

Section 3 Annual Report

Vision Plan: Investing in People

Board of Commissioners – February 24, 2022

People



Vision Plan: People First

- *Resident outreach*
- *Engagement*
- *Enhance resident access to workforce*
- *Job Placement*
- *Long term career opportunities*

Outcome:

Help residents attain higher levels of education, financial security, personal wellness, community security, physical health, and household stability.

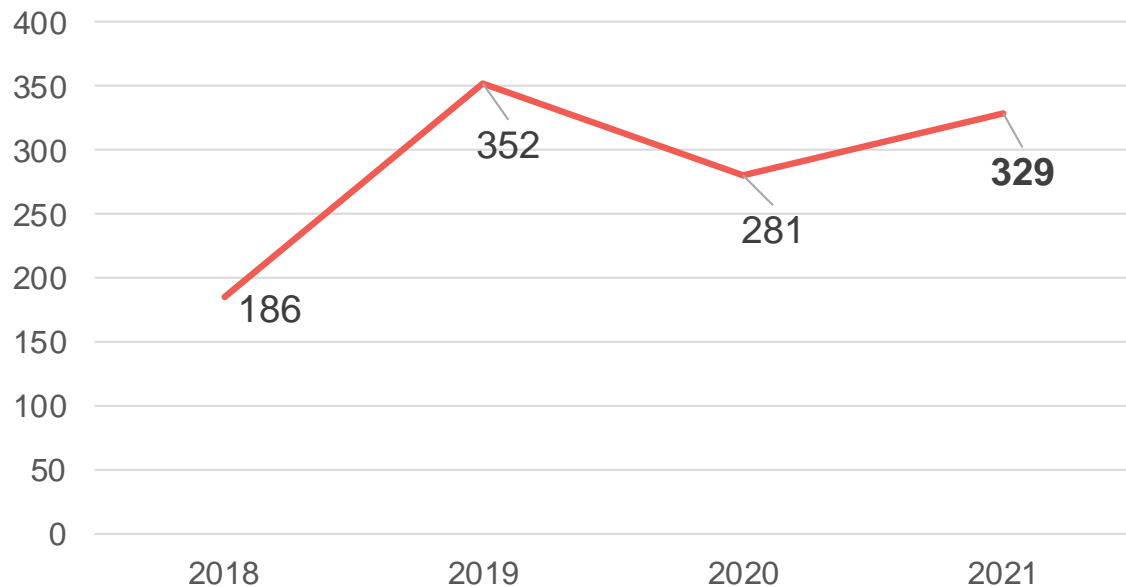


Agenda

- 2021 Section 3 Outcomes and Achievements
 - Getting Behind the Numbers
- Redevelopment Project Reviews
 - A Unique Opportunity for Section 3 Residents
 - Section 3 Success Stories
- New Section 3 Rules
- Looking Forward; Challenges and Opportunities

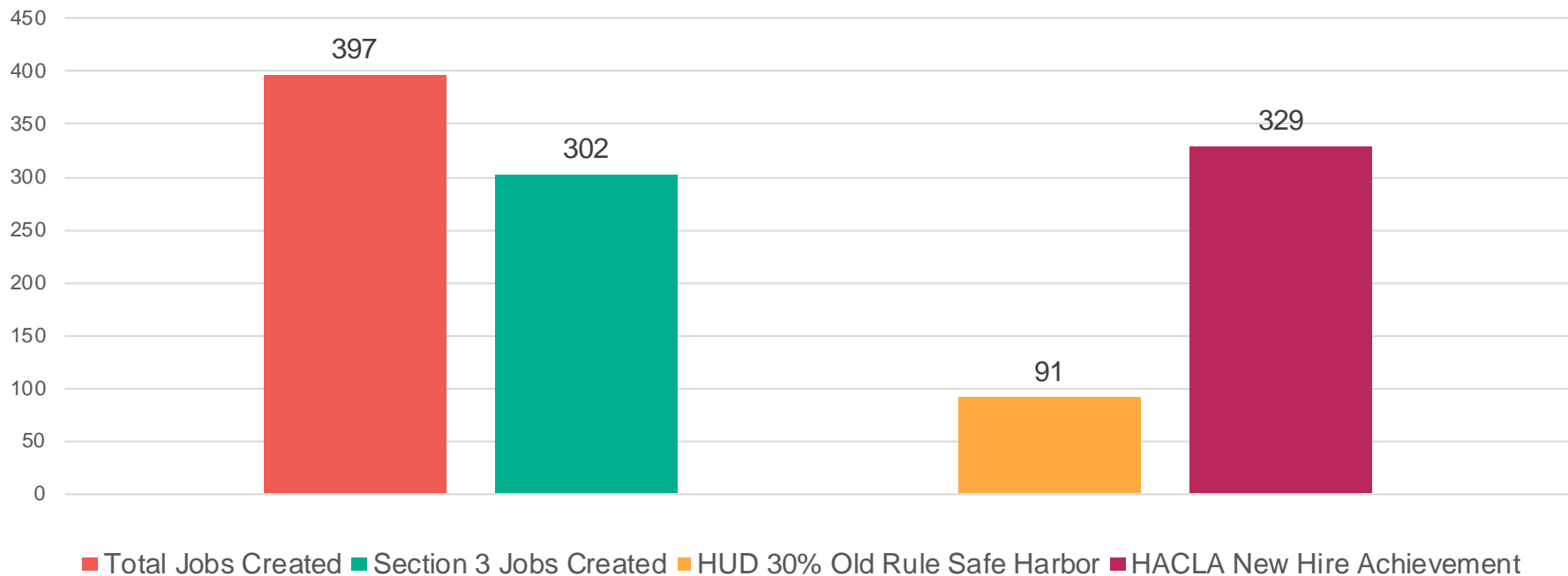


Section 3 Hiring Trends



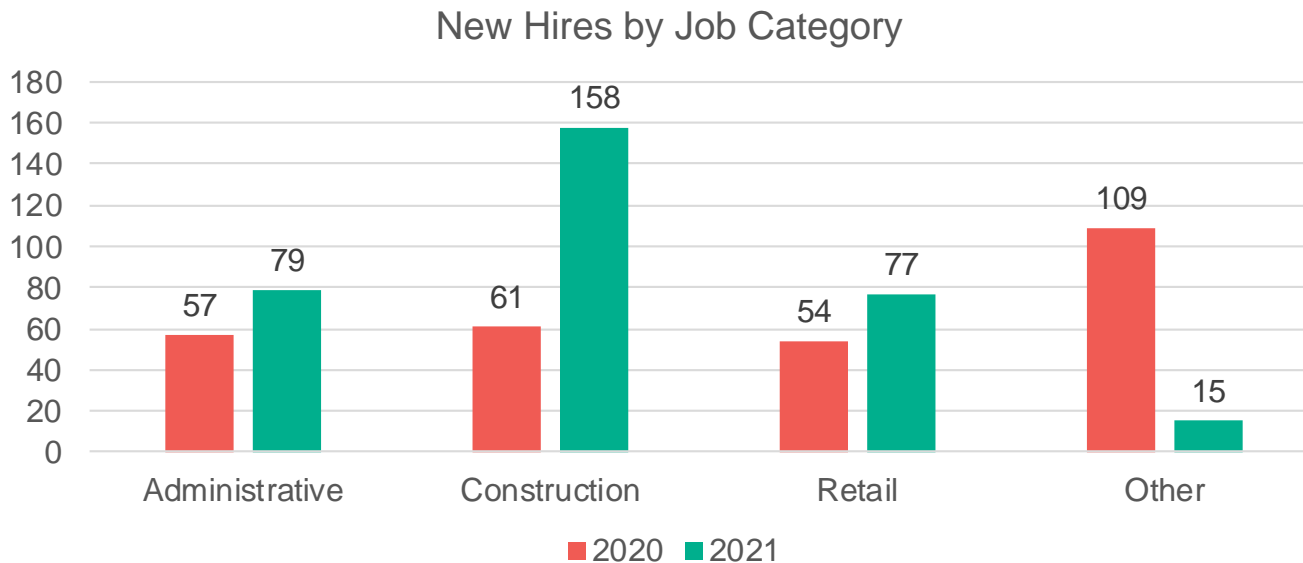


HUD Expectation vs HACLA Achievement





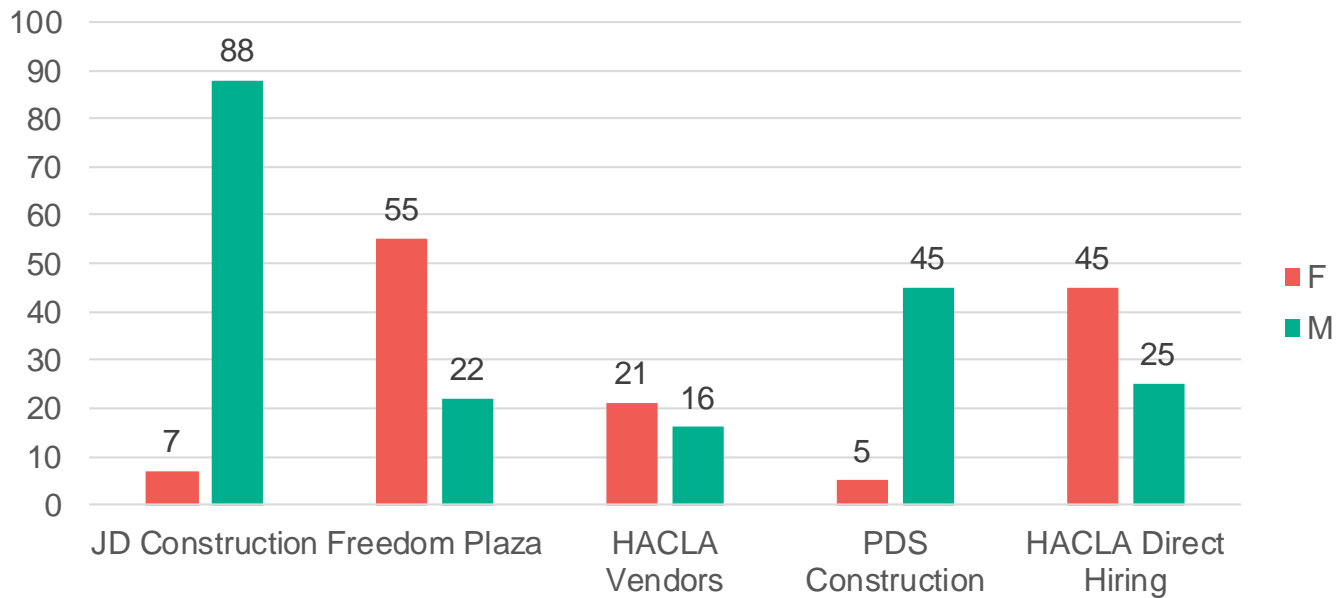
New Hires by Job Categories: 2020 vs 2021



2020 New Hires: 281
2021 New Hires: 329



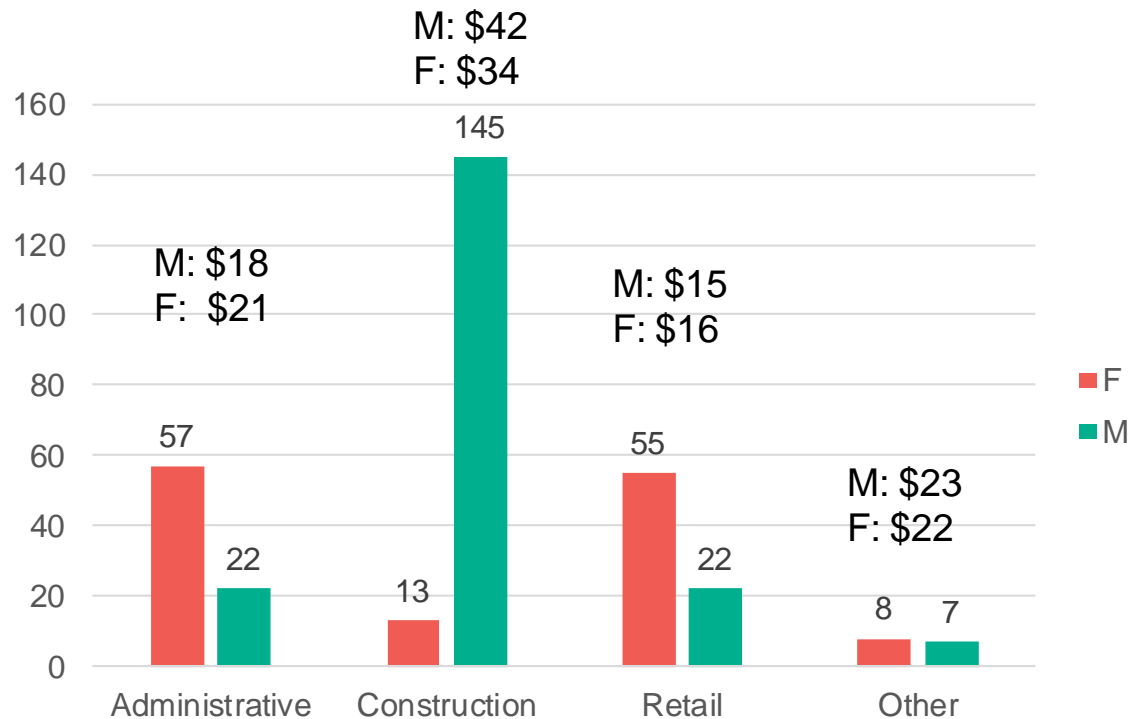
New Hires by Source and Gender



All New Hires: 329
F: 133
M: 196



New Hires by Job Type, Gender and Wages



	2021		2020	
	# of New Hires	Ave Wages	# of New Hires	Ave Wages
All	329	\$29	281	\$22
M	196	\$36	154	\$26
F	133	\$19	127	\$18

A Unique Opportunity for Residents

JORDAN DOWNS

- Area H
- Phase S-3
- Phase S-2
- Retail at Freedom Plaza

PUEBLO DEL SOL

- Phase 1
- Phase 2





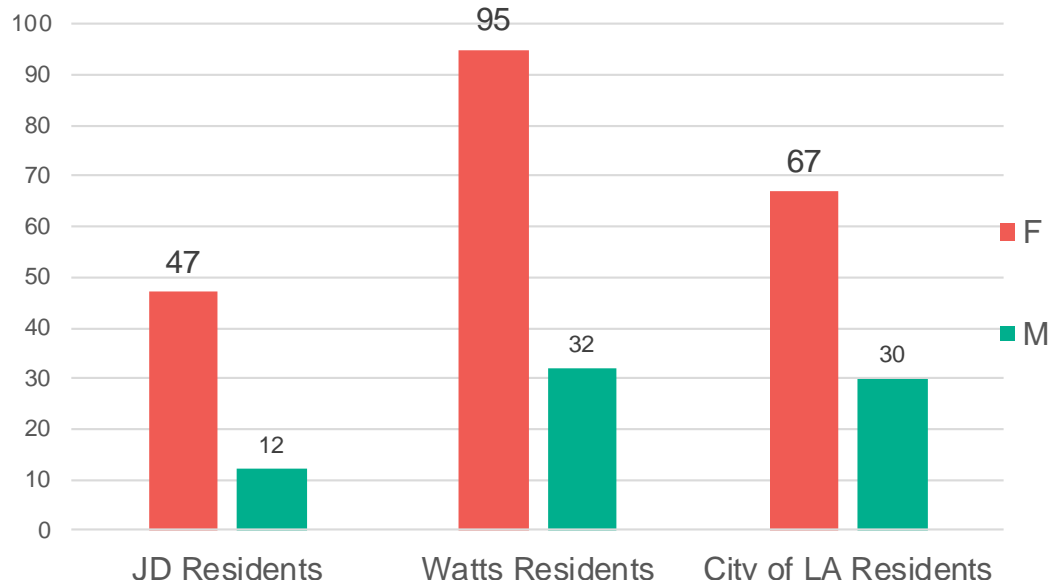
Jordan Downs Redevelopment Impact to Date

	Section 3 New Hires	JD Residents	Watts Residents	City of LA Residents
Phase 1A	76	19	25	32
Phase 1B	114	11	58	45
Phase 1C	39	15	16	8
Freedom Plaza Tenants*	283	59	127	97
Area H*	75	23	10	42
S-3*	50	15	25	10
S-2*	14	2	5	7
HACLA (JD contracts)*	49	27	14	8
TOTALS	547	141	228	178

**Ongoing Project, numbers to grow.*



Freedom Plaza Hire by Priority and Gender

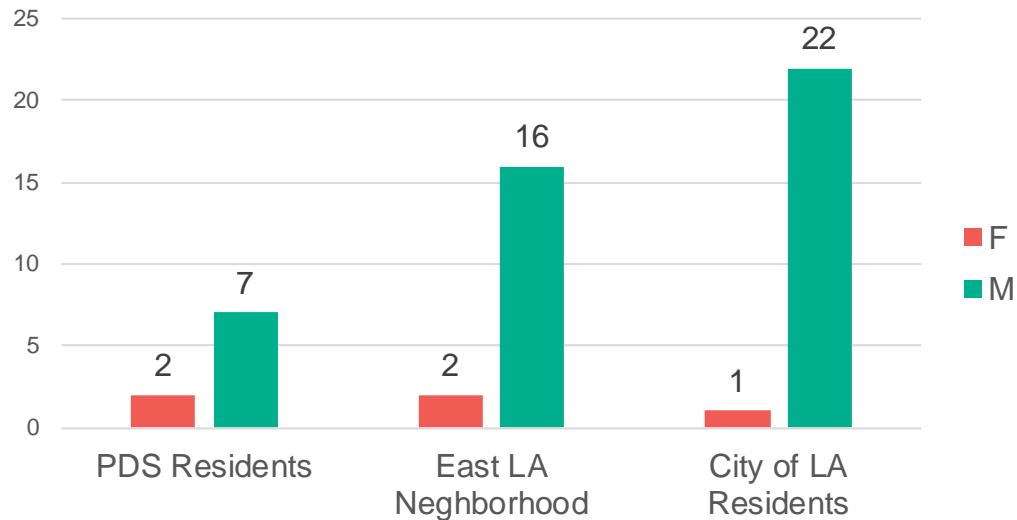


2021 New Hires	2021 Ave Wages
77	\$15.36

All New Hires to Date	Average Pay Rates
283	\$15.15



PDS Rehab Phase I and II New Hires by Priority and Gender



Number of New Hires to Date	Average Pay Rates
50	\$46

Spotlight on Section 3 Resident

Kenneth Lewis has been an integral part of the workforce at the Jordan Downs Redevelopment. In 2017, he began working at the site as a Security Guard and has taken every opportunity to advance his career ever since. He registered with our Watts LA WorkSource Center and with their help enrolled in construction training classes, obtaining his certifications to work in the field. These certifications allowed him to obtain work as laborer with various contractors at the redevelopment. Currently, he is working as a Stocker/Scrapper with Wallcraft Drywall, Inc., to support the redevelopment efforts of Phase S3.

“One day I can say that I worked in it, and lived in it, and I see the positive impact.”

Kenneth Lewis, Jordan Downs Resident
Wallcraft Drywall, Inc. (JD Phase 3)



Spotlight on Section 3 Resident



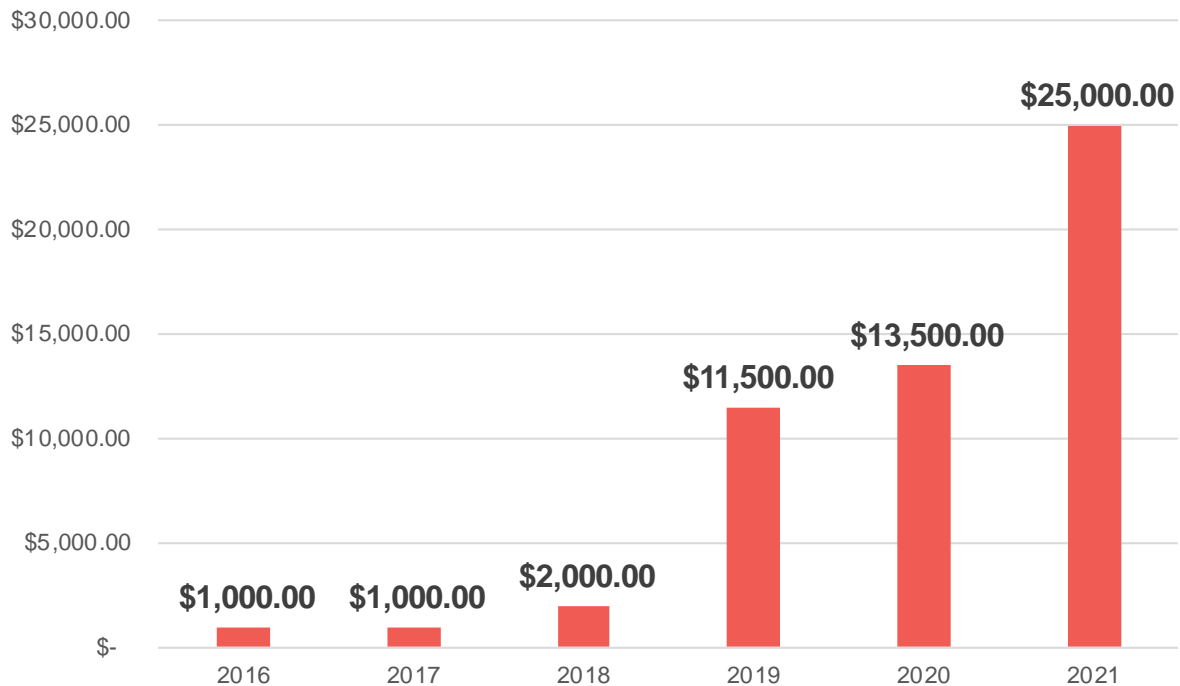
For the last ten years Shawana has been diligently working towards her professional development goals. In 2021 she received her forklift certification in all 5 California forklift trainings and completed 12 certifications in PV Solar with GRID Alternatives of Greater Los Angeles. Shawana is preparing to receive her contractors license in the next few months and plans to start her own construction business with a fellow public housing resident. She is not only looking forward to becoming her own boss, but also, creating additional employment opportunities in the community.

“I did it and you can do it too. I am the consistent positive change that I want to see in my community and communities everywhere.”

**Shawana Douglas, Imperial Courts Resident
Cement Mason Local 600 Journeyman**



Scholarship Awards



Vendors who are unable to provide jobs or other economic opportunities may contribute to the Section 3 Fund.

The fund has continually grown over the years with 82 contributors to date, most of them professional service providers.

To date, 56 college bound public housing youth have received scholarships with Section 3 Funds totaling \$54,000.

New Section 3 Rule: 24 CFR §75

agencies, and contractors, with the private sector to coordinate U.S. conformity assessment needs, practices, and requirements in support of the efforts of the U.S. Government and U.S. industry to increase international trade of U.S. products and services.

(b) Assign an Agency Standards Executive the responsibility for coordinating agency-wide implementation of the guidance in this part who is situated in the agency's organizational structure such that the Agency Standards Executive is kept Agency Standards Executive of the agency's regulatory, procurement, and other mission-related activities, and has sufficient authority within the agency to ensure implementation of the guidance in this part.

§ 24.5 Responsibilities of Agency Standards Executives.
Each Agency Standards Executive should:

Chief of Staff,
FR Doc. 2020-12761 Filed 9-23-20; 8:47 am
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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 75
(Docket No. FR-8665-N-04)

Section 3 Benchmarks for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses

AGENCY: Office of the Assistant Deputy Secretary for Field Policy and Management, HUD.

ACTION: Notification of benchmarks.

SUMMARY: Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and

member through TTY by calling the Federal Relay Service, toll-free at, 800-877-8339. General email inquiries regarding Section 3 may be sent to: section3@hud.gov.

SUPPLEMENTARY INFORMATION:

1. Background
Section 3 of the Housing and Urban Development Act of 1968 (Pub. L. 90-444, approved August 1, 1968) (Section 3) (12 U.S.C. 1701a) was enacted to ensure, to the greatest extent feasible, that economic opportunities generated by certain HUD financial assistance programs are directed to low- and very low-income persons, particularly those who receive Federal financial assistance for housing and those residing in communities where the financial assistance is expended. In accordance with statutory authority, HUD is charged with the responsibility to implement and enforce

- New Section 3 Rule went into effect as of November 30, 2020 with 2021 serving as an implementation year
- HACLA adopted a new Section 3 Policy on June 24, 2021 that is a mix of the Old and New Section 3 Rule
- Key changes include:

60908 Federal Register / Vol. 85, No. 189 / Tuesday, September 29, 2020 / Rules and Regulations

Section 3 HUD's regulations implementing the requirements of Section 3 have not been updated since 1994 and are not as effective as HUD believes they could be. Furthermore, significant legislation has been enacted that affects HUD programs that are not subject to Section 3 and that are not adequately addressed in the current Section 3 regulations. On April 4, 2019, HUD proposed a rule to update the Section 3 regulations. See 84 FR 13177.

The proposed rule incorporated a change from tracking the number of Section 3 qualified new hires in public housing financial assistance and Section 3 projects, to tracking the total labor hours worked, in connection with the proposed rule. HUD issued a proposed

Targeted Section 3 workers was set at 5 percent or more of the total number of labor hours worked by all workers on a Section 3 project.

Methodology
To determine these benchmarks, HUD looked at the total hours worked on construction or development project, the total number of workers that would likely qualify as Section 3 workers, and the potential pool of Targeted Section 3 workers. In order for the Section 3 employment goal to be attainable, HUD determined a labor-hour threshold that is congruent with the labor market for low income workers by examining the lower end of the wage distribution of the relevant industries. Based on the

meaningful and more aligned with statutory requirements. The final rule, consistent with HUD's Section 3 proposed rule, includes new metrics for compliance rule targets and provides that these benchmarks will be set by notification in the Federal Register. The final rule separates out the new requirements and benchmarks by the type of funding, as follows:
(1) Public housing program: Subpart B, Additional Provisions for Public Housing Financial Assistance, covers development assistance provided pursuant to section 3 of the U.S. Housing Act of 1967 (1937 Act) and Operating Fund and Capital Fund assistance provided pursuant to section 9 of the 1937 Act, collectively, these are

- New definitions of Section 3 Residents (Workers) and Businesses
- New benchmarking with number of new hires replaced by hours worked standard

- First Reporting Period will be Fiscal Year 2022



Program Administration

- Staff, Vendor and Stakeholder Trainings on the New Section 3 Rule
- Website, Publication and Form Support
- Tracking System(s)
- Managing Program Growth

Resident Impact

- Greater Resident Participation with Community Events, Job Fairs
- Skills and Career Development Assistance with Section 3 Funds
- Creation of Quality/Sustainable Employment

Questions