

## Section 3 Plan City of Shoreacres

The City of Shoreacres has developed this Section 3 Plan in compliance with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u), and HUD's regulations in Title 24 CFR Part 135 – Economic Opportunities for Low- and Very Low-Income Persons. The plan provides action steps to ensure that employment and other economic opportunities generated by HUD financial assistance through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program will, to the greatest extent feasible, benefit Section 3 Residents and Section 3 Business Concerns in the areas in which the City's CDBG-DR projects are performed.

### I. Section 3 Goals

The City and its contractors may demonstrate compliance with the "greatest extent feasible" (CFR 24 §135.30) requirement of Section 3 by meeting HUD's numerical goals for providing training, employment, and contracting opportunities to Section 3 Residents and Section 3 Business Concerns. The minimum numerical goals are:

- 30% of total number of new hires as Section 3 Residents;
- 10% of all construction contracts awarded to Section 3 Business Concerns;
- 3% of all non-construction contracts awarded to Section 3 Business Concerns.

#### Section 3 Residents

Residents who live in the service area where a Section 3 project is located who are either:

- Public housing residents including persons with disabilities;
- Low-income or very-low-income person(s) who live in the metropolitan statistical area or non-metro county area of the project;
- HUD Youthbuild program participants;
- Homeless, defined under McKinney Act (42 U.S.C. 11301 et seq.).

Persons are considered low-income if their household incomes do not exceed 80 percent of the median income for the area. Persons are considered very-low income if their household incomes do not exceed 50 percent of the median income for the area.

#### Section 3 Business Concerns

Businesses that are:

- Owned by 51% or more by Section 3 Residents; or
- Employ at least 30% of employees who qualify as Section 3 Residents (or within 3 years of the date of first employment with the business concern were Section 3 Residents); or
- Commit to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet one of the first two qualifications above.

## **II. Efforts to Contract with Section 3 Business Concern Prime Contractors**

The City will solicit Section 3 Business Concerns to contact the City's Section 3 Coordinator for inclusion in a list of certified Section 3 Business Concerns that will be notified about Section 3 contracting opportunities related to its CDBG-DR funded projects. It will publish notices about upcoming bid opportunities and invite Section 3 Business Concerns to identify themselves and complete a Section 3 Business Concern self-certification form. The notices may be published on the City's website and in the local newspaper, and distributed to the local Workforce Solutions office, community organizations, the Small Business Administration, and minority and women business associations.

The City will maintain a list of local certified Section 3 Business Concerns based on this solicitation. It may also use other lists of Section 3 Business Concerns, such as the lists maintained by the General Land Office and the City of Houston.

Prior to advertising bids, the City will notify its list of Section 3 Business Concerns about upcoming Section 3 contracting opportunities and requirements.

Invitations for bids will be advertised in local newspapers and on the City's website, and will be distributed to the local Workforce Solutions office, community organizations, the Small Business Administration, and minority and women business associations. Bid advertisements will discuss Section 3 economic opportunities and requirements.

Bid packages will include the *Contractor Certification of Efforts to Fully Comply with Employment and Training Provisions of Section 3* form, and all bidders will be required to complete it. A *Section 3 Business Concern Self-Certification* form will also be included and Section 3 Business Concerns will be asked to complete it with their bid response. Bid packages will also include the Section 3 clause (24 CFR 135.38), which specifies that the work to be performed under the contract adheres to Section 3 requirements.

Section 3 economic opportunities and requirements for contractors will be discussed at pre-bid meetings.

Before contract awards are made, the City will verify that contractors are not identified by HUD as Section 3 regulation violators.

## **III. Efforts to Promote Subcontracts with Section 3 Business Concerns and Employment Opportunities for Section 3 Residents**

After bid awards, the City will provide Section 3 training to its contractors for Section 3 projects. It will educate them on their Section 3 responsibilities, including efforts to subcontract with Section 3 Business Concerns and hire Section 3 Residents, the Section 3 numerical goals, inclusion of the Section 3 clause in their subcontracts, and reporting requirements. Training will be provided at bid openings, pre-construction conferences, and ongoing construction meetings.

The City will include the Section 3 clause (24 CFR 135.38) in its prime contracts, specifying the work performed under the contract adheres to Section 3 requirements. This clause includes a provision requiring contractors to agree not to subcontract with any subcontractor where the

contractor has notice or knowledge that a subcontractor has been found in violation of Section 3 regulations.

The City will require contractors to provide a workforce needs analysis detailing new hire opportunities for the project, and it will forward the needs analysis to the local Workforce Solutions office to inform Section 3 Residents of future job opportunities.

It will also require that contractors and subcontractors post job openings in the area where the project will take place, as well as at the local Workforce Solutions office, public housing authority and community organizations. In addition, all new hire opportunities must be posted on WorkInTexas.com. Contractors must notify the City's Section 3 Coordinator of any job openings so the City can verify and document that they are properly advertised.

The City will post notices at City Hall and on its website regarding potential employment opportunities arising from its CDBG-DR funded projects along with the process for contacting the City for information about the certification process and inclusion in lists of Section 3 workers. The notices will advise Section 3 residents that any job vacancies related to the Section 3 projects will be posted by contractors on WorkInTexas.com and direct them to register as job seekers with WorkInTexas.com or contact the local Workforce Solutions office for assistance.

Based on this solicitation, the City will maintain a list of certified Section 3 residents by trade for contractors to use in the hiring process.

#### **IV. Contractor Compliance**

The City will monitor each contractor for compliance with the Section 3 requirements outlined in their contracts. In addition to their responsibilities to document efforts to subcontract with Section 3 Business Concerns and hire Section 3 Residents, contractors will be required to submit monthly hiring activity reports to the City. These reports will identify the employees hired during the month, their trade, and whether or not they are Section 3 Residents.

Contractors will be asked to submit the monthly reports with their pay applications, and payment will not be authorized unless they are up-to-date with their reporting and documentation requirements.

#### **V. Reporting**

For CDBG-DR funded projects, the City will maintain documentation of all actions taken to comply with Section 3 requirements, the results of actions taken, and any impediments encountered.

It will maintain records of solicitation of bids or proposals, selection materials and contracting documents, as well as contractor job vacancies.

The City will timely submit the following reports to the General Land Office:

- Section 3 Monthly Progress Report
- Section 3 Annual Summary Report

**VI. Section 3 Coordinator**

The City will identify an employee on staff to serve as its Section 3 Coordinator. The Section 3 Coordinator will be responsible for working closely with the City's grant administrator to monitor and ensure compliance of its Section 3 activities.

*Dated: September 24, 2012*