Year in Review

I. Section 3 Overview

II. Resident Impact: Improving Lives through Employment and Other Opportunities

III. 2019 Outcomes and Achievements

IV. Redevelopment Project Reviews: A Unique Opportunity for Section 3 Residents
I. Section 3 Overview
Purpose: Build HOPE

- Investing in People
  - Jobs
  - Trainings
  - Scholarships
Who are Section 3 Residents?

A Section 3 Resident is defined as a:
- A Public Housing Resident, or
- A low- or very-low income person who lives in the Los Angeles Metropolitan Area with a household income that does not exceed HUD’s low-income limits (adjusted annually)

Section 3 Resident Hiring Priority
- Priority 1 (P1)– HACLA Public Housing Residents who live where the work is performed
- Priority 2 (P2)– Other Public Housing Residents
- Priority 3 (P3)– HUD Youthbuild Participants
- Priority 4 (P4)– Other Income Qualified Section 3 Residents
HACLA’s Section 3 Program

Section 3 Guide and Compliance Plan

- Adopted by the Board of Commissioners on Oct. 30, 2014 and amended on Nov. 28, 2017. The purposes of the Plan are to:
  - authorize the imposition of Section 3 on contracting activities that would not otherwise be subject to Section 3,
  - assist vendors in understanding their Section 3 obligations, and
  - authorize the negotiation of heightened Section 3 commitments and terms for redevelopment projects.

Program Support

- Section 3 Compliance Administrator (General Services) - Negotiating and monitoring commitments
- Work Source Center (Strategic Development) - Identifying residents and assisting with placement
II. Resident Impact: Improving Lives through Employment and Other Opportunities
Resident Impact: Improving Lives through Employment

“It’s a gratifying feeling to know I’m part of the redevelopment of my community.”

**Gina Miller, Jordan Downs**
JD maintenance crew
US Pipeline, JD Phase 1A, 1B and 1C
Currently working at LAWA thru the Target Local Hire Program (placed by WSC)

“I feel good to know that I am able to participate in these positive changes in my community. I have been part of building every sidewalk, pavement and inch of the Century Blvd - it makes me proud.”

**Shawana Douglas, Nickerson Gardens**
Cement Mason Local 600 Journeyman
EBS General Engineering (JD)
HACLA Force Account
Resident Impact: Improving Lives through Employment

EMPLOYER TESTIMONIALS

“He is an excellent worker, eager to learn and just a really positive employee we are glad we have on our team.”

about Edward Felton, Jordan Downs
Enrolled to Local 213 (Carpenters)
Allied Construction Services, JD Phase 1-B

“She works really hard and wants to learn. She even got tools so she could learn more than the basics. I’m really proud of her and am so glad I was able to help her get started.”

about Carnisha Coleman, Watts Resident
WPIC, General Contractor JD Phase 1-B

“This is a great job, and I got it by simply responding to the flyers that were placed on our front door.”

Ricardo Elizade, Jordan Downs Resident
Smart & Final Associate
(attends LA Trade Tech, hopes to become a software engineer)
Resident Impact: Improving Lives through Scholarships

- 23 scholarships awarded to date
- Students attending UCLA, UC Irvine, UC Davis, US Riverside, various Cal States and community colleges
- **2020 will exceed the dollar award value of all years combined.** Almost $30,000 projected

*Update:*
- **Sergio Rosas** (2018) completed UC Irvine Graduate School, worked at HACLA, now with West Hollywood Community Housing Corporation
- **Eric Lopez** (2017) attending Cal State Northridge and working as an Administrative Intern with the WSC
Resident Impact: Improving Lives through Training

Union Bank Financial Literacy Training

- Resident Advisory Councils received training on budgeting, spending, saving with scenarios and limited budgets to manage.
- The class was held in Spanish and English.
- Next training is scheduled in March 2020.

Garland Roofing Training

- Rancho San Pedro Residents received training from Garland (a supply company) and Local 36 (Roofers) representatives and were enrolled on the spot for apprenticeship program at no cost to residents. Garland donated tools and supplies to residents to get started.

-Jonathan Hawkins, RSP Resident
-Successfully enrolled to Local 36
III. 2019 Outcomes and Achievements
Section 3 Resident New Hires: 2019

Section 3 Resident New Hires

2014: 28
2015: 53
2016: 125
2017: 238
2018: 186
2019: 352
Section 3 Resident New Hires: 2019

**HUD Expectation**
- All New Hires: 286
- Section 3 New Hires: 228

**HACLA Achievement**
- All New Hires: 410
- Section 3 New Hires: 123

Jobs Created: Federal Funds Only
- All New Hires: 85 (30%)
- Section 3 New Hires: 79%

Jobs Created: Federal and Non-Federal Funds
- All New Hires: 352
- Section 3 New Hires: 30%
Section 3 Resident New Hires by Employer

- HACLA, 71, 20%
- Third Party, 281, 80%

352 Total New Hires
281 Third Party
71 HACLA
Third Party Jobs: Type and Priority

- Security, 51, 18%
- Administrative, 67, 24%
- Retail, 22, 8%
- Maintenance, 40, 14%
- Construction, 101, 36%

352 Total New Hires
- 281 Third Party
- P1, 77, 27%
- P2, 69, 25%
- P4, 135, 48%

P1—HACLA Public Housing Residents who live where the work is performed
P2—Other Public Housing Residents
P3—HUD Youthbuild Participants
P4—Other Income Qualified Section 3 Residents
Third Party Jobs: by Age Group and Gender

- 352 Total New Hires
- 281 Third Party
  - Males: 176
  - Females: 105
Third Party Jobs: Construction and Administrative

352 Total New Hires
- 281 Third Party
  - **Construction: 101**
    - Males: 89 ($35.69 ave. wages)
    - Females: 12 ($33.32 ave. wages)

- **Administrative: 67**
  - Males: 17 ($19.05 ave. wages)
  - Females: 50 ($17.87 ave. wages)
Third Party Jobs: Property Management

- 352 Total New Hires
  - 281 Third Party
  - 86 Property Management

- 86 new hires
- 47% were transferred from the previous management company
Third Party Jobs: Property Management

352 Total New Hires
- 281 Third Party
- 86 Property Management

New Hires by Job Type

- Resident Manager, 29, 34%
- Property Supervisor, 9, 10%
- Activity Coordinator, 7, 8%
- Clerical, 5, 6%
- Maintenance, 36, 42%

P1 New Hires: 24

Average Wages:
- Males: $19.07
  - maintenance, property supervisor, resident manager
- Females: $18.67
  - Activity coordinator, clerical, resident managers

P1– HACLA Public Housing Residents who live where the work is performed
P2– Other Public Housing Residents
P3– HUD Youthbuild Participants
P4– Other Income Qualified Section 3 Residents
HACLA New Hires

- **352 Total New Hires**
  - **71 HACLA**

**Gender:**
- Males: 32
- Females: 39

**Average Pay Rate:**
- M: $26.17
- F: $23.17

**Construction Only Position Average Pay:**
- M: $33.42
- F: $35.48
Section 3 Business Concern

Section 3 Business Concerns are businesses that can provide evidence that they meet one of the following criteria:

- 51 percent or more of the business is owned by Section 3 Residents; or

- At least 30 percent of its permanent full time employees include persons that are currently Section 3 Residents, or were Section 3 Residents within three years of the date of first hire; or

- A business that makes a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to business concerns that meet one of the first two qualifications above.

**HUD Numerical Goals (safe harbor):**

- 10% for construction contracts
- 3% for non-construction contracts.
2019 Section 3 Business Contracting

Operating and Capital Funds

- Construction Contracts (34%):
  - Section 3 Contract Award: $528,627

- Non-Construction Contracts (16%):
  - Section 3 Contract Award: $568,429
IV. Redevelopment Project Reviews
Project in Review:  
Jordan Downs Redevelopment: Phase 1A

**Hiring**
- 76 Section 3 New Hires (70% hiring achievement vs. 30% HUD Requirement)
- Section 3 New Hires worked 20% of the total project hours
- Over $1.1 million in wages paid to Section 3 new hires
- Union enrollments: 21% (16) of the new hires were sponsored to Unions.
  - Laborers, Carpenters, Roofers, Carpenters, Landscape and Irrigation, Operating Engineers

**Business subcontracting**
- Over $7.2 million awarded to 9 Section 3 Businesses
  - Achieved 29% Section 3 Business subcontracting vs. 10% HUD expectation (safe harbor)
- Over $5 million awarded to 15 MBE/WBE/SBE businesses
  - 20% of total construction contract awards
Project in Review:
Jordan Downs Redevelopment: Phase 1A

New Hires by Priority - 76

- P1, 19, 25%
- P2, 25, 33%
- P4, 32, 42%

New Hires by Job Type - 76

<table>
<thead>
<tr>
<th>Job Type</th>
<th>Count</th>
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<tr>
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<td>Security</td>
<td>9</td>
</tr>
<tr>
<td>Other Const.</td>
<td>9</td>
</tr>
</tbody>
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Project in Review:
Jordan Downs Redevelopment: Phase 1A

Average Wages:
- Males (64): $29.51
- Females (12): $32.22

New Hires by Job Type - 76

- Labor, 25, 33%
- Carpenter, 15, 20%
- Drywall, 10, 13%
- Flooring, 2, 2%
- Plumbing, 6, 8%
- Security, 9, 12%
- Other Const., 9, 12%
Project in Review:
Jordan Downs Redevelopment: Phase 1C Construction

New Hires by Priority - 33
- P4, 4, 12%
- P1, 14, 42%
- P2, 15, 46%

New Hires by Job Type - 33
- Brick Tender: 4
- Carpenter: 1
- Electrician: 3
- Laborer: 7
- Roofing: 1
- Security: 13
- Other Const.: 4
Project in Review:
Jordan Downs Redevelopment: Phase 1C Construction

Average Wages:
Males (22): $35.45
  - Laborers, electricians, carpenters, brick tenders
Females (11): $19.36
  - Security guards, laborers

New Hires by Job Type - 33

- Cement Mason: 4
- Security: 13
- Roofing: 1
- Laborer: 7
- Electrician: 3
- Carpenter: 1
- Brick Tender: 4

P1–JD Residents
P2–Watts Residents
P3–HUD Youthbuild Participants
P4–Other Income Qualified Section 3 Residents
Project in Review: Jordan Downs Redevelopment: Freedom Plaza (Retail)

- **Smart & Final** and **Blink Fitness** were the first tenants to open their doors and hire residents.

- **Primestor** also hired several individuals in maintenance and security positions for the operation of Freedom Plaza.

- A total of 34 Section 3 Residents were hired by the end of 2019.

![Freedom Plaza New Hires - 34](chart)
Project in Review:
Jordan Downs Redevelopment: Freedom Plaza (Retail)

**New Hires by Priority - 34**
- P4, 8, 24%
- P2, 12, 35%
- P1, 14, 41%

**New Hires by Gender - 34**
- M, 11, 32%
- F, 23, 68%

*P1– JD Residents
P2– Watts Residents
P3– HUD Youthbuild Participants
P4– Other Income Qualified Section 3 Residents*
Project in Review: Jordan Downs Redevelopment: Phase 1B (to date)

**New Hires by Priority - 98**

- P4, 36, 37%
- P1, 11, 11%
- P2, 51, 52%

**New Hires by Job Type - 98**

- Security: 17
- Plumber: 4
- Painter: 9
- Other: 17
- Labor: 8
- Electrician: 4
- Drywall: 23
- Carpenter: 16

- Males (84), Females (14)
Employment Sustainability Trends

- 30 Section 3 new hires transferred among different phases at Jordan Downs
  - Worked at 64 different positions
- Jordan Downs redevelopment new hires worked on average 17 weeks on Phase 1-A
- Closely monitoring resident employment durations and placing them on other jobs as needed
- Construction schedules have allowed so far to transfer most new hires from one job to another without long unemployment periods
- Looking ahead: planning and coordinating transfers to upcoming Area H jobs
2020 Plans and Goals

- Leveraging Section 3 Funds
  - Increasing union enrollments through sponsorships and potential match requirements

- Expanding the Section 3 Scholarship Program

- Recruitments, trainings and resident outreach for upcoming projects:
  - Pueblo Del Sol
  - Rose Hill Courts

- Proposed Rule changes
  - Hours tracked
  - Revised definitions of Section 3 Resident and Section 3 Business

- Collaborating with local HUD program office and other partners on Section 3 matters, providing guidance on compliance matters.