

MEMORANDUM



The
**Long Beach
Housing
Development
Company**

DATE: March 16, 2011
TO: Board of Directors
The Long Beach Housing Development Company
FROM: *Ellie Tolentino*
Ellie Tolentino, Vice President
PREPARED BY: LaVerne Duncan, Housing Communications Officer
SUBJECT: Section 3 Report

RECOMMENDATION

Receive and file.

BACKGROUND

Section 3 is a provision of the Housing and Urban Development Act of 1968, amended in 1992. Section 3 requirements focus on providing, to the greatest extent feasible, job training and employment opportunities for low- and very low-income residents related to federally assisted construction projects in the City of Long Beach. It is intended as a catalyst to precipitate greater individual self-sufficiency and increased local and neighborhood economic development and improvement.

Congress established the Section 3 policy to guarantee that the employment and other economic opportunities created by Federal financial assistance for housing and community development programs should, if possible, be directed toward low- and very-low income persons, particularly those who are recipients of government assistance for housing.

Recipients of HUD financial assistance and their contractors and subcontractors are required to provide economic opportunities, to the greatest extent possible, consistent with existing Federal, State, and local laws and regulations. Economic opportunities available under Section 3 include: job training, employment and contracts.

To the extent it can, the LBHDC has imposed Section 3 requirements on its projects. Attached is a report prepared by the City's Department of Financial Management, which is in charge of monitoring activities related to Section 3 for the City.

ET:LD
R:\LBHDC\Staff Reports\2011\March\Section 3 Staff Report 2011.doc

Attachment: Section 3 Report

**MAKING
AFFORDABLE
HOUSING
HAPPEN**

AGENDA ITEM NO. 5

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Section 3 Report
Long Beach Housing Development Company Projects

March 16, 2011

Section 3, a provision of the Housing and Urban Development (HUD) Act, mandates that awarding bodies provide to the greatest extent feasible economic opportunities to local, low-income residents of the area where HUD funds are being expended. The regulation states that 10 percent of the total dollar amount of all building trades work at the project site be awarded to Section 3 contractors; and 30 percent of total newly hired employees on a construction project must be local low-income residents.

Atlantic Avenue Workforce Housing

- Section 3 Residents- Section 3 residents worked 74.32 percent of new hire hours as of February 2011.
- Section 3 Businesses- There are 6 Section 3 businesses on this project.

Palace Hotel

- Section 3 Residents- Section 3 residents worked 10.19 percent of new hire hours as of February 2011.
- Section 3 Businesses- There are no Section 3 businesses on this project.

Completed Projects

Courtyards Project

- Section 3 Residents - Section 3 residents worked 3.81 percent of new hire hours.
- Section 3 Businesses - There were no Section 3 businesses on this project.

Meta Housing Project

- Section 3 Residents - Section 3 residents comprise 26.8 percent of new hire hours
- Section 3 Businesses - There were no Section 3 businesses on this project

Villages at Cabrillo Phase III

- Section 3 Residents - Section 3 residents comprises 44.6 percent of new hire hours.
- Section 3 Businesses -There was one known Section 3 business entity on this project: Sav-On-Signs.

Rojero-633 W. 5th Street

- Section 3 Residents - Section 3 residents comprised 83.94 percent of new hire hours.
- Section 3 Businesses - Time Investment, the prime contractor was a certified Section 3 contractor.

Pacific City Lights

- The Pacific City Lights project is completed. Section 3 residents comprised 62 percent new hire hours. The contractor has exceeded the Section 3 Workforce Compliance goals.
- Section 3 Businesses – There were no Section 3 businesses on this project.

DECRO Scattered Rehabilitation Project

- Section 3 Residents- Section 3 residents comprised 41 percent new hire hours
- Section 3 Businesses - Three confirmed Section 3 businesses worked on this project (Pacific Striping, William Dunn Masonry, and Citadel Security).

The project was completed in December 2007.

530 Elm

- Section 3 Residents - Section 3 residents comprised 52 percent new hire hours.
- Section 3 Business Concerns -There were no Section 3 business concerns on this project.

442 Cedar Avenue Rehabilitation

- Section 3 Residents - Section 3 residents comprised 100% of new hire hours.
- Section 3 Business Concerns - Time Investment, the prime contractor, is a certified Section 3 contractor.

The project was completed in October 2008.