Post Bros. promised to hire more minorities to work on their buildings. Here's how they're doing. | Inga Saffron

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You can't get a job more local than Summer Woods' new gig as an apprentice electrician for Post Bros., the Philadelphia developer turning an old warehouse at Ninth and Poplar into apartments. Not only can she walk to work, Woods can see her house from the upper floors of the 10-story building. But being close to work is hardly what Woods likes best; after years of low-wage jobs in restaurants and nursing homes, she is on her way to a career, one that can pay \$80 an hour.

As a black woman, Woods, 29, stands out from most other workers who hoist steel studs and pound nails at the city's big construction sites. Philadelphia's building trades have <u>never been particularly welcoming to minorities</u>. The situation is many times worse for women, who hold less than 3% of the city's high-paying, skilled construction jobs. City officials have promised for decades to make those skilled trades — carpenters, plumbers, electricians, brick layers — more inclusive, yet somehow the percentage of minorities and women in construction never budges.

Now Philadelphia's struggling neighborhoods may have finally found the tool they need to pry open the doors to the construction industry. Woods was hired to work on the apartment project — which will be called The Poplar — as a result of an innovative agreement brokered by her West Poplar neighborhood association, Richard Allen New Generation. Because Post Bros. required a zoning variance to turn the warehouse into apartments, it needed the group's sign-off. While New Generation wasn't opposed to the project, which will surely accelerate the North Philadelphia neighborhood's gentrification, it wanted to make sure residents benefited from the changes.

It's typical in such situations for the community to ask for a cash donation, usually to fix up a park or rec center. Such projects aren't necessarily a bad way to spend a developer's money, but New Generation was after something more lasting. Rather than pursue <u>a traditional</u> <u>community benefits agreement</u>, it asked Post Bros. to ensure that 10 percent of the project's workforce would come from West Poplar, where the average <u>household income is \$24,000</u>. Under the agreement, half the jobs for the project are also supposed to go to people of color and women.

It was a big ask, especially considering how few minorities in Philadelphia have construction experience, but Post is complying with the agreement, according to <u>Bruce Crawley</u>, the management consultant who helped New Generation craft the deal.

"We are very pleased with what they've done," said Crawley, who founded the region's <u>African American Chamber of Commerce</u> and is a longtime advocate for diversifying the construction trades.

New Generation's president, Bernard Gorham, also has been heartened by the progress. "They've stuck to the deal," he confirmed. And Mike Pestronk, Post Bros. CEO, said, "We will absolutely meet the 50% minority participation threshold."

By the time project's 285 apartments are finished in early 2021, some 50 local residents will have a year of work experience under their belts, experience that could allow them to land future construction jobs, build careers, and earn middle-class salaries.

So, it's amazing that the deal almost didn't happen. Even more amazing, it was a city entity that tried to stop it.

When Post Bros.' owners Matt and Mike Pestronk walked into the zoning board hearing in late 2017, they thought their variance was assured. Both New Generation and another community group, the 14th Ward RCO, had given the project their blessings. The Planning Commission testified in favor of the apartment project. All agreed that the warehouse, built for the 5trawbridge & Clothier department store in 1918, was no longer fit for its original purpose. Over the last two decades, dozens of 5imilar industrial buildings around the city have been reinvented as apartment houses.

Yet the zoning board <u>rejected</u> the variance by a 4-1 vote.

It wasn't lost on anyone that the <u>five-member zoning board</u> has long been an unofficial arm of Philadelphia's clubby, and overwhelmingly white, trade unions. Those unions still bear a grudge against the Pestronks for using a mixed shop — part union contractors, part independents — to renovate the <u>Goldtex building</u>. The only member of the board to vote for the variance was an <u>African American architect</u>. Fortunately, the board's decision was <u>overturned</u> in Common Pleas Court in late 2018.

Once the project was back on track, Post Bros. realized that fulfilling the commitments would take work, Mike Pestronk said. Together with New Generation, the company <u>blitzed the neighborhood with fliers</u> advertising information sessions about potential jobs.

Since you can't just put people on a construction site and expect them to know what they're doing, Post Bros. paid to send 25 West Poplar residents to a five-week training course at Orleans Technical College in Northeast Philadelphia. After taking a basic skills course, the residents divided into groups to learn specific trades. Post even picked up the cost of their SEPTA passes.

The carpenters practiced building and dismantling an entire house. The electricians set up power distribution grids. "Electrical work seemed the most exciting," Woods told me. "I loved the mental challenge." She also scored well on her final exam, earning a grade of 92. "I would have never heard about this opportunity if it had not been for that agreement," added Woods, who is raising her 17-year-old sister.

Like Woods, all the original participants (apart from two dropouts) were placed with contractors working on various Post Bros. projects. Classed as apprentices, they earn about \$15 an hour and receive health insurance and other benefits. A second group of 25 is about to start training.

Pestronk said he has been pleased with the quality of the workers. He's negotiated plenty of community benefits agreements before, but always for cash donations. For this project, Post Bros. is giving the 14th Ward RCO \$150,000 to repair a playground, fund college scholarships, and stock a school library. But he feels New Generation got the better deal. "The number one issue in Philly is jobs," he said, so why not use the money for training? All told, Post Bros. has spent about \$50,000 on training so far.

Post Bros. isn't the only development company interested in diversifying its workforce. L.F. Driscoll sponsored 37 minority trainees when it built the Comcast Technology Center in Center City. And the city's Rebuild program, which is renovating rec centers and playgrounds, will place 16 trainees — 12 men and four women — with the trade unions. It has also committed to training 30 minority apprentices a year for the duration of Rebuild.

Crawley thinks the city's numbers should be higher, especially given what Post Bros. has achieved in a fraction of the time. "We don't care whether people are in union or not," he said, "as long as they have opportunities for employment."

Sharon Thompsonowak, Rebuild's workforce development director, counters that nearly 30 percent of the contracts, which include both professional services and construction, have gone to minority-owned firms, a record for the city.

It's unlikely that any of the Post Bros. apprentices will end up gaining a spot with the unions — not because they're not qualified, but because Philadelphia's trade unions seem determined to maintain their monopoly on the city's most lucrative jobs. (Independent contractors have also had a poor record when it comes to hiring minorities and women.)

Given that construction work is one of the few avenues out of poverty for people without a college degree, Crawley says the union's stranglehold is hurting the city's economy. "It disadvantages the city as a whole."

Times are changing, though. Jim Horn, president of <u>Tri-M Group</u> in Kennett Square, the nonunion electrical contractor that hired Woods and two other Post Bros. trainees, says the old guard is dying off, and there is already a growing shortage of skilled construction workers. The warehouse conversion is the first time he's gone to Philadelphia to find workers. But he's pretty sure it won't be the last.