

# **DEI PROGRAM**

**First Year Review** 

# May 24,2023\_1145F

One year review and recommendations for changes

By Prism Technical

Year One review

Wauwatosa Inclusion Program.

#### I. Purpose of this Report

This report is a review of the first and only two projects that were initiated in 2022 using the new Wauwatosa inclusion initiatives on TIF-supported projects, and recommendations for potential changes to the original Wauwatosa Program. While both projects are still in process as of this draft, both are substantially complete enough to draw strong conclusions on their successes and challenges.

# II. The Standard Wauwatosa Inclusion Program Goals

Early in 2022, the City of Wauwatosa (the city) instituted and managed an Equity and Inclusion initiative for Commercial developers seeking Tax Incremental Financing (TIF) to supplement their development projects.

The inclusion program includes two major initiatives.

A. Developers seeking TIF support for commercial development projects are to make a Good Faith Effort (GFE) to utilize Disadvantaged businesses as follows.
(1) 25% of Professional Service expenditures
(2) 25% of Construction Goods and Service expenditures

B. Additionally, the program requires best efforts to have 25% of onsite labor hours for any newly hired workforce to come from residents living in the 12 most Distressed Milwaukee County Zip codes.

#### III. Year One Project and Inclusion Program Review

While there were many, the most challenging elements of evaluating the first year of the Wauwatosa Inclusion program was A. The dynamic nature of the local job market during the post Covid rebound, as seen in Exhibit 1: BLS (Bureau of Labor Statistics) chart below. B. having this playout simultaneously with the surge in several workforce housing projects in the region and C. Having two large "high target -inclusion required" construction projects breaking ground in Milwaukee within six months of the Tosa inclusion program launch in early 2022. The affordable housing projects most impacted non-union labor, while the latter was and continues to have an impact on diverse contractor and union labor. The two projects mentioned include the Couture multimodal and high-rise apartments, valued at \$180 million which broke ground in the summer of 2021, followed by the October start of the \$420 million Wisconsin Center District expansion. The two projects have union labor, requirements for small and disadvantaged businesses, and sizable workforce needs targeting similar workers needed on Innovation One.

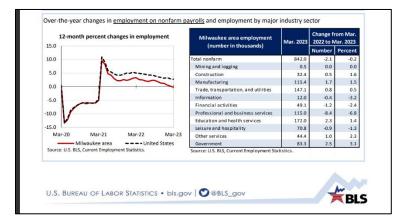


Exhibit 1: BLS Milwaukee area construction Labor 2020-2022

It is recognized that successful commercial real estate projects take years to come together and may be impacted quickly because of many different market forces including inflation and disruptions in the supply chain. This dynamic played a role in limiting the number of projects that occurred in the past few years to just the two highlighted in this report. The number of projects could easily have been more, under different circumstances.

The two projects that follow had little to no advance notice of the program requirements but began in early 2022 and will conclude in the Summer of 2023. As a result, it is acknowledged that data reported herein is not technically "final", but extremely close to the final expected inclusion results.

#### A. MSP REAL ESTATE RIVER PARKWAY PHASE II PROJECT

The first project to successfully move forward and be awarded TIF support was with MSP Real Estate (MSP)- Phase II of the original River Parkway Apartments project located at 6300 West River Parkway,

completed in September 2021. The development team moved quickly to move on to Phase II, at 6400 West River Parkway, unaware of the inclusion program under development at the city. In fact, MSP had advertised for contractors to submit their bids by November 24, 2021, with planned demolition to kick off the project in early January 2022- all before learning of new project inclusion goals from the City of Wauwatosa.

Both River Parkway phases involved WHEDA (Wisconsin Housing and Economic Development Agency) LIHTC (Low Income Housing Tax credits) and included the WHEDA Emerging Business Enterprise (EBE) project participation, in support of Affordable housing development. However as noted in section C "PROJECT RESULTS TO DATE"- of this report, much work needs to be done in the future to allow WHEDA and Wauwatosa goals to co-exist on development projects.

In the spirit of cooperation, on business inclusion, the city agreed to accept the WHEDA 25% EBE inclusion goal, allowing it as a substitute for the Tosa Disadvantaged Business Enterprise (DBE) program goal. For workforce inclusion, the city kept in place its good faith effort goal, asking the Developer to achieve 25% of all onsite hours worked by "newly hired" employees of its contractors to be by residents from Milwaukee County's most distressed zip codes.

On workforce, WHEDA has a goal of having one individual hired in each of 12 different trade areas of work on the project. The workers must have a family income below a designated threshold. There is no guidance on the number of hours to be worked. If these workers were from Milwaukee County, the workers would also be eligible to be counted for the Wauwatosa workforce inclusion program.

The City's flexibility prevented the developer from needing to rebid the project, which may have caused the project to implode because such a delay could have jeopardized the time-sensitive tax credit award.

As a point of clarity: EBE is a collection of certifications that includes<sup>1</sup> DBE, MBE, WBE, SBE, DVB, and/or Federal 8a. See the Appendix for a complete list of Certifications and definitions.

# **B. IRGENS INNOVATION ONE PROJECT**

The second project to seek and receive TIF support from the city that commenced concurrently with the development of the new inclusion initiatives was the Irgens Innovation One Campus. The project included two structures—a 3-story commercial office building and a 2-story parking structure with a green roof, on land purchased from the UWM Real Estate Foundation (formerly Milwaukee County Grounds) on Discovery Parkway.

The land purchase triggered use of the County's Community Benefits program requiring goals for Targeted Business Enterprise (TBE) inclusion at 17% for Professional Services and 25% for Construction Services. Additionally, the County requires 25% of all on-site labor hours to come from Milwaukee County residents.

<sup>&</sup>lt;sup>1</sup> MBE-Minority, WBE-Women, SBE-Small, DBE-Disadvantaged, DVB-Disabled Veteran Business Enterprises. 8a is a federal DBE like certification with a 9-year expiration.

Lastly, Milwaukee County required the Development team to use the County supplied cloud-based: labor and contract/payment tracking software packages -LCPtracker and B2GNow, respectively- to track onsite labor, verify TBE certifications, and track all payments to vendors.

As with the WHEDA "EBE" acronym, "TBE" is not itself a certification, but a collection of acceptable certification types which includes - MBE, WBE, SBE, and/or DBE; where the SBE certification is exclusive to Milwaukee County and Federal Small Business Administration (where such firms must be listed in the Federal System for Award Management or SAM registry).

# C. PROJECT RESULTS TO DATE

# 1. MSP

- a. Business Inclusion
  - i. The Project did not report any EBE Professional Services Participation. This was deemed acceptable based on the accepted agreement signed with WHEDA and date the Wauwatosa TIF agreement was consummated. However, the differences between the WHEDA program and the current Wauwatosa inclusion initiatives will require additional thought as the two programs are difficult to merge as they exist currently. At the time of the agreement with WAUWATOSA, it was understood that the Developer had a signed agreement with WHEDA with 25% EBE participation goals; however, the WHEDA agreement does not require a separation of the soft cost (professional services) and hard cost (construction).
  - ii. The lack of any professional service inclusion was originally attributed to the design being completed, but this was an incorrect assumption.
  - iii. The review of the results revealed that while WHEDA has a 25% EBE project goal and encourages professional services and construction participation, developers are held accountable only for best efforts for 25% of the combined cost.
- b. As of February 28, 2023, the project has achieved 25.7% Construction EBE participation vs a goal of 25%. As a reminder, EBE is WHEDA's specified collection of allowable certifications under its LITHC program. In contrast, the standard Tosa goal is designated at 25% DBE. Of the 25.7% EBE participation achieved, 41.3% was from DBE-certified firms. The remaining 58.7% inclusion achieved was from firms certified as WBE. Because the timing of the signed agreement with Wauwatosa was after the Developer had gone out to bid to its contractors, the parties agreed to use the WHEDA program language which was accomplished at 25.7% vs a 25% goal.

Table 1:MSP River Parkway Professional Services Inclusion: N/A No report

Table 2: MSP River Parkway Construction Cost Subject to Participation

Line Item	Value	Comment
Total Project cost value:	\$9,268,729	Construction
Exempt from Participation	613,229	Lack of EBE availability++
Value subject to Participation	\$8,755.000	

++ Includes cost for Elevator, Vapor Mitigation, Vibrated stone, and Pre-cast.

Table 3: MSP River Parkway Construction Participation

				Ε	BE Cat				
EBE Firm(s)	Contracted by	SCOPE	8a	DBE	MBE	SDVOSB	VDB	WBE	Contract Value
Faust Foundations	MSP Construction Inc	Concrete		*					\$ 784,299
Horner Plumbing Co Inc	MSP Construction Inc	Plumbing						*	527,641
H&N Home Center	MSP Construction Inc	Flooring						*	355,601
LaBrant & Assoc LLC	MSP Construction Inc	Painting		*					144,630
Regency Janitorial	MSP Construction Inc	Final Cleaning						*	21,610
United Brick & Fireplace	MSP Construction Inc	Masonry Supply						*	62,400
Valley North Distributing Inc	MSP Construction Inc	Fixture Supply						*	355,093
Total (All EBE Firms)									\$2,251,274

EBE Participation Achieved \$2,251,274/ \$8,755,000 = 25.7%

- c. Workforce
  - i. The Wauwatosa new hire goal was a victim of the project agreement timing and sat virtually at zero actually 0.0 to 0.01% for most of the project until the window installer and exterior finishing contractors began working on site. It wasn't until after November 2022, when the new hire targeted participation jumped to 17% of all new hires on the project. Unlike the first set of larger contractors, the window and exterior finishing contractors were smaller firms, needing to hire staff and they used the opportunity to hire from the targeted pool of workers, helping to catapult the project closer to achieving the workforce hiring goal of 25% for new hire hours.
  - ii. It is notable that 29 different individuals worked 2,785 hours driving 45-90 miles to the job site each way. New hires were nearly zero for the early contractors. At the time of this report, there were 25 newly hired individuals that recorded

2,506 total hours. Of these new hires, two were from Distressed Zip codes, working a total of 416 hours or 17% of the new hire hours vs a project goal of 25% for all new hires.

#### 2. IRGENS

- a. Business Inclusion The City of Wauwatosa and the Developer agreed to use the County TBE business goal and Milwaukee County-provided software tools. However, the County did not provide access to the Development team nor Prism access to B2GNow for vetting TBE firm certifications and payment tracking until several months into the construction, preventing prompt confirmation of alleged TBE firm certifications. This delay proved to cause the project to deploy a firm purporting to be TBE, but in fact, was not.
  - Even though the General Contractor projected it would achieve 25% TBE inclusion and provided sufficient proof of a Good faith effort (GFE), in reaching out to TBE firms, late intelligence mentioned above resulted in the Development team failing to achieve the 25% TBE Construction Participation, reaching only 14%. In relation to the standard Wauwatosa goals, it should be noted that 39.8% of the achieved TBE participation, was from DBE Certified firms.
  - ii. The Development team recorded 24.5% TBE Professional Services, exceeding the goal of 17% significantly. Notably, 100.0% of the Professional Service TBE spend was from DBE-certified firms aligned with the Tosa goals.

				E .egori	ies		
TBE Firm(s)	Contracted by	Scope	DBE	MBE	WBE	SBE	Contract Value
Prism Technical	Innovation One Development	County DEI Coordinator	Х	Х		Х	\$86,838
New Eden Landscape Architecture LLC	Kahler Slater	Landscape Architect	Х		х		\$124,150
New Eden Landscape Architecture LLC	Innovation One Development	Landscape Architect	Х		х		\$14,547
Martinsek & Associates	Innovation One Development	Management Consultant	Х			Х	\$28,612
Total (All TBE Firms)							\$254,147

Table 4: Irgens Innovation One Professional Services Inclusion

TBE Professional Services Participation Achieved \$254,147/\$1,039,232= 24.5%

Table 5: Irgens Innovation One Construction Cost Subject to Participation

Line Item	Value	Comment
Total Project value:	\$14,485,501	
Exempt from Participation	\$ 5,894,903	Lack of TBE availability
Value subject to Participation	\$8,590,598	

TBE Firm(s)	Contracted by		TBE Categories						
		Scope	DBE	MBE	WBE	SBE	Contract Value		
ANASA Traffic & Restoration	Cornerstone One	Traffic Control	Х				\$5,415		
Franklin Trucking	J.M. Brennan	Trucking	Х			1	\$1,792		
Hardrock Sawing & Drilling	Cornerstone One	Sawing/Drilling	Х			-	\$2,703		
Hetzel Tile	C.G. Schmidt, Inc.	Tile	Х		х		\$113,718		
Hiram Power	Lemberg Electric	Light Fixtures	Х			-	\$186,517		
HVA Products (S100)*	J.M. Brennan	HVAC Equipment	Х			-	\$21,603		
HVA Products*	J.M. Brennan	HVAC Equipment	Х			-	\$89,002		
KMI Masonry Construction, LLC	C.G. Schmidt, Inc.	Masonry			Х		\$49,100		
New Berlin Grading	C.G. Schmidt, Inc.	Excavation				Х	\$679,745		
Rockwell Mechanical	J.M. Brennan	Plumbing	Х				\$24,725		
TA Mason	C.G. Schmidt, Inc.	Flooring	х			-	\$36,590		
Total (All TBE Firms)							\$1,210,910		

#### Table 6: Irgens Innovation One Construction Services Inclusion

TBE Construction Participation Achieved \$1,210,910/\$8,590,598= <u>14.1%</u>

#### b. Workforce

i. The construction team headed by CG Schmidt recognized the ongoing workforce disruption caused by the Covid-19 pandemic and joined a threeproject construction job fair held on March 24, 2022, at Employ Milwaukee, Inc (EMI) located at 2343 N 27<sup>th</sup> street. A Local TV network covered the fair noting that the three projects were looking to fill 800 construction jobs and broadcasted several onsite interviews with participants. Several hundred interested individuals packed the EMI facility to learn about opportunities in construction on the Innovation One campus in Wauwatosa, the Wisconsin Center expansion project in downtown Milwaukee and the 44-story Couture tower and intermodal station.

EMI is one of several State Development workforce boards strategically placed across the State of Wisconsin. EMI serves the needs of employers and job seekers in Milwaukee County and funds numerous training agencies to prepare local workers for various career opportunities.

- ii. The combined Innovation One parking structure and commercial building projects recorded 27,108.5 total labor hours with 106 total new hires working on this project achieving 4,749.4 total hours; however, only one of the newly hired individuals was a resident of a Targeted Distressed Zip code. As a result, the Targeted New hires recorded 27.5 labor hours or 0.6% of all new hires, short of the 25% goal.
- iii. However, in analyzing the data it was discovered and both notable and commendable that out of the 27,108.5 total project labor hours, 21 individuals were in fact, residents from targeted Distressed Zip codes though not "new

hires". These trade workers recorded 1,529 hours on the project or 5.6% of all on-site labor hours worked. Based on a recent study by the Public Policy Forum, on workforce disparities, one of the greatest challenges for workers from lowincome communities is not progressing from Apprentice to Journey Person. This caused Prism to make a recommendation to find a way to reward contractors that maintain the employment of workers from distressed zip codes. See "Recommendations" that follow.

While not a Tosa program goal, it can be reported that Irgens exceeded the 25%
 Milwaukee County hiring goal and had more than 15% registered County
 Apprentices on the Innovation One project.

#### IV. PROGRAM CHALLENGES AND CHANGE RECOMMENDATIONS

#### A. First Year Challenges

- 1. Wauwatosa is the first and only suburban Community in Milwaukee County to adopt an inclusion program in the State of Wisconsin. While other communities are reviewing their DEI initiatives, they have not yet taken this bold step. Wauwatosa should recruit allies.
- 2. WHEDA will continue to be a player in the affordable housing marketplace, likely in partnership with the same Developers seeking TIF support from the City. Wauwatosa should assert its requirement for a Good Faith Effort to have DBE participation on professional as well as construction services.
- 3. Additionally, certified WBE firms consistently enjoyed greater participation than all others. Recommend staying with the DBE goal.
- 4. WBE and MBE firms may not have any financial "disadvantages", whereas DBE firms do.
- 5. Lack of certification verification should have been a thing of the past. Paper certifications must be required going forward whenever software tools are unavailable.
- 6. Union or non-union firms may have different staffing dynamics impacted by "new Hire" vs existing worker goals. Need to continue to evaluate.

#### B. Recommended Program Changes

1. Institute a recommended timeline and methodology for Developers to reach out to DBE bidders to give them time to bid for available opportunities.

(a) Request both a detailed Professional Service and Construction budget with any anticipated exemption requests before granting access to any project tracking tools.

(b) work with Developers and GCs on creating a simple DBE outreach plan prior to project bids being released. *NOTE: MSP is developing its next project at the Mayfair Collection "Burleigh Triangle": and partnered with the City of Wauwatosa on March 22, 2023, to host a DBE meet and greet event to share information about the new project with 12-15 individuals in attendance, representing eight different DBE firms and WRTP/BIGSTEP – an EMI workforce training provider.* 

- 2. Institute a notification protocol to connect both union and open shop labor training agencies with Developers and contractors possibly in need of trained targeted workers as soon as new contractors are brought onto projects.
- 3. Require contractors to maintain Good Faith Effort records/Logs of their outreach efforts to substantiate their efforts and to prevent the urgency of extinguishing "daily fires" from overshadowing project goals.
- Recognize the community benefit of Contractors maintaining the employment of Target workers, while maintaining the importance of the new hire initiatives. To encourage and reward contractors for keeping workers from designated Distressed Zip codes, we recommend 50% credit of these worker hours as "New Hire" hours.
- 5. Institute a stronger policy of assuring professional services inclusion.
- 6. Make onsite worker interviews a standard for all projects.
- 7. Create partnerships with workforce development agencies so they have an established protocol for working with developers.
- 8. Include an acknowledgment with the TIF application so that the Developer understands if their project receives funding, they will be subject to inclusion requirement goals.
- 9. Create Marketing Materials that explain the program and can be used to onboard developers.

# C. ONSITE INTERVIEW EXAMPLES

Prism occasionally conducts onsite interviews of the trade workforce, to verify that the workers being reported as meeting project goals are actually onsite. Each worker has their own back story of how they entered the construction trades". Here are two interview examples, one in a target zip code, one outside of this area.

# Justin McClelland- MSP River Parkway

Justin McClelland is a plumber for Horner Plumbing. He resides in the 53182-zip code. McClelland's duties include plumbing, gas piping, and water piping. McClelland has worked in the construction industry for seven years. Prior to his transition into the trades, his background involved factory work. Mr. McClelland encourages others to get into the trades because one does not have to pay for school and there are low debt concerns. Not only does Justin love working in the construction field but working on the MSP project has been a pleasure. In five to ten years from now, he plans to continue his growth in the construction industry while also growing into a leadership role. He concludes that working onsite with MSP has been fast-paced, low-stress, and organized.

"I would love to work on another project with MSP" - Justin McClelland

# Deondrae Brown – MSP River Parkway

Deondrae Brown is a resident of the 53206-zip code and a general laborer for Rural Masonry Co. Inc. Mr. Brown has been employed in the trades for roughly three to four years but was introduced to the skilled trades at an early age through his grandfather's business. While his daily tasks vary, they include carpentry and masonry - skilled trades introduced to him at an early age by his grandfather. Deonadrae's grandfather owned a business in which homes were purchased, renovated, then placed back on the market. He and other relatives labored to keep the business going. Deondrae takes pride and pleasure in the work he does.

Prior to entering the trades, Mr. Brown attended MATC to study Architecture. He says, "School helped me read blueprints and understand materials that others may not." He also gives credit to SDC for his entry and success in the trades through the agency's *Absolute Advantage Program*. This was a 10-week pre-apprenticeship training program with hands-on experience working with Ezekiel Community Development Corporation.

Mr. Brown encourages others to take advantage of the trades and "build a career that's profitable". In five to ten years from now, he expects to follow in his grandfather's footsteps, owning his own business in the trades. He aspires to recruit a few friends into the trades to assist in manifesting his goals.

Although Deondrae conveyed he'd had some previous unpleasant run-ins on other sites, his experience at MSP has been by far exceptional. "I'm surrounded by good people and the environment is peaceful here", says Brown.

APPENDIX

#### TERMS

#### CERTIFICATION

The following is a brief non-exhaustive example of several certification programs and terms.

In the "Participation arena" where governments and businesses seek to improve the economic conditions of underserved businesses and/or individuals, there are usually third-party controlled entities authorized to confirm the legitimacy of businesses or individuals seeking such designations, to prevent fraudulent claims in an effort to benefit from the inclusion initiatives.

Different governmental entities have adopted a multitude of certification classifications for many different reasons. It is important to understand the criterion used for a given certification to understand the groups being targeted for inclusion and benefit. Below is a list of business certifications, followed by certifications and classification types that apply to businesses and individuals.

#### **BUSINESS CERTIFICATIONS**

Businesses that successfully undergo a process of verifying ownership and control of the business may be given one or more specific designations noted below that are used by both private sector businesses and government agencies to assure equity in commerce transactions. The list below is in alpha-numeric order.

[8a]- the 8A certification is a U.S. Federal government Small Business Administration initiated program. The 8a program is the only "time-bound" certification, requiring graduation from the program in nine years. It is the only known program with set aside opportunities, even though many in the general public have the misunderstanding that all certifications have "set-a-side" opportunities if not sometimes, or 100% of the time.

The 8a certification is limited to women and/or minority business owners who are considered economically disadvantaged.

[DBE] or the Disadvantaged Business Enterprise certification program is another federal program targeting disadvantaged minority and women-owned firms administered by the United States Department of Transportation (US DOT), managed by each state's DOT and affiliated unified certification programs (UCP). In Wisconsin, the UCP partners are WisDOT Madison, Dane, and Milwaukee Counties, and the City of Madison. The UCP may also certify MBE and WBE firms, where economic disadvantage is not a requirement.

[EBE]is an acronym for Emerging Business Enterprise, but this is not actually a certification, even though the term was once used by the City of Milwaukee to certify businesses, using criteria similar to the federally based DBE standards above. Today, The Wisconsin Housing and Economic Development Agency (WHEDA) uses the term to describe a collection of disparate certifications i.e.: 8a, DBE, SBE, WBE, MBE, VOB, and SDVOB(Service Disabled VOB).

[MBE]- Is the acronym for Minority Business Enterprise. Certification requires the business to be owned and controlled by at least 51% minority individuals with no wealth or size limitations.

[Section 3] is US Housing and Urban Development) self-certification for individuals and businesses performing work on HUD financially assisted projects. Section 3 certified individuals have limited wealth and have residency in distressed communities. A business may be certified as a Section 3 business, if owned and controlled by Section 3 certified individuals or if 30% or more of its full-time employees are Section 3 qualified.

[SBE ] universally means Small Business Enterprise, but the criterion of what is small varies depending upon the agency requesting the business be an SBE. For example, Milwaukee County, the City of Milwaukee, and the Milwaukee Metro Sewerage District (MMSD) all have an SBE goal, however, each has a different SBE definition for what constitutes "a small business".

[TBE ] stands for Target Business Enterprise and like WHEDA's use of EBE, the term is not a specific certification but shorthand for a collection of Certification types, specifically, DBE, MBE, US Small Business Administration – SBE, and WBE.

[VOB] is an acronym for Veteran owned business. In Wisconsin, individuals and companies must meet specific criteria to qualify. The business must be 51% owned, managed, and operated by veteran group members, must be of the US citizenry, and have good moral character.

[WBE]- is the acronym for Woman Business Enterprise. See MBE, however, substitute "woman" for "minority" in all cases.

In order to be certified in the State of Wisconsin as a WBE firm, the ownership and control must be at least 51% women. Currently, the following local projects have race and gender construction trade workforce goals: The Milwaukee Wisconsin Center District expansion project, and the upcoming Milwaukee Public Museum. These also have race and gender business (AKA MBE and WBE) goals. Projects funded by the Wisconsin Department of Administration (DOA), Milwaukee County, and the Wisconsin Housing and Economic Development Agency (WHEDA) may also carry MBE and WBE participation goals. The Wisconsin Department of Transportation and the City of Milwaukee use DBE and City-certified SBE certifications respectively, both of which focus on individuals with recognized social and economic disadvantages.

#### INDIVIDUALS

#### Minority

The State of Wisconsin defines a minority group member as one of the following:

- American Indian
- Asian-Indian
- Asian-Pacific origin
- Black
- Eskimo or Aleut
- Hispanic
- Native Hawaiian

At the moment the following projects have minority construction trade workforce goals: The Milwaukee Wisconsin Center District expansion, and the soon-to-start Milwaukee Public Museum.

The City of Milwaukee's Residents Preference Program

The City of Milwaukee maintains a residents preference program (RPP) whereby individuals must be certified by one of several nonprofit agencies designated as certifying agencies. At the time of being RPP certified, the workers must be residents of the city of Milwaukee and sign an affidavit stating their family income is below a set threshold, or have been un-, and/or under-employed for the past 15 days. The former time limits on the certification have been removed if the worker remains a resident of the City of Milwaukee. Within the last few years, the City of Milwaukee has designated several economically distressed zip codes of the city as "Special Impact Area" (SIA) Zip codes. RPP workers from SIA Zip codes are given greater emphasis in updated legislation to promote increased hiring attention. Milwaukee requires that larger TIF-funded projects have at least 40% of the workforce hours come from RPP-certified workers, with 25% of those from the distressed (SIA) Zip codes; and a set percentage any Apprentice hours come from RPP and RPP SIA workers.

#### HUD Section 3

The US Housing and Urban Development (HUD) targets low-income workers residing near HUD-funded projects and has set goals that 30% of the New hires on projects funded by HUD are Section 3 workers.

Businesses owned and controlled by Section 3 workers are designated as Section 3 business.