Section 3 Annual Report

Vision Plan: Investing in People

Board of Commissioners – February 24, 2022
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 New Hire Outcomes

Section 3 Hiring Trends
HUD Expectation vs HACLA Achievement

- Total Jobs Created: 397
- Section 3 Jobs Created: 302
- HUD 30% Old Rule Safe Harbor: 91
- HACLA New Hire Achievement: 329
New Hires by Job Categories: 2020 vs 2021

New Hires by Job Category

- Administrative: 57 (2020) vs 79 (2021)
- Construction: 61 (2020) vs 158 (2021)
- Retail: 54 (2020) vs 77 (2021)
- Other: 109 (2020) vs 15 (2021)

2020 New Hires: 281
2021 New Hires: 329
New Hires by Source and Gender

- JD Construction: 88 (F: 7, M: 22)
- Freedom Plaza: 55 (F: 22, M: 16)
- HACLA Vendors: 21 (F: 16, M: 5)
- PDS Construction: 45 (F: 5, M: 45)
- HACLA Direct Hiring: 45 (F: 25, M: 25)

All New Hires: 329
F: 133
M: 196
New Hires by Job Type, Gender and Wages

<table>
<thead>
<tr>
<th>Job Type</th>
<th># of New Hires</th>
<th>Ave Wages</th>
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<tbody>
<tr>
<td>Administrative</td>
<td>57</td>
<td>$18</td>
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<tr>
<td>Construction</td>
<td>13</td>
<td>$21</td>
</tr>
<tr>
<td>Retail</td>
<td>55</td>
<td>$15</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>$16</td>
</tr>
<tr>
<td>All</td>
<td>224</td>
<td>$19</td>
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M: $23
F: $22

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<tr>
<th>Year</th>
<th># of New Hires</th>
<th>Ave Wages</th>
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<tr>
<td>2021</td>
<td>329</td>
<td>$29</td>
</tr>
<tr>
<td>2020</td>
<td>281</td>
<td>$22</td>
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</table>

M: $36
F: $19

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<tr>
<th>Year</th>
<th># of New Hires</th>
<th>Ave Wages</th>
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<tbody>
<tr>
<td>2021</td>
<td>196</td>
<td>$36</td>
</tr>
<tr>
<td>2020</td>
<td>154</td>
<td>$26</td>
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M: $18
F: $15

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<tr>
<th>Year</th>
<th># of New Hires</th>
<th>Ave Wages</th>
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<tr>
<td>2021</td>
<td>133</td>
<td>$19</td>
</tr>
<tr>
<td>2020</td>
<td>127</td>
<td>$18</td>
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</table>
REDEVELOPMENT PROJECTS

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

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

*Ongoing Project, numbers to grow.
Freedom Plaza - Post Construction Hiring by Tenants

Freedom Plaza Hire by Priority and Gender

- JD Residents: 47 (F) 12 (M)
- Watts Residents: 95 (F) 32 (M)
- City of LA Residents: 67 (F) 30 (M)

2021 New Hires
77
$15.36

All New Hires to Date
283
$15.15
Pueblo Del Sol Rehabilitation Project

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

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

<table>
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<tr>
<th></th>
<th>Number of Hires</th>
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<td>PDS Residents</td>
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<tr>
<td>East LA Neighborhood</td>
<td>16</td>
</tr>
<tr>
<td>City of LA Residents</td>
<td>22</td>
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<table>
<thead>
<tr>
<th>Gender</th>
<th>PDS Residents</th>
<th>East LA Neighborhood</th>
<th>City of LA Residents</th>
</tr>
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<tbody>
<tr>
<td>F</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>M</td>
<td>7</td>
<td>14</td>
<td>21</td>
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</tbody>
</table>
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)
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
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

- 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:
  - 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
Looking Forward: Challenges and Opportunities

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