. The study of seven public housing authorities referred to above included an evaluation of resident-owned businesses, efforts that take time to incubate. Among the seven authorities, the number of full-time jobs that might be created through this means was estimated to range from 350 to 500.

Part IV. Getting Back to Basics

These Are Not New Issues

Education.

The questions raised by an income strategy for public housing residents have to include policies governing public education. In 1992, Sar A. Levitan and Frank Gallo optimistically wrote that a compromise seemed close between those who wanted to require work for assistance and those who supported voluntary education and training. Today, these two schools of thought sharply diverge and it is not possible to consider the fate of public housing residents, whether or not they are on welfare, without understanding the problems associated with education and the state of the public schools. The welfare cutbacks make it even more imperative to address the failings in the public schools.

In California, Governor Pete Wilson and Social Services Director Eloise Anderson have proposed Welfare Redesign without education. Anderson recently outlined the state's role whereby her agency would set welfare-to-work goals for each county, but allow counties broad flexibility to craft their own programs for meeting the new requirements.⁶⁰ She described the array of possibilities a county might take: forming alliances with private enterprise or nonprofit groups such as Goodwill Industries, expanding job training programs or creating community service jobs like cleaning public parks or beaches. Education was not mentioned. Riverside County's job search and work placement only strategy has received major favorable publicity as the GAIN program that works. GAIN evaluations appear to be ignored when their findings document the need for and benefits of education.⁶¹

If the intent is to move people from welfare to well-paying jobs with benefits, getting rid of an educational component is a big mistake. A study, based on data from 1979 through 1989, compared characteristics of long- and short-term welfare recipients (more than five years compared to those on the rolls for two years or less).⁶² Sixty-three percent of those who were on the rolls for more than five years had less than a high school diploma when they first became a recipient, compared to 35 percent who were on welfare for two years or less. The comparison for high school showed similar, although less dramatic, differences; 32 percent of those on welfare for more than five years had

completed high school compared to 45 percent of those on welfare for two years or less. Only in the post-high school category were the two groups equivalent.

Fully a third of the state's participants in GAIN, in 1994-1995, enrolled in a basic education class or English as a Second Language (ESL). Success rates, as measured by job placement, were high. In the San Diego Community College District, 71 percent of the students in the Basic Education-Office Skills Program were placed in jobs within 90 days after completing the program; similarly, of about 100 GAIN students in educational programs at Fresno City College, 85 to 80 percent found placements within 90 days of completing the program. Another recent study of California's Community College students shows a positive correlation between educational attainment and increased wage levels.⁶³ The 1996 study tracked students' employment rates and income levels for a three-year period after graduation from a California Community College degree or certificate program. Fully, 80 percent of these students were employed for all quarters of the year by the third year after graduation and had significant income gains. Those graduates who had been previously employed before completing a certificate or degree program doubled their prior incomes. Even more telling, economically disadvantaged students (GAIN students and others receiving financial aid), experienced 107 percent increases in their prior annual wages three years after graduation. Almost as dramatic, students who enrolled with limited English proficiency and completed a degree or certificate program had continual income gains averaging 71 percent by the third year post-graduation. Yet, enrollment patterns of GAIN recipients in California's community colleges have already shown slippage. From 1993-1994 to 1994-1995, student enrollments dropped from about 21,000 to about 18,700. The decrease in the courses taken is attributed to the conversion of AFDC into a fast-track employment program. Such short-term approaches are likely to place welfare recipients in jobs that will not lead to financial independence and graduation from poverty.⁶⁴

The recent Field Poll of Californians concluded that the people who are more likely to receive new job skills, and therefore, increase their chances of securing and keeping satisfying jobs are most likely to be white, use personal computers, work full time, **and have college degrees**⁶⁵ (our emphasis). When training did take place, according to the Field Poll, almost half, or 48 percent, of the workers paid their own tuition and enrolled on their own time, resources that poor residents in public housing would not be likely to possess.

In the days following the passage of the new welfare bill, articles appeared that offered the following scenarios. Some small business owners, typically franchises, will benefit from the additional supply of low-skilled persons, who are undereducated, untrained, without work experience, and most vulnerable to winding up in dead-end jobs. Other small business owners, like the woman who runs an expanding pre-fabrication construction company, said she cannot afford to hire people whose skills are not in place.⁶⁶

The costs of including education in training were difficult to obtain. In our interviews with representatives from model programs, several could not provide hard information on the average cost per trainee. We know that in 1992, costs of classroom training for five months in JTPA were \$1,500 per trainee, a figure that did not include administration expenses. In comparison, the well-regarded Center for Employment Training (CET), headquartered in San Jose, California, runs its comprehensive program at an average cost per trainee of \$5,000.⁶⁷ This includes overhead costs. Were we to assume that the \$1,500 figure is generously doubled to \$3,000 to cover additional costs, CET is still more cost effective because its price includes vocational training, basic skills, remediation, English-language instruction, labor preparation **and** does not force a participant out until a job is secured. The additional money seems like a small price to pay given that CET has to provide what the public schools were either unable or unwilling to do.

Even with its substantially higher per student training price of \$10,000, Project QUEST in San Antonio, Texas, provides a realistic assessment of what it takes to seriously commit to a program that capitalizes on human potential. In order to meet their projected \$6.5 million costs, Project QUEST had to package several programs together: JTPA only provided \$2 million and was supplemented by \$1.6 million from the general fund of the city of San Antonio; \$400,000 came from the Community Development Block Grant to the city; and state funds totaling \$2.5 million were provided. The two year training was based on securing 650 jobs in health and finance prior to starting the training, and offered direct financial and counseling support once a week, including funds for community college tuition, books, child care, and transportation. Counselors worked with instructors and tutored trainees, and held once-a-week motivational sessions. QUEST students began earning \$1.30 an hour more than the \$6.00 per hour they earned prior to the training. In job training terms, this makes the program a success and more 'cost effective' than the average Job Training Partnership Act program.⁶⁸

Linkages between public schools and public housing. California ranks low in state expenditures per public school student.⁶⁹ Dropout rates are high. In 1993, 30 percent of African Americans and 27 percent of Latinos dropped out of school between the 10th and 12th grades, compared to only 12 percent of Whites and 10 percent of Asians. (Figures were unavailable for Native Americans.) The state ranks last in the numbers of students per computer according to a 1995-1996 survey. Only 5 percent of the schools are linked to the Internet. Among Los Angeles students at the elementary school level, exposure to a computer may be for one hour per week. A top-of-the-line new machine and color inkjet printer cost somewhere between \$1,800 and \$2,300. A used computer can run about \$850. These are steep prices for families who live in public housing.

With public assistance shifting away from remediation programs, a return to teaching students the basics within public schools is essential. Public housing developments in Los Angeles are typically located near elementary schools whose resources are scarce. The adjacencies, however, might be considered as a positive tool in which the housing authority helps take a proactive stance in upgrading and creating magnet schools.

Another opportunity appeared in the fall of 1996, when the state mandated that classroom sizes be no larger than 20 students; schools that reduced class sizes in kindergarten through the third grade were eligible for a \$19,500 grant. Hard data is not yet available for the Los Angeles Unified School District, but some schools are adjusting by adopting flexible scheduling, others by adding trailers,

and others by fast-tracking new construction. Elementary school classrooms may be able to be accommodated in rehabilitated space in nearby public housing developments, particularly at the kindergarten level where vacant units can be converted. Collaboration with the city’s Department of Parks and Recreation might also lead to the rehabilitation of gyms. These added facilities may also provide opportunities for programs that reach other tenants and neighborhood residents.

Location. Similarly, some job interventions, more than others, exemplify ways that public housing developments can capitalize on location. Exhibit 1 suggests some categories of programs that can be on-site at public housing, in the surrounding neighborhood, or further away. The exhibit further suggests potential for forming resident cooperatives, with the organizing occurring either at public housing developments or in the surrounding neighborhood.

Exhibit 1. Location of Programs Based on Relation to Public Housing Developments and Types of Programs Offered

Place Based at Public Housing Site	Neighborhood Around Public Housing (Institutions, Services, Facilities)	Non-Place Based (trained persons are dispersed anywhere)
Multiple Services, e.g., Education, Job Readiness, Job Referrals, Placements	Education	Citywide Skills Centers
Job Training and Placement Based on Assured Jobs in Housing Agency	Job Training and Placement for Assured Jobs in Institutions, Services, Facilities, etc.	Job Training and Placement Based on Assured Jobs
Resident/Worker Owned (may be cooperatives) On-Site	Resident/Worker Owned (may be cooperatives)	Increase Minority Firms (may be cooperatives)

Existing programs in other cities illustrate this point. In the Brooklyn, N.Y. Red Hook area, the South Brooklyn Local Development Corporation (SBLDC) focused on the growing concentration of trucking and bus companies in the area surrounding the Red Hook public housing. SBLDC began with a training project to help public housing residents get their commercial driver’s licenses and pioneered a network referral system among the firms.

Esperanza Unida in Milwaukee, Wisconsin does not serve public housing residents directly, but it is an example that leverages location and development, creating job opportunities in the process. Esperanza Unida bought and rehabilitated a building in the neighborhood where its constituency is located. In addition to the rehab jobs, offices in the building have become a base for nine businesses; in turn, training is offered in auto body and auto repair, welding, and restaurant management.

A number of other programs leverage the employment base in the neighborhood or borough. Bronx, New York is the site of numerous hospitals, nursing homes, and ambulance services, resources that Urban Horizons is using to residents’ advantage. This program began with WHEDCO, the Women’s Housing and Economic Development Corporation, and the goal of developing 132 units of subsidized housing with services. WHEDCO’s training partners -- the Institute of Urban Family Health and the Hunter College Center on AIDS, Drugs, and Community Health Prevention -- helped identify four tracks of growth in the health sector: medical assistant, patient services clerk/office assistant, case management technician, and community health outreach worker. The objective is to train 60 to 90 residents of the housing complex each year, primarily women on AFDC, as well as extend the services to other low-income women in the community.

Neighborhood institutions, such as hospitals and universities, can be a resource base for economic development through means other than hiring practices. Walk to Work, in Boston, Massachusetts' Fenway neighborhood, has the highest concentration of medical institutions in the nation. The Walk to Work goals include increasing purchasing from local businesses, encouraging consumer purchases by employees and patrons of the combined institutions, and encouraging residency in the area. The University of Maryland Medical System (UMMS) in Baltimore is also seeking to increase minority businesses in partnership with the Council for Economic and Business Opportunity. UMMS committed start up costs of \$36,000 and business contracts of \$120,000 to expand the capacity of a minority-owned computer firm to handle medical records, negotiated with a national supply firm of medical products to open a distribution plant in West Baltimore that will hire local residents, and began Back to Basics, a medical transcription training program that will hire local public housing residents (while reducing costs in the medical records departments of the university).

It is clear that a place-based approach, whether at the public housing site or in the neighborhood, will not generate sufficient employment and decent jobs for everyone.⁷⁰ Also, no one strategy works for everyone, and successful strategies do not always survive replication in another context and time. Program models offer examples and criteria by which to measure a job training program as well as inform advocates and organizers about windows of opportunity. Some strategies may be more appropriate in public housing, while others may create potential for coalitions among public housing residents, residents, businesses, and institutions in the neighborhood surrounding public housing, and still others may be best suited for citywide coalitions centered around economic and housing issues.

Part V. Next Step

Among Residents

Public housing residents are being buffeted by the severing of the safety net and face the turmoil created by the cuts and phase outs of federally subsidized assisted and public housing. Meanwhile, public housing authorities are scrambling to resurrect an economic development strategy. Pressured by HUD to become competitive with landlords in the private sector, authorities will have to find tenants who can pay market prices.

In Los Angeles, HACLA promises job training, but, as can be seen in the studies discussed and the figures cited above, does not have the ability to deliver sufficient jobs that are permanent, offer a living wage, and carry benefits. In assessing housing authority claims, residents need to ask whether job training programs offer:

- 1. Integrated basic skills/remedial education, with job readiness, and actual on-the-job, hands-on experience.⁷¹**

- 2. Timely supportive services**, including, but not limited to, child care services on-site, transportation, clothing, living allowances, and weekly group sessions to combat isolation, discuss problems, and share mutual concerns.
- 3. Counseling and tutoring** in language proficiency, acquiring a high school diploma, becoming aware of career paths, and assistance in community college and college enrollment.
- 4. Rent increase waivers for at least one year.**
- 5. Individual attention and close, caring supervision in instruction and supportive services.**
- 6. No time limits, being able to stay in the program until a full-time permanent job is found.**
- 7. Prior to enrolling, guarantees of a decent job upon completing training.**
- 8. After-Placement** follow-up and supportive services for at least one year with the trainee and employer.

Without these types of supportive services, it is likely that participants will develop absentee records and/or may become isolated supplicants within bureaucracies that are new to them. Rent waivers are essential for providing breathing room, including start-up costs for working, and in order to encourage savings. Job intervention programs need to have staff who are able to treat people with respect and listen to the unspoken, as well as the verbal, messages. Employers frequently need support in understanding the multiple burdens the newly minted trainees may be facing.

While these model guidelines can be disseminated to public housing residents, and individuals can draw on them as a checklist, longer-term strategies require more collective action on the part of residents. Such strategies include the following:

- 1. Collaborations with local community-based organizations whose projects may generate jobs.**
- 2. Conducting themselves and/or requesting the housing authority to undertake a labor market study and to maintain close ties with employers, unions, community-based groups, etc. in developing a job bank and job match with residents.**
- 3. Determining and maintaining strong linkages with employers' actual needs** through monitoring changes in demand, investigating new technologies that may create demand, researching regulatory changes that may lead to the need for certain types of jobs, identifying older businesses whose owners are expecting to leave and that may be a target for community takeover.
- 4. Learning about public works in their neighborhood, city, and region, and connecting with existing groups around joint issues, such as lobbying for jobs.**

A good example that touches on each of these points is forming community coalitions that take advantage of first source hiring ordinances. A coalition might include members of RACs, RMCs, the HARAC, or citywide non-profits who focus on Section 3. A coalition does exist around Proposition A, but it is largely made up of non-profits. Non-profits rarely know what RACs or the HARAC are doing. In turn, the public housing resident organizations need to reach out to unions, community development corporations, and campaigns to restore service cuts in order to ensure the maximum implementation and effectiveness of regulations like these. At the very least, this outreach may expand networks, reduce the isolation of public housing residents, and expose those activists who might otherwise ignore or dismiss the reforms underway in public housing. This kind of coalition would be better positioned to act on a campaign for a massive public service and/or public works employment program that is required if full employment for all is to be realized.⁷²

Individually and collectively, doing business with a housing authority requires the following continuous steps:⁷³

Stay informed by being on the mailing list, attending Commission meetings, and knowing the decision makers.⁷⁴

Help the Housing Authority identify areas of need through presenting new ideas, and sharing ideas with local officials.

Gain the support of residents, including hiring residents if a resident firm is organized.

Most importantly, having your act together.⁷⁵

A typical request for proposals (RFPs) may include a combination of older programs and entrepreneurial opportunities, such as:

An older program with a new application permitted: Youth Entrepreneurs Demonstration Program (for 240 youth, ages 16-24).

New program: Setting up a Work Order business for data entry and operator service for maintenance calls residents make to the authority.

Other Steps Directed at HACLA

HACLA's ability or inability to change. Does HACLA have the ability to change in order to meet new circumstances? It is our contention that the Housing Authority of the City of Los Angeles finds change very difficult if this results in strong resident organizations. HACLA appears more than able to react to HUD's policy changes and to take steps that are geared to marketing sites and opportunities. For example, HACLA has started to: (a) become technology literate, bringing the agency up-to-date in terms of management information systems; (b) know their tenants' needs, as in their recent approval to hire a consultant to conduct a study of child care; and (c) reshape selected developments, as in the URD/HOPE VI grant they began at Pico Aliso, and the new prototype they implemented at Normont Terrace.⁷⁶ Nonetheless, HACLA appears to be exchanging its caretaking

role in housing for a similar role in economic development. To do otherwise requires a pro-active approach that shifts priorities. This means that:

1. HACLA needs to either redirect or match each improvement within the centralized bureaucracy with programs that are set up under resident control. These would emphasize tenant training, including remediation of basic skills.

Some of this now occurs under Section 3, and Kumbaya exists as one model. Another potential model is suggested by HACLA's Executive Director about possibilities for spin-off projects, for example, identifying the market for child care and then having residents form businesses as child care contractors.

2. HACLA needs to shift money and set up fair-share plans for residents. RACs, RMCs, HARAC, etc. should meet with the HACLA Board of Commissioners and top staff to examine possibilities that might raise the percentages that are to be set aside for residents in all contracts.

For example, in the example cited above regarding child care, HACLA recently awarded a \$102,734 contract to consultants for a child care needs assessment. At the public meeting on August 23, 1996, prior to approval, one of the members on the Board of Commissioners questioned one budget line that allocated \$5,600, or 5 percent of the contract, to hire residents. The response was that a total of 15 percent was put in the budget for hiring residents to conduct interviews, enter data, and participate in focus groups. This raised the total by only \$10,000. While this may be fair to both the consultants and the residents, fees might change under an agreed-upon procedure with the RACs, RMCs, and HARAC.

3. HACLA should not seek to reproduce itself as a mega-non-profit development corporation. HACLA can be a junior or senior mentor -- depending on the CDC's capacity, interest, and willingness -- with the more than 50 existing community development corporations in Los Angeles.

In general, HACLA staff was not hired with a community development vision in mind. Acknowledging resident expertise means interacting with residents on an equal, and respectful, basis -- a mode that has not been the bureaucratic norm, even as individuals within HACLA have assisted and helped tenants and tenant groups. Even the larger community development corporations typically start out with a positive community base. This has simply not been the climate in bureaucracies, where antagonisms have been forged over years. Based on Sherry Arnstein's ladder of citizen participation -- from nonparticipation at the bottom rungs that include manipulation and theory, to degrees of tokenism that include informing, consultation, and placation, to the top rungs that are degrees of power, from partnership to delegated power to citizen control -- HACLA has not reached the upper rungs.⁷⁷

A role still exists for HACLA. At least 50 community development corporations exist in Los Angeles. Were HACLA to adopt the Venice Community Housing Corporation prototypical construction training program at each of the 21 developments, about 500 jobs could be generated.

For this to work, and under the current HACLA rules, CDCs should be requalified to create joint ventures with resident organizations. CDCs are more likely than outside contractors to be responsive to residents because they are usually located in the nearby neighborhood. It is likely that a CDC would share some common goals and visions with resident organizations. Furthermore, this type of collaboration might begin to break down the stigma that exists within public housing, and the distinctions between them and us.

Some Concluding Thoughts

There is a jobs and housing crisis now. HACLA commissioners and staff need to respond with greater urgency and speed to the residents, the range of their needs, and their priorities. The reinvention of HUD may save housing authorities, but may effectively abandon the residents who currently live in the units. In 1945, Catherine Bauer, a tireless and eloquent advocate for the passage of public housing, used someone else's words to express the good and the bad that was occurring in society:

The most striking thing about our great country is, on the one side, its prodigious capacity to produce goods and, on the other side, the unwholesome conditions of living of very large sections of the population in terms of education, housing, nutrition, health facilities, convenience of access to work places and shopping districts, protection against insecurity of employment and old age, and the lack of development of rich, latent natural resources in large areas.⁷⁸

Bauer then said:

One thing the country consciously wants is employment, and another is housing. It seems more than likely that, as the threat of unemployment reappears, active support for positive housing measures will quickly materialize. Whether such measures are adequate or inadequate from a social and civic point of view will depend largely on the quality of leadership.⁷⁹

This leadership is present among public housing residents, not in the obvious ways by which society measures this, but in the quiet daily acts residents undertake to successfully maintain their households. HUD's reinvention, and HACLA's reaction, imply, and more broadly, hint that poverty, not housing, is the issue. Residents know they need jobs and they are concerned about their children's education. At many developments, roughly half the public housing population is under 18 years of age, creating a children's village in addition to a largely women's community. Logical next steps should be reframing HACLA's mandate; providing seed funds for education, training, jobs, and entrepreneurial businesses; and directing these resources directly to tenant organizations and public housing residents, not fooling residents, nor failing them, and definitely not bypassing them.

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1 In 1989, the median annual income for all renters was \$7,320, compared to \$6,571 for public housing. In fiscal year 1992, the U.S. General Accounting Office (GAO) estimated that a three-member family renting a two-bedroom apartment would have needed an annual income ranging from \$18,396 to \$36,264 to become economically independent of Section 8 housing assistance. See Richard L. Lister, *Poverty Trends, 1980-1988*, Testimony from the U.S. General Accounting Office, September 10, 1992, p. 8.

2 In 1992, in Los Angeles, public assistance for a family of three was \$663 a month, 72 percent of the federal poverty line.

3 Mark Sheft and Paul Leonard, *A Place to Call Home: The Crisis in Housing for the Poor, Los Angeles, California* (Washington, D.C.: Center on Budget and Policy Priorities, 1992), p. 9.

4 In May 1996, Los Angeles County recorded 1,030,812 people on food stamps, the most people in all of California; the average monthly amount per person in the County was \$72.07. Welfare reform will reduce individual food stamp allocations by 3 percent for all recipients.

5 See Richard T. LeGates, *The Local Government Backlash against Federal Housing Privatization in the United States*, *Built Environment* 14, nos. 3/4 (1988): 190-200.

6 Stuart Silverstein, *Job Training Programs Fail to Deal With Hurdles of Poverty*, *Los Angeles Times*, June 2, 1992, A1. Joel Handler states forcefully that the issue is not welfare but poverty, It's the absence of work, not the refusal to work, in Bob Herbert, *Don't Call It Welfare Reform*, *The New York Times*, September 25, 1995, A15.

7 Throughout this report, job interventions, job creation, job training, and economic development are used interchangeably. Levitan and Gallo distinguish between appearances and reality, citing training programs that may mean an assignment to subsidized jobs, or job creation programs that may be termed work experience, and that no assurance exists in either case for adequate training or placement in long-term jobs in the private or public sector. See Sar A. Levitan and Frank Gallo, *Spending to Save: Expanding Employment Opportunities*, a report of the Center for Social Policy Studies, the George Washington University, Washington, D.C., February 1992.

8 See Roberta Spalter-Roth, Beverly Burr, Heidi Hartmann, and Lois Shaw, *Welfare that Works: The Working Lives of AFDC Recipients*, Washington, D.C.: Institute for Women's Policy Research, 1995. This report analyzed data from 1984 to 1989 for women collecting AFDC (Aid to Families with Dependent Children) benefits. Only 14 percent were not going to school, working, or looking for a job. The majority, 30 percent, were looking for work and working limited hours. Twenty (20) percent moved back and forth between work and welfare. Another 20 percent combined work and welfare simultaneously. Also see Heidi Hartmann, *Exploding the Welfare Myth*, *Working Woman*, December 1994, p. 16. Welfare recipients may be classified as: welfare-reliant, who are not working and are not looking for work; disabled welfare reliant; welfare-reliant in school; cyclers, who are moving back and forth between work and welfare; combiners, who simultaneously are working and collecting welfare; and job seekers, who are looking for work and working for limited hours. When all categories are combined, solely welfare-reliant recipients represent a little more than one-quarter of those on AFDC. If cyclers and combiners are combined, almost half of the welfare mothers rely on public assistance as a back-up, much like unemployment insurance.

9 Of 30 participants, 10 were male, 20 female; 19 of 30 had Spanish surnames; the remaining 11 were of African American descent. The majority of Spanish surnamed participants were of Mexican descent and bilingual, although five reported Spanish as their primary language. Five of 30 were married, the remainder single; 10 of the single participants had children ranging in age from infancy to 21 years. Length of tenure in public housing ranged from one year to the participant's entire life.

10 Wayne Sherwood, *Demographic Characteristics of Public and Indian Housing Residents*, Council of Large Public Housing Authorities, May 1995.

11 In Los Angeles County, in 1990, 30 percent of the households headed by women were poor, three times as many married couples, and almost two times as many male-headed households. Forty-four percent of female-headed families with children were poor in 1992, an increase from 35 percent in 1980. Latina-headed families had the highest rate of poverty at 54 percent.

12 Hilary Addington, Susan Castro, Kirsten Grimm, Jose Gutierrez, *Childcare Providers' Experience With Greater Avenues for Independence: Survey Analysis*, unpublished paper, UCLA Graduate School of Architecture and Urban Planning, Spring 1992, prepared for Dr. Karen Hill Scott; in Dr. Leavitt's files. This student study found administrative gaps in the program. Providers for GAIN recipients, while also stating the importance of child care in the program, revealed a related obstacle. From the providers' viewpoint, payments were not timely and this jeopardized the continuity of their services.

13 Opinions about child care frequently split between those who prefer leaving children with members of their family and those who prefer some sort of center. This may reflect economic circumstances or convenience. Those who prefer child care centers feel that providers are more experienced, responsible, and educated, and are able to establish a learning environment for the children. See Lena Lundgren-Gaveras, *Informal Network Support, Public Welfare Support and the Labor Activity of Urban Low-Income Single Mothers* (paper presented at the Chicago Urban Poverty and Family Life Conference, The University of Chicago, September 18, 1991) for relevant findings based on a survey of 900 Black, White, Puerto Rican and Mexican single mothers in low-income areas in Chicago, in Dr. Leavitt's files.

14 Jo Sanders, *Staying Poor: How the Job Training Partnership Act Fails Women* (Metuchen, N.J.: The Scarecrow Press, Inc., 1988).

15 *Ibid.*, p. 37.

16 See Community Economic Development Unit, The Legal Aid Foundation of Los Angeles, *Labor Base Survey Report, the Nickerson Gardens Women's Economic Development Project*, prepared for the Nickerson Gardens Resident Advisory Council and the Irvine Foundation, January 18, 1989, draft version, p. 8.

17 Don Parson, *Los Angeles' Headline-Happy Public Housing War*, *Historical Society of Southern California Quarterly* (Fall 1983): 251-285, 254.

18 HUD's size criteria for a large PHA (public housing authority) varies from 2,501 to 9,000 units. L.A.'s concentration of three locations are: the Harbor area, East Los Angeles, and South Los Angeles, with one development in the San Fernando Valley and one on the West Side. Within South L.A., 3,277 units are concentrated on six sites (Nickerson, 1,100; Jordan Downs, 700; Imperial Courts, 498; Hacienda Village, 100; Avalon Gardens, 169; and Pueblo del Rio, 390 with Pueblo del Rio Extension at 270). Five of the six sites, with 2,617 units, are in the Watts section of South L.A. Within East Los Angeles, a little more than 2,600 units are on eight sites (Aliso Village, 683; Estrada Courts, 213 and Estrada Courts Extension, 200; Pico Gardens, 239; Aliso Apartments, 335; Ramona Gardens, 496; Rose Hill Courts, 100; and William Mead Homes, 415). The Harbor area includes three developments with 859 units (Dana Strand Village, 384; Rancho San Pedro, 284, and Rancho San Pedro Extension, 191). A fourth development, Normont Terrace, with 397 units, was demolished in 1996; the agreement with a private developer was to rebuild the same number of public housing units and build new market-rate housing. Developments vary by racial/ethnic composition, gender, age, and sources of income.

19 CRSS, Inc./KDG Development (Los Angeles-based Cordoba Corporation and Laventhol & Horwath), *Housing Improvement Program: Housing Authority of the City of Los Angeles*, a report prepared for HACLA, 1988/1989.

20 See Paul Ong, *Subsidized Housing and Work Among Welfare Recipients*, February 12, 1996, UCLA School of Public Policy and Social Research, Department of Urban Planning; in collaboration with Evelyn

Blumenberg, Department of Urban Planning, a number of papers are being produced on this research.

21 Harry Anderson, Bracing for the 'Build-Down,' Los Angeles Times, December 24, 1989, pp. D1, D6.

22 James Flanigan, Revitalizing Technology's Promise for the Economy, Los Angeles Times, March 17, 1996, pp. D1-D4, p. D1.

23 James F. Peltz, A Jobless Recovery, Los Angeles Times, March 17, 1996, pp. D1-D4, p. D4.

24 Ibid., p. D1.

25 Goetz Wolff, Resources for Employment and Economic Development, prepared for UCLA class, Department of Urban Planning, School of Public Policy and Social Research, September 29, 1994.

26 Isaac Shapiro and Robert Greenstein, Making Work Pay: The Unfinished Agenda (Washington: D.C.: Center on Budget and Policy Priorities, 1993), p. 61.

27 Susan Einbinder, et al., Jobs, Welfare and Homelessness, Southern California Inter-University Consortium on Homelessness and Poverty, July 1995, p. 10.

28 In 1990, Latinos dominated in nondurables and African Americans were better represented in the government sector, transportation, communication, and utilities. African Americans and Asians were least represented in construction. White non-Latinos were more than 50 percent of the labor in FIRE (finance, insurance, and real estate) and services.

29 Gordon Lafer, The Politics of Job Training: Urban Poverty and the False Promise of JTPA, *Politics and Society* 22 (1994): 349-88.

30 In two states that instituted workfare, differences exist between the number of job seekers and the number of available jobs. In Wisconsin, less than half the jobs were available to employ the total number of welfare recipients and unemployed persons. The JOBS Now Coalition in Minnesota found, on average, that three job seekers compete for each available opening, six compete for every opening that pays a liveable-wage, and a whopping 31 job seekers compete for liveable wage jobs that require one year of training or less. See Anne Statham and Pamela Fendt. October 1995. AW-2 Wisconsin Works: An Analysis of Feasibility and Impact, Institute for Wisconsin's Future. Results of Field Institute survey for The Work and Health of California, published in The San Diego Union-Tribune, Having Job Might Not Break Grip of Poverty, September 1, 1996, pp. A3, A5.

31 Jacqueline Leavitt and Anastasia Loukaitou-Sideris, "A Decent Home and a Suitable Environment: Dilemmas of Public Housing Residents in Los Angeles," *Journal of Architectural and Planning Research* 12 (Autumn 1995): 221-39; also see Ms., vol. VI, no. 1, July/August 1995, pp. 50-55.

32 Valerie Polakow, On a Tightrope Without a Net, *The Nation*, May 1, 1995, p. 590.

33 Stephanie Simon, Vocational School Gets Job Done, Los Angeles Times, May 28, 1995, p. B1. In comparison, Metropolitan Skills Center or Metro, considered successful on the basis of its eligibility to receive federal monies, is not located at a public housing development but in downtown L.A. In 1992, JTPA job placement was 83 percent. The six-month program also qualifies as Competency Based Education (CBE), and students need to enroll for a longer time period in order to complete this course of study. Metro's programs are linked with different schools: e.g., the nursing program is held at Grand View Medical Center, Country Villa Medical Center, and the Veterans Administration (VA) Hospital on the Westside; food service and custodial programs are at Cedars-Sinai near West Hollywood. At the time of the interview, the Metro program's outreach consultant reported a five-month waiting list to enroll for computer repair training. Metro used to offer training for custodial service, but substituted nursing when the demand for custodial jobs decreased because the local market was flooded. There is always a waiting

list for JTPA slots.

Another example is the 29-year-old East L.A. Skills Center where the Los Angeles Unified School District serves about 1,500 students a year. The Center charges a fee of \$5 to \$55, and state funds provide a subsidy at an average cost of \$2,300 per student. Because the job placement rate is about 80 percent, East L.A. Skills Center qualifies for federal funds. The Center serves a mix of youth, welfare mothers, seniors, displaced workers, etc., and provides a safe place for 250 gang members, many of whom are rivals. Some advocates want to more narrowly target youth on the basis that state education dollars should be used to rectify the failures of the public educational system.

34 Information on Community Service Centers is provided only in relation to their functions as sites to receive JTPA assistance. Our interviews were conducted at each of the five sites.

35 Evaluation and Training Institute, Draft of Interim Report for the Los Angeles City Community Development Department, December 1992.

36 ETI thought that locating the CSCs in the housing projects was one of three major elements that contributed to the success of the program, the other two being case-management, and the qualifications and dedication of the CSC case managers. Admitting that the long-term effects were unknown, the evaluators wrote that it remained questionable whether the youth, who drifted away as they matured, would retain any renewed interest in school or that the CSC experience would help insulate them from peer pressures of gangs, drugs, etc.

37 Evaluation and Training Institute, Draft of Interim Report, p. 56.

38 Parson, Los Angeles Headline-Happy Public Housing War,; for a first person account, see Henry Krauss, *In the City was a Garden* (New York: Renaissance Press, 1951).

39 Peter Marcuse, *Interpreting Public Housing' History*, draft of a version subsequently published in *Proceedings of the International Conference on Public Housing*, Cincinnati, Ohio, 1994, pp. 45-58. Also in Wolfgang F. E. Preiser, David P. Varady, and Francis P. Russell, eds., *Future Visions of Public Housing*.

40 12 U.S.C. Section 1701u.

41 Workers performing lead abatement must fulfill the following: pass a special physical exam that measures the level of lead in their blood and determines their ability to wear a respirator; undertake four days of specialized training from a State of California certified lead-based paint training provider; and pass written and practice tests.

42 The U.S. Supreme Court upheld the right of the Boston Harbor Authority to require contractors to sign agreements with labor unions in order to be awarded work on a Boston Harbor clean-up project. Other federal appellate decisions have upheld the same right to make this requirement a condition of bid award and contracting.

43 The Carpenters Educational and Training Institute (CETI) has trained hundreds of low-income, unskilled persons in a six-week long program that combines classroom and practice. Carpenters and Painters do not require high school graduation for entry, but candidates need to pass a sixth grade math test. Re-examination is possible and the union offers tutoring.

44 HACLA application to NAHRO (National Association of Housing and Redevelopment Officials) for Agency Awards of Merit, 1996, p. 3. The Laborers union does not have a high school requirement; candidates must pass a physical agility test and a sixth grade exam, with tutoring and re-examination should they fail.

45 Both unions expressed a willingness to work with a training provider associated with the Los Angeles Unified School District in order to provide basic education skills to residents and bring them to a level that enables them to pass entrance exams. The Electricians and Plumbers unions require high school graduation

or an equivalency degree. The Electricians union requires the completion of first year algebra; their entry exam tests for science aptitude. Exams may be waived in the face of demonstrated aptitude.

46 HACLA requested and received approval to target \$150,000 of its 1993-1994 HUD funds to operate a microloan fund. This was to be in conjunction with the Coalition for Women's Economic Development (CWED) organization, a L.A.-based entrepreneurial training and microenterprise loan program that closed its doors in March 1996.

47 Interviews with Mary Ochs, 1996.

48 The Intermodal Surface Transportation Efficiency Act of 1991, similar to the strategies discussed above, requires that not less than 10 percent of highway and mass-transit funds are to be spent with small business concerns owned and controlled by socially and economically disadvantaged individuals. See Irv Ackelsberg, et al., Opportunities for Legal Services Advocacy on Jobs, Employment, Education, and Training Issues, Clearinghouse Review, January 1994, p. 989. We did not research the use of this Act and HACLA staff did not mention its use by the agency.

49 Jacqueline Leavitt, Defining Cultural Differences in Space: Public Housing as a Microcosm, University of Maryland, Department of Urban Studies, 1994.

50 John L. Mitchell, Projects of Hope: Jordan Downs Residents Set Up Their Own Firm to Create Jobs, Los Angeles Times, January 27, 1997, pp. B1, B3.

51 In an informal discussion with the Executive Director, Don Smith agreed that the agency had not produced more than 1000 jobs. Conversation with Jacqueline Leavitt, August 26, 1996.

52 See Miles Finney, From Enterprise to Empowerment Zones: An Evaluation of Los Angeles Economic Development Zones, California Politics and Policy, a publication of the Edmund G. Pat Brown Institute of Public Affairs, California State University, Los Angeles, November 1995, p. 85.

53 Ibid., p. 86. The three standards are: Hire at least 50 percent of the work force from high unemployment areas; hire at least 30 percent of the work force from high unemployment areas and contribute to an approved community service program; or the firm has to be at least 30 percent resident-owned by those living in high unemployment areas.

54 John Schwada, L.A. Zone Program is Unproven, Los Angeles Times, June 14, 1992, p. A39; Jonathon Marshall, Enterprise Zones Provide Few Jobs for Local Residents, The San Francisco Chronicle, August 31, 1992, p. A8. L.A. County data on new business licenses within the unincorporated part of the Watts Zone sheds light on the business types that are locating there. Of 39 new licenses issued in 1990, none were in the manufacturing sector. Businesses included restaurants, small scale auto repair shops, and liquor stores - a use strictly regulated in the city of L.A., suggesting that moving to the zone is one way to avoid the more restrictive city zoning.

55 Finney, *From Enterprise to Empowerment Zones*, p. 89.

56 Cities with winning proposals were: New York, Chicago, Atlanta, Baltimore, and the combined Camden/Philadelphia area.

57 At the October 2, 1995 meeting of the Los Angeles City Council's Community and Economic Development Bank Committee, Council Members Mike Hernandez (District 1 and Committee Chair) and Richard Alarcon (District 7) questioned the types of intermediaries that would qualify for the CDB pool. Alarcon argued that empowerment is not just at the level of a community but block-by-block . . . not just a few select groups that may have lived in poverty before but don't live there now. Otherwise, he continued, the CDB will be an old boy network getting the same old thing, and he emphasized the need for up-front incentives for partnering, warning that, otherwise, funds will all [be] sucked up by existing intermediaries.

58 Anne Molgaard, "First Source Hiring Ordinances: Avoiding the Barriers," Economic Development and

Law Center Report, January 1993.

59 Section 3 Provides Limited Number of Resident Jobs, Study Says, @ HDR (Housing Development Reporter) Current Developments, December 16, 1996, p. 494.

60 Mark Gladstone and Virginia Ellis, *Top State Official Outlines Welfare Plan*, Los Angeles Times, August 30, 1996, pp. A3-A29, p. A3.

61 Connie Anderson, *A Report on GAIN Students and Programs in the California Community Colleges, 1994-1995*, for the Chancellor's Office, California Community Colleges, February 1996, p. 1.

62 Celia W. Dugger, Kathy Brundidge, Jim Baker, Debbie Baker, and Brenda Aldrich *Rethinking Welfare: Time Limits* CA Special Report, Iowa Plan Tries to Cut Off the Cash, The New York Times, pp. A1-A12, p. A12.

63 Jack Friedlander, *Using Wage Record Data to Track the Post-College Employment Rates and Wages of California Community College Students*, January 1996, an internal memorandum of the Community College system, in Mary Ochs' files.

64 Anderson, *A Report on GAIN Students and Programs*, p. 35.

65 Michael Kinsman, *New Skills Key to Jobs, But Not All Get Training*, The San Diego Union-Tribune, September 3, 1996, pp. A1, A-12.

66 Vicki Torres, *Antediluvian Anxieties: Can Small Firms Handle Welfare Flood*, Los Angeles Times, August 20, 1996, pp. D1, D-5.

67 CET has expanded across the country. In Los Angeles, HACLA has entered into a contract with the Los Angeles branch for purposes of providing training through the Urban Revitalization Demonstration/HOPE VI grant at Pico Aliso.

68 Paul Osterman and Brenda A. Lautsch, *Beyond Skills: Job Training that Works, dollars and sense*, November/December 1996, p. 36.

69 According to Carol Dowell, *The Schools We Need NOW*, draft 1996, a California Tomorrow publication, only 11 states spent less per year on each public school student. California's low \$4,569 compared to highs of \$10,500 per child in New Jersey, \$9,000 per child in New York, \$7,000 per child in Massachusetts; even at \$5,500 per child, Florida ranked ahead of California..

70 Welfare advocates are arguing that benefits need to be provided and are trying to influence a more generous interpretation of the rules. Some labor advocates are promoting a set of demands that include a government jobs program developed with mandatory retraining and education for displaced workers. Whether labeled guaranteed annual income or negative income, the issues include long-term security with benefit packages, insurance, and family allowances. Left out of the equation is housing. Assumptions that rising incomes are sufficient to cover housing costs omit a whole group of low-income people who are currently living in public housing and who are in jeopardy of losing the permanency of secured shelter should privatization reforms pass.

71 See Stuart Kerachsky, *The Minority Female Single Parent Demonstration: Making a Difference -- Does an Integrated Program Model Promote More Jobs and Higher Pay?* a report prepared for the Rockefeller Foundation, February 1994. The Rockefeller study of CET found this to be the primary factor in increasing a trainee's sense of moving forward and achieving a career goal.

72 The cost effectiveness of, and options for, funding such a program are the subject of a study by the Washington, D.C.-based Center for Community Change and will be available by the end of 1996.

73 Some important telephone numbers at the Housing Authority of the City of Los Angeles include: Bidding Hotline Number (213) 252 B 1890, or Jerry Meyers at (213) 252 - 1844 or (213) 252 - 1832;

Professional Services Contracts Administrator, Denise Spencer-Watkins at (213) 252 - 1835; Construction Services Contracts Administrator (Section 3), Doreen Goo at (213) 252 - 4266. This information is based on a handout prepared by Cherie Franklin, Center for Community Change for the Roundtable discussion on January 24, 1997.

74 The meeting location and times for the Housing Authority Commission in Los Angeles are: 2600 Wilshire Boulevard, 5th floor Board Room; meetings generally begin at 9:30 a.m. and run until 11:30 a.m.; Spanish interpretation is provided. Further information is available at (213) 252 - 1811.

75 Ms. Franklin recommends the following guidelines for structuring a strong company:

- (1) Have a strong management team with an experienced project manager or partner.
- (2) Partner with a profit or not-for-profit firm with integrity who shares their knowledge.
- (3) Explore possibilities for worker-owned cooperatives.
- (4) Keep finances in order, including clearing up liens and debts, and the timely preparation of financial statements and tax returns.
- (5) Acquire proper liability insurance (\$1 million), workman's compensation (\$1 million), and, when appropriate, motor vehicle insurance and/or a fidelity bond, payment and performance bonds for construction jobs, and errors and omission insurance for architectural jobs.
- (6) Prepare a business plan, keep up-to-date through attending business management classes and programs, ensure staff competence by sending them to classes in accounting, proposal writing, management, and construction.
- (7) Do not rely on the housing authority for business, aggressively search for other ways your firm can generate revenue to make money and outlets for your services, question whether your services are marketable.
- (8) Market your firm, prepare a brochure, highlighting your firm's attributes, and selling its services.

76 On August 22, 1996, HACLA's Board of Commissioners approved the contracts for a management information system and consultant contract for a child care needs assessment. The original URD/HOPE VI application was submitted in 1993.

77 Sherry Arnstein, A Ladder of Citizen Participation, *Journal of the American Institute of Planners* 8, 3 (July 1969): 216-224.

78 Catherine Bauer, Housing in the United States: Problems and Policy, *International Labour Review*, LII, No. 1 (July 1945): 25.

79 Ibid. Also see Thomas M. Stacey, Watts Area Study, a report of the South Central Area Welfare Planning Council, July, 1959, p. 7. In 1959, the Welfare Planning Council of the L.A. Region received a report from the South Central Area branch on Watts, an area that included four public housing developments -- William Nickerson, Jordan Downs, Imperial Courts, and Hacienda Village -- and surrounding census tracts. Between 1940 and 1950, the White population had fled; the density in Watts was double the citywide average per square mile; the median educational level was more than three years lower than the educational level citywide; home ownership was 40 percent, but was still lower than the county average; the number of persons receiving public assistance in Watts was above the county average. The Welfare Planning Council report thought leadership was needed but stated structural problems made this difficult, problems that remain today.

Preoccupation with earning a living for many persons in this area reduces their interest in preparation for or acceptance of leadership of youth groups. This condition, however, does not mean that there is no leadership; rather it means that it is harder to locate and recruit.