

Resident Owned Businesses Can and Do Work

On a hot August day in Atlanta, seven workers set out to recondition an apartment at the Hollywood Courts Apartments. The apartment had no air-conditioning, was filled with roaches, trash, abandoned furniture and appliances. The stove was caked with grease and the floor was covered in red stains and sections of outdated self-adhesive green tile.

This would not be a story at all if not for the people that made up the team of workers and the company that took on a job in conditions unbearable for most. The company that bid on and was awarded the contract to recondition this and other public housing apartments is LH, Incorporated. The name means nothing to most of us and why should it. After all, it's no Enron or Microsoft. In fact, this company isn't known at all - except to the people who own it and its only customer to date, The Habitat Company. LH, Inc. is a Section 3 business as defined by the Department of Housing and Urban Development (HUD). All of the employees of LH are residents of, or reside in the area of low-income housing properties owned by the Housing Authority of the City of Atlanta, Georgia (AHA).



Ms. Diane Wright holds her plaque of recognition from the 100 Black Women Awards in 2002. (R-L) Mia Wright, Renee Dixon (AHA), J. Keith Swiney, Vicky Johnson (HUD), Diane Wright and Annette Wright.

This particular company has been a long time in the making and knows that its success is a day by day struggle. In 1998, Diane Wright, the Resident President of the Hollywood Courts Resident's Council, Inc., had an idea that if the residents of her 202 apartment homes community could find jobs there would be less criminal activity and loitering on the property. Wright expressed her idea to two people including her long time business consultant Mr. Bill Haskins of WMH Services Group, Inc. and the Regional Investment Manager overseeing the management of Hollywood Courts, Mr. J. Keith Swiney. A business model was developed that included job readiness training, educational enhancements such as GED classes and literacy programs, substance abuse referrals and most importantly a partnership with an experienced contractor to teach the residents business operations and offer structured apprenticeships. However, after multiple attempts to interest the residents of Hollywood and other AHA properties in the venture, the idea fell dormant for lack of participation. Wright commented, "You can't have a resident owned business without residents". However, she never gave up and continued to work toward the goal despite continuous setbacks.

A Dream Reborn

During the completion of the much awaited Hollywood Courts Cosmetology Training Center (another resident training and empowerment program), Wright and Haskins began to discuss the Section 3 business idea with the contractor finishing out the facility, Mr. Anthony Gates, Owner of AKG Contracting, Incorporated. Mr. Gates was very excited about the opportunity to work with the residents and expand his business to include a comprehensive training program. Under Haskins direction, the group held a series of meetings to sign up interested residents to work within the business. There were as many as 75 people who signed up as ready to go to work. However, after no jobs instantly appeared the meeting attendance dropped off, as did some of their spirits. It would appear that the idea that had been worked on so hard was not to be realized yet again.

In July 2003 Swiney was asked to assist the effort because of his unique distinction of having previously contracted with a Section 3 business in 1998. Swiney introduced an exciting new perspective on how to get the residents not only interested but also committed to the business and ready for work. The key elements of a successful Section 3 business, he said, "are qualified employees or workers, a committed business partner and the potential for work under the federal guidelines". All of which were components he knew were present and simply needed to be brought to the table collectively. Swiney's initial move was to facilitate a meeting with all the stakeholders including Wright, Haskins and Hollywood Courts fee management company (The Habitat Company) representative, Mr. Rick Johnson. In that meeting, the group collectively established long-term goals and short-term objectives. Swiney made clear the residents' desire to bid on contracts let by the management company (as agent for the AHA) using federal dollars. At the conclusion of the meeting, the stage was set to go back to the residents with a realistic plan and employment time frame.

The final challenge was getting residents interested. Building from the momentum developed in the previous sign-up meetings, Mr. Swiney agreed to hold a series of motivational, job readiness sessions with the residents as an in-kind donation to the non-profit resident association. The weekly sessions were held at the community center of Hollywood Courts. In addition to the weekly business formation updates, job readiness topics such as dealing with criminal histories, substance addictions and increasing ones educational capacity were taught. To offer information more useful to the attendees, Swiney addressed interpersonal issues such as building wealth through education, marketing your special talents to employers, community & family support and budgeting. Each week the attendance grew until the room was all but at capacity in week three. The real measure of the motivational sessions' success was the number of men in attendance. In week one there were no men present, but by week three there were almost a dozen including several young men termed as "the drug boys". As word spread from week to week, residents of demolished Hope VI properties, people from as far away as Decatur, Georgia and the young and old alike came looking for employment opportunities.

Opportunity Is What They Got

At the conclusion of the second session people with previous experience in painting, cleaning, tile work and other turnkey areas were identified and hired (See picture below). Others were put on lists based on what they desired to learn and the level of training needed. At the conclusion of the third session the first group of employees went to Apartment number 68 at Hollywood and started not only a new job, but also a new life. Theirs can be a new life without welfare, minimum wage jobs and limited control over their futures. So long as they remain in the Section 3, Resident Owned business, the residents are guaranteed a HUD prescribed wage which for most of them will be \$10 - \$16 per hour and rent for the public housing residents that will not increase because of earnings for up to 18 months.



"This is merely step one," says Wright, "There is a long way to go and we are not going to stop until as many people who want to work can." On August 12, 2003 the first six workers received their first paychecks. It was an emotional time for everyone involved. We hear so many negative things about people in public housing that it's easy to turn a blind eye to the needs. This effort, five years in the making, proves that not everyone in public housing is there to take advantage of the system. I recently learned that Wright actually had a chance to leave public housing a couple of years ago but stayed because, as she put it, "The residents need me to finish what I started."

On August 19th Wright (who also sits as the President of the Jurisdiction-wide Residents Council of the city of Atlanta) and Mr. Swiney will introduce this concept to the interested resident leaders of the AHA public housing communities. Their intent is to see more people working than ever before on public housing properties. Some may work for current contractors or through the initiation of new Section 3 businesses but either way, there are enough federal dollars flowing through the Atlanta Housing Authority to create self-sufficiency opportunities for thousands of residents. As Swiney once said, "What's the worst thing that could happen if we are successful. The people may not need public housing any longer." "That's a good thing for everybody."