Green Opportunities, Inc. (GO)
How Equitable Funding Created Green Jobs

Achieving Equitable Financing Workshop
Strategies to Empower Community Organizations
Charlotte, NC
February 2, 2011
Early Peek At Our Analysis On How We Created Jobs

Mini-Case Study # 1
The 2010 HACA Weatherization Project
GO: From Equitable Funding To Green Jobs
A GO-owned and operated “microenterprise” designed to provide energy-related training and employment opportunities for our target audience.

Provides low-cost (or free) energy audits and weatherization services to community members.
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Funding, Financing
Recruiting, Training, Supervising
Green Collar Work Crews

GO Experience in Weatherizing 1,121 public housing units in 2010
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4 Players

EEC (Energy & Environmental Consultants, Inc)
GO (Green Opportunities)
HACA (Housing Authority of City of Asheville)
Siemens AG
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Roles & Relationships

HACA (Housing Authority) = Client

Siemens AG = Prime GC in Germany/Atlanta

EEC = 1st Tier SubContractor in Maryland

GO = 2nd Tier SubContractor in Asheville, NC
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“MO” Modus operandi

HACA: HUD Section 3 Requirements, Budget

Siemens AG: Efficiency / Maximize profit per unit contracted

EEC: Efficiency / Access local ‘Labor Ready’ Temp Labor

GO: Change Lives, Create Opportunity, Provide Support
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Financial Resources

HACA: HUD ARRA Weatherization

Siemens AG & EEC: Standard for-profit contracting

GO: Community Development Block Grants, State ‘Restricted Support’, EEC Contract, Bank Line of Credit (LOC), CDFI Loan, DOL Pathways from Poverty Grant.
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GO Financial Resources

Per Accounting Rules
• Community Development Block Grants (ARRA boosted)
• State Restricted Support
• Bank Line of Credit secured by contract receivables

Also Leveraged:
• DOL Pathways from Poverty Grant
• NCIF (Capital Fund) Loan secured by contract
• DOE Weatherization Assistance Program (WAP-ARRA boosted)
Outcomes

✓ 5 months of negotiations/planning

✓ May through November 2010
  • 28 community resident hired into work crews
  • $98,000 in direct wages paid (B4 taxes)
  • 1,121 public housing units weatherized
  • $177,500 in overall HACA contracting
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Outcomes

✓ May through November 2010

  • 28 community resident hired
  • $98,000 in direct wages paid (B4 withholdings)
  • OTJ Training provided
  • 28 residents earned paychecks
  • Intake & Case Management provided
  • Cross-Placements: GO TT, GO ET WAP, ABCCM
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28 HACA Crew Members – Intake Assessments

Barriers to Employment

11 categories tracked
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28 Crew Members – Intake Assessments
84 aggregate barriers based on 11 categories of Barriers to Employment
Most Common Barrier: Status as Ex-Offender (19)
Next Common Barriers: No Access to Car/Bus (13)
No Drivers License (12)
Least Frequent Barriers: Basic Literacy & No Access to Childcare (0); Lacking Stable Housing (3)
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Barriers to Employment

28 HACA Crew Members

Compared to

95 non-HACA GO members (2008-2011)
<table>
<thead>
<tr>
<th>Issue</th>
<th>HACA</th>
<th>Non-HACA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex-Offender Status</td>
<td>66%</td>
<td>48%</td>
</tr>
<tr>
<td>No Access to Car/Bus</td>
<td>45%</td>
<td>24%</td>
</tr>
<tr>
<td>No Drivers License</td>
<td>41%</td>
<td>43%</td>
</tr>
<tr>
<td>Financial Literacy</td>
<td>38%</td>
<td>30%</td>
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<tr>
<td>Access to Healthcare</td>
<td>38%</td>
<td>22%</td>
</tr>
<tr>
<td>Lack Work Experience</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>Lacks GED/HS Diploma</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>Probation/Related</td>
<td>14%</td>
<td>17%</td>
</tr>
</tbody>
</table>
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![Cumulative Crew Payouts - When Ranked](chart)

- **Earnings - In $**
  - Cumulative Workers

Chart details:
- X-axis: Cumulative Workers
- Y-axis: Earnings - In $
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Total Contracts for HACA Work

Income
  Weatherization Services: $177,500

Expenses:
  Worker Wages & Stipends     $100,000
  Insurance, job supplies, etc  $38,000
  GO Staff & Consultants       $45,000

Net:  (Accounting)  $- $5,500 LOSS

GO Staff receive no benefits; most staff meet income reqmts for LIHTC or Section 8 housing.
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Best Practices  - Begin Project Planning Early

*preliminary*

Avoid ‘Labor-Ready’ model-based contracting when training is required

Secure ‘Mobilization Fee” to avoid severe cyclical cash flow

Pursue Most Flexible Funding
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• What Happens Next For The HACA Work Crews?

• How Can Funding Be More Socially Equitable?

• Insights for HUD, EPA, Dept of Transportation, DOE, DOL, and other federal agencies

• Insights for Local Government

• Insights for Community Revitalizers
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The Economy Intrudes for At-Risk Communities

Percent Job Losses in Post WWII Recessions

- 1948
- 1953
- 1958
- 1960
- 1969
- 1974
- 1980
- 1981
- 1990
- 2001
- 2007

Number of Months After Peak Employment

Current Employment Recession

Dotted Line ex-Census Hiring

http://www.calculatedriskblog.com/
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For At Risk Communities
No sustained job growth for the foreseeable future.

GO was blindsided by .. but is adapting to:

NO Recovery in Business Sponsorships of Apprentices
NO Recovery in Local Green Building (Single homes)
NO Jump in market demand from HOME STAR Energy Retrofit Act of 2010
NO Jump in market Demand from proposed local P.A.C.E. model
NO Financing tool for homeowners/facilities to seeking energy retrofits
NO Recovery in conventional home construction
NO Recovery in real estate lending
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To Help Communities Replicate GO’s Green Collar Job Successes

Maximum Transparency on Status of Public Funding Sources:
Always Publish History on Dollars Awarded / Dollars Requested, Ratios
Allows Practitioners to Judge Their RFP/Grant Bid Bets

Anticipate the Costs of Removing Barriers to Employment

Better Educated on Economic Conditions in ‘At Risk’ Communities

Better Educated on Funding Flexibility To Meet Job Creation

More Pilot Projects & Demonstration Projects Create Data & Practices

GO $900K budget: Contracting, Certified Training, Social Enterprise, MZN, MHO, Reid – 10-fold in 20 months!

GO & SCALABILITY: More Flexible Funding for Capacity Building
SCI 2010 Missed Big Opportunities
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To Help Communities Replicate GO’s Green Collar Job Successes

Maximum Transparency on Status of Public Funding Sources:

Allows Practitioners to Judge Their RFP/Grant Bid Bets

Due Diligence on Scalability-Flexibility of Funding

PLUS....
Three key lessons emerged from MIT CoLab’s research on Impact of ARRA Funds:

1. Many city governments are using the stimulus money to cover budget shortfalls rather than to develop meaningful partnerships and projects that could jumpstart a green economy.

2. Agencies that are receiving federal stimulus money through preexisting federal grant processes have few incentives to partners with community-based organizations, and this lack of collaboration makes it less likely that their projects will have wider impact.

3. Competitive grant applications that were not built off of existing federal grants and that were open to community-based organizations, like Pathways out of Poverty, provided opportunities.

Community Innovators Lab – “Leveraging The Stimulus”
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To Help Communities Replicate GO’s Green Collar Job Successes In At-Risk Communities

Do Your Due Diligence!
Understand/Challenge/Improve
Job Forecasts from proposed projects
Performance of Workforce Boards
local employers as advisory councils
Leveraging funding from banks, CDFIs, credit unions
Congressional & state legislative support
Understand the local budget environment
Via Due Diligence: Avoid Weak Partners / Struggling Banks/ Desperate ravenous local govt coffers
Gallup Poll: 41% of Unemployed Think a Job Offer Will Come Within 4 Weeks; 57% Would Accept a Job Under $24,000
Mish Global Economics Analysis - January 28, 2011 11:36 AM

In one of the most overly optimistic survey results I have ever seen, a Gallup poll shows that slightly over 4 in 10 unemployed expect to get a job within 4 weeks.

As of December 2010, there were 14.5 million unemployed. There were an additional 8.9 million working part-time for economic reasons.

If 41% of the unemployed got a job in the next 4 weeks, the economy would have to create 5.95 million jobs, either full or part-time.

If 34% of the underemployed got a full-time job in the next 4 weeks, the economy would have to create an additional 3.03 million full-time jobs.

Those expectations are simply not going to happen. This economy will struggle to generate 5.95 million jobs with an additional 3 million full-time jobs in the next 4-5 years (not weeks)
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HUD CDBG: Input into Local 5-Year Plan
HUD forecasts on Future Funding? Will local govt’s re-purpose funds? Son-of-ARRA ???

EPA & HUD: Sustainable Communities & Livable Communities Funding
2010 local awards = boost for govt urban planners payrolls
Expected impact on local job creation, green-or-otherwise?

EPA: Area-Wide Brownfield Pilot Planning Grant
Creative role for GO: Planning for ‘Greening The Black Church’; then Boost Market Demand

EPA: Local Grant Administrator & Brownfields Job Training RFP

EPA: Targeted Brownfield Assessment.
GO Leveraging CDBG As-We-Meet
WHERE IS THE CAPACITY BUILDING? Local govt/agency
Due Diligence on Capacity Building
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For GO & Other Practitioners in At-Risk Communities
Due Diligence on Pitfalls/Perils and Pursuing/Locating Funding & Contracts

Start Early
**Due Diligence** on Concept, Partners, Funding, Placement Projections
REVEALED “Mobilization Fee”

**Educate** Partners on True Costs, Training Timelines, Start-Up Curves, Performance Curves, Economic Conditions
“Cash for Caulking” aka Home Star - R.I.P. ?
Property-Assessed Clean Energy –PACE - R.I.P. ?

**Relationships:** With Firms, Vendors, Volunteers, Supporters (esp. Elected Official)
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