

RESOLUTION NO. 2 FOR 2014

A RESOLUTION TO ADOPT THE SECTION 3 PLAN TO COMPLY WITH 24 CFR, PART 135 OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 3.

WHEREAS, the United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) to further the goal of ensuring that federal funds benefit the residents of projects funded wholly or in part by those funds, and

WHEREAS, Part 135 of Section 3 is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met; and

WHEREAS, the City of Sweet Home staff has developed a Section 3 Plan in adherence to 24 CFR, Part 135 that more comprehensively addresses the standards and procedures prescribed in the Act; and

WHEREAS, the Section 3 Plan has been reviewed by the City of Sweet Home senior staff members and their comments incorporated into the Plan,

NOW, THEREFORE, BE IT RESOLVED THE CITY COUNCIL authorizes the City of Sweet Home to adopt and implement the Section 3 Plan to ensure compliance with Federal Law and to designate the City Manager as the Section 3 Coordinator for the City.

This Resolution shall be effective immediately upon its passage.

PASSED by the City Council and APPROVED by the Mayor this 14th day of January, 2014.



Mayor

ATTEST:



City Manager - Ex Officio City Recorder

CITY OF SWEET HOME, OREGON

SECTION 3 PLAN

PURPOSE

As a recipient of Community Development Block Grant (CDBG) funds, the City of Sweet Home, Oregon is required to comply with the provision Section 3 of the Housing and Urban Development Act of 1968. The purpose of this plan is to provide a guide of Section 3 requirements. The plan provides a description of the requirements and a copy of the forms that must be completed for compliance.

BACKGROUND

Section 3 requires that, to the greatest extent feasible, training and employment opportunities arising out of a project assisted under a program providing direct federal financial assistance from the US Department of Housing and Urban Development (HUD) be given to low and very low income residents of the service area and, where appropriate, contracts for work in connection with the project be awarded to business concerns (firm) which are located in or owned in substantial part by persons residing in the area of the project.

APPLICABILITY

Section 3 requirements apply to community development and housing assistance projects which are provided by Sweet Home via CDBG funds or any other funds issued by the HUD. A Section 3 covered project involves the construction or rehabilitation of housing (including reduction of lead-based paint hazards), housing construction, or other public construction such as street repair, sewage line repair or installation, updates to building facades, etc.

Section 3 requires that when employment or contracting opportunities are generated because such projects or activities undertaken by a subrecipient of covered HUD financial assistance necessitates the employment of additional personnel through individual hiring or awarding contracts, the subrecipient must give preference to hiring low and very low income persons and/or businesses owned by these persons or that substantially employ these persons within Sweet Home, Oregon.

GOOD FAITH EFFORT

The City of Sweet Home shall verify that the subrecipient, contractor, and subcontractor have completed a variety of tasks outlined in this section to demonstrate its "good faith effort" to comply with Section 3 requirements. Subrecipients, contractors and subcontractors shall retain all records associated with all attempts to provide a good faith effort and provide the City of Sweet Home and HUD with said records upon request.

Construction may not commence until the City has recognized that the subrecipient, contractor and subcontractor have demonstrated a "good faith effort" to meet the numerical goals of Section 3. Failure to be recognized as demonstrating a "good faith effort" may result in penalties including disbarment from submitting bids on future HUD funded projects and penalty of payment.

If the subrecipient, contractor, or subcontractor have the need to hire new persons to complete the Section 3 covered contract or needs to subcontract portions of the work to another business, they are required to direct their newly created employment and/or subcontracting opportunities to Section 3 residents and business concerns.

Examples of subrecipients, contractors, and subcontractors demonstrating a “good faith effort” include targeting recruitment of Section 3 residents and business concerns by:

- A. Noticing of vacant training and employment positions arising out of work to be performed under Section 3 covered projects with lower income project area residents shall contain the following statement: “In compliance with Section 3 of the Housing and Urban Development Act of 1968, as amended, training and employment opportunities arising out of a project assisted under a program providing direct financial assistance from the U.S. Department of Housing and Urban Development shall be given, to the greatest extent feasible, to lower income residents or businesses owned by lower income residents of Sweet Home. Low income residents or business owned by a low income resident of Sweet Home are encouraged to apply”.
- B. Said notice shall be provided for at least two (2) weeks.
- C. Said notice shall contain the name, mailing address, telephone number, and website of the contracting firm.
- D. Said notice may be included in any policy manual, newsletter, website, annual report, and be posted on employee bulletin boards accessible to all employees at each location where construction work is performed.
- E. Said notice may be provided to contractor’s labor organizations or representatives advising the contractor’s commitments under “Section 3 Clause”.
- F. Said notice may be disseminated to local newspapers, websites, radio advertising, neighborhood publications, minority publications, trade publications and associations, and bulletin boards throughout City buildings.
- G. Said notice may also be posted at the job site.
- H. Said notice may be directly distributed to an eligible list of Section 3 Business Concerns, should a contractor or subcontractor maintain such list.
- I. Said notice may be directly distributed to agencies that administer HUD Youthbuild programs.

The City of Sweet Home will assist all subrecipients, contractors, and subcontractors to comply with this “good faith effort” requirement by allowing subrecipients, contractors and subcontractors the opportunity to post job notifications on City property (e.g. the Courthouse, within City rights-of-way, other City buildings, etc.)

THRESHOLD

Funding thresholds are minimum dollar amounts that trigger Section 3 requirements. Section 3 requirements only apply when any of the following thresholds are reached:

Subrecipient threshold:

A subrecipient that receives community development or housing assistance covered by Section 3 for which the amount of assistance exceeds \$200,000.

Contractor and subcontractor thresholds:

Section 3 requirements apply to contractors and subcontractors performing work on the Section 3 covered project(s) for which the total amount of assistance exceeds \$100,000; and the contract and subcontract exceeds \$100,000.

Professional service contracts (e.g. architectural services) are covered under Section 3 provided that work to be performed by the professional is for work generated by the expenditure of Section 3 covered assistance or for work arising in connection with a Section 3 project (e.g. housing rehabilitation, housing construction, or other public construction project.). Section 3 covered contracts do not include contracts issued for the purchase of materials, supplies, or equipment, unless installation "work" is involved.

Threshold met for subrecipients, but not contractors or subcontractors:

If a subrecipient receives Section 3 covered housing or community development assistance in excess of \$200,000, but no contract exceeds \$100,000, the Section 3 preference requirements only apply to the operation of the subrecipient (see "Responsibilities").

NUMERICAL GOALS

If a subrecipient, contractor or subcontractor has the need to hire new persons to complete the Section 3 covered contract or needs to subcontract portions of the work to another business, they are required to direct their newly created employment and/or subcontracting opportunities to Section 3 residents and business concerns.

Federal regulations set numerical goals for all HUD jurisdictions for the hiring/training of Section 3 residents and contracting with Section 3 business concerns on HUD assisted projects. If the following numerical goals are not reached, subrecipients, contractors and subcontractors shall demonstrate a "Good Faith Effort" to achieve the numerical goals.

Training and Employment: Goals are based on the percentage of new hires.

- 1) Housing assistance: employ Section 3 residents as 10% of the aggregate number of new hires for each year over the duration of the Section 3 project.
- 2) Community development assistance: Employ Section 3 residents as 30% of the aggregate number of new hires for each year over the duration of the Section 3 project.

Contracts: Each contractor and subcontractor that meets the threshold requirements may demonstrate compliance with the requirements of Section 3 by committing to award Section 3 business concerns:

- 1) At least 10% of the total dollar amount for all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing, housing construction and other public construction.
- 2) At least 3% of the total dollar amount of all non-construction contracts covered under the Section 3 requirements.

Section 3 residents are not guaranteed employment and Section 3 business concerns are not guaranteed contracting opportunities. Section 3 residents must demonstrate that they meet the qualifications for new employment opportunities created as a result of the expenditure of covered assistance. Likewise, Section 3 business concerns must submit evidence to the satisfaction of the party awarding the contract to demonstrate

that they are responsible firms and have the ability to perform successfully under the terms and conditions of the proposed contract.

Contract awards shall only be made to responsible contractors possessing the ability to perform under the terms and conditions of the proposed contract. Preference to Section 3 business concerns means that a recipient's or contractor's procurement procedure include methods to provide preference to Section 3 business concerns. Accordingly, if a Section 3 business concern is a responsible bidder, but their bid price is slightly higher than a non-Section 3 firm, the subrecipient may give preference to the Section 3 business in an effort to meet its numerical goals annually.

CERTIFICATION AND REPORTING

Any resident seeking Section 3 preference in awarding of contracts, training, or employment shall complete the Participant Eligibility for Preference form in Exhibit A. Any business or individual seeking Section 3 preference in the awarding of contracts or purchase agreements with the City of Sweet Home shall complete the Certification For Business Concerns Seeking Section 3 Preference In Contracting and Demonstration of Capability form (found in Exhibit B). The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program. Businesses seeking Section 3 preference for construction and professional service contracts must also complete the Section 3 Opportunities Plan found in Exhibit C.

All subrecipients, contractors and subcontractors shall report efforts to meet the numerical goals of Section 3 annually starting on July 1st and ending on June 30th. Reports shall be returned to the Section 3 coordinator by no later than July 15th or completion of the work; whichever comes first.

RESPONSIBILITIES

Sweet Home shall assist the subrecipient, contractors and subcontractors by performing the following activities:

- 1) Notifying all applicants for CDBG and other HUD funded projects of the Section 3 applicability;
- 2) "Section 3 Clause" shall be included in all applicable bids and contracts;
- 3) Providing clarification of the Section 3 requirements;
- 4) Providing the appropriate guidelines and forms;
- 5) Assisting subrecipients, contractors and subcontractors with notifying Section 3 residents and business concerns of new opportunities as outlined in "good faith effort";
- 6) Monitoring, verifying and notify with regard to compliance;
- 7) Moderate Section 3 complaints;
- 8) Collect all applicable forms and reports;
- 9) Report all required data to HUD.

The subrecipient must comply with Section 3 requirements in its own operation. This responsibility includes:

- 1) Notifying Section 3 residents and business concerns about jobs and contracts generated by Section 3 covered assistance so that they may submit bids / proposals for available contracts and jobs opening with the subrecipient;
- 2) Notify potential contractors of Section 3 requirements;
- 3) Include the Section 3 Clause in all applicable contracts;
- 4) Document action(s) taken to meet the numerical goals.
- 5) Complete and submit the applicable forms shown in Exhibits A, B, and C when the assistance exceeds \$200,000.
- 6) Subrecipients have a responsibility to “ensure compliance” of their contractors and subcontractors. This means that a subrecipient must:
 - a. Notify contractors of their responsibilities under Section 3 including, but not limited to, incorporating the Section 3 Clause in all contract documents;
 - b. Refrain from contracting with subcontractors as to whom they have received notice or have knowledge that the subcontractors have been found in violation of the requirements of 24 CFR Part 135;
 - c. Respond to Section 3 complaints;
 - d. Cooperate with Sweet Home and HUD in obtaining compliance of contractors and subcontractors when allegations are made of non-compliance.
 - e. Complete and submit the applicable forms shown in Exhibits A, B, and C when the assistance exceeds \$100,000.

All contractors must comply with Section 3 by doing the following:

- 1) Notify subcontractors of their responsibilities under Section 3 including, but not limited to, incorporating Section 3 Clause in subcontract documents;
- 2) Refrain from contracting with subcontractors as to whom they have received notice or have knowledge that the subcontractors have been found in violation of the requirements of 24 CFR Part 135;
- 3) Maintain records that document a good faith effort to utilize Section 3 residents and business concerns. This is required of both contractor and subcontractor;
- 4) Document action(s) taken to meet the numerical goals;
- 5) Complete and submit the applicable forms shown in Exhibits A, B, and C when the assistance exceeds \$100,000.

NON-SECTION 3 BUSINESSES

Subrecipients, contractors, and subcontractors will, to the greatest extent feasible, offer contracting opportunities to Section 3 business concerns. However, in the event no Section 3 business bids on a contract,

or bids but is not able to demonstrate to the City's satisfaction that it has the ability to perform successfully under the terms and conditions of the proposed contract, then that contract will be awarded to a non-Section 3 business concern that can meet the terms and conditions of the proposed contract through the competitive bidding process.

That business concern must meet, as all business must (including Section 3 businesses), the general conditions of compliance (refer to Section 3 Clause [Construction Contracts] and Section 3 Clause [Non-Construction Contracts]). This will include:

1. Submitting a list of all positions necessary to complete contract, name of employees who will fill those positions, names of all other employees.
2. Posting notices of any vacant positions, including training and/or apprenticeship positions, qualifications for positions, place where applications will be received and starting date of employment.
3. To the greatest extent possible, making available vacant positions, including training and/or apprenticeship positions, to Section 3 residents (all categories) in order to priority.
4. As positions are vacated during completion of contract, following guidelines enumerated in numbers 2 and 3 above.
5. Submitting Compliance Reports as required.
6. If notified of non-compliance, correcting non-compliance within allowable time period.

SECTION 3 CLAUSE

All subrecipients, contractors, and subcontractors shall include the "Section 3 Clause" in all applicable covered bids and distribute the appropriate forms related to the below paragraph to all interested parties prior to the opening of bids and entering into contracts.

At a minimum, contractors shall complete the applicable forms shown in Exhibits A, B, and C at the bid opening. Forms shall be verified by the City or subrecipient prior to the bid opening. The tasks will ensure the contractor understanding of the applicability of Section 3 requirements to the project.

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of

apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

COMPLAINT PROCEDURE

In an effort to resolve complaints generated due to non-compliance through an internal process, Sweet Home encourages submittal of such complaints to its Section 3 Coordinator. A complaint of non-compliance shall be provided in writing and must contain the name of the complainant and a brief description of the alleged violation of 24 CFR Part 135.

Complaints must be filed within thirty (30) days after the complainant becomes aware of the alleged violation. An investigation will be conducted if the complaint is found to be valid. The City will conduct an informal, but thorough investigation affording all interest parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint. The City will provide written documentation detailing the findings of the investigation no later than thirty (30) days after the filing of the complaint.

If the complainant wishes to have their concerns considered outside Sweet Home, a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity
US Department of Housing & Urban Development
451 Seventh Street, SW
Washington, DC 20410

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

ENFORCEMENT AND MONITORING

To enforce the decision-making process pertaining to determining applicable percentages for resident hiring, enforcement strategies are set forth below.

During the post award or pre-bid conference, the objective shall be to impact critical Section 3 information to the contractor prior to commencement of the work/project. The following contract requirements shall be discussed in detail: (Non-construction contracts does not require Davis-Bacon)

Davis-Bacon

Minority and Women Owned Business Participation Resident Hiring Professional

Each representative will define specific functional requirements and require the contractor to certify its understanding of the terms and conditions of the contract as they pertain to Davis-Bacon, resident hiring and Minority and Women Owned Business participation.

The function of monitoring and enforcing resident hiring will be carried out by the Sweet Home Section 3 Coordinator, including all field activities.

DEFINITIONS

Business Concern – a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contractor - any entity which contracts to perform work generated the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing Development – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.

HUD Youthbuild Programs – programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

Low-income person – families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Office of Management and Budget, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

Metropolitan Area – a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

New Hires – full-time employees for permanent, temporary or seasonal employment opportunities.

Recipient – any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management

corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Section 3 – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Business Concern – a business concern:

- 1) That is 51 percent or more owned by Section 3 resident; or
- 2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- 3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

Section 3 Covered Assistance –

- 1) Public housing development assistance provided pursuant to Section 5 of the 1937 Act;
- 2) Public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- 3) Public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
- 4) Assistance provided under any HUD housing or community development program that is expended for housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Clause – the contract provisions set forth in Section 135.38.

Section 3 Covered Contracts – a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

Section 3 Covered Project - the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Resident - persons who live in the area where a HUD-assisted project is located and who have a household income that falls below HUD's income limits (see application for current income limits). Low income is defined as 80% or below the area median income of the area. Very low income is defined as 50% or below the median income of the area. See accompanying Table for income limits set by HUD for Sweet Home.

Service area - the area where a HUD-assisted project is located. It is a geographical area in which the persons benefiting from the Section 3 covered project reside. *The service area does not extend outside of Sweet Home.*

Subcontractor – any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Subrecipient - an organization receiving HUD funds from Sweet Home (recipient) for a housing and community development related project.

Very low-income person – families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.

EXHIBIT A

Sweet Home RESIDENT EMPLOYMENT OPPORTUNITY DATA ELIGIBILITY FOR PREFERENCE CERTIFICATION FORM

Eligibility for Preference

A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

Certification for Resident Seeking Section 3 Preference in Training and Employment

I, _____, am a legal resident of Sweet Home, Oregon and certify that I meet the income eligibility guidelines for a low- or very-low-income person as published on the reverse.

My permanent address is: _____

I have attached the following documentation as evidence of my status:

- a. Copy of lease demonstrating proof of residency in a public housing development
- b. Copy of receipt of public assistance such as a Section 8 certificate or voucher
- c. Copy of evidence of participation in a public assistance program such as Youthbuild, JTPA, Job Corps etc.
- d. Income tax records
- e. Other

Signature: _____

Print Name: _____ Date: _____

SECTION 3 INCOME LIMITS

All residents of public housing developments qualify as Section 3 residents. Additionally, individuals residing in Sweet Home who meet the income limits set forth below, can also qualify for Section 3 status. A picture identification card and proof of current residency is required.

Number in Household	Very Low Income	Low Income
1 individual	\$16,175	\$32,350
2 individual	\$18,475	\$36,950
3 individual	\$20,775	\$41,550
4 individual	\$23,075	\$46,150
5 individual	\$24,925	\$49,850
6 individual	\$26,775	\$53,550
7 individual	\$28,625	\$57,250

EXHIBIT C

INSTRUCTIONS FOR COMPLETING THE SECTION 3 OPPORTUNITIES PLAN (SERVICE & PROFESSIONAL CONTRACTS)

The purpose of Section 3 is to ensure that jobs and economic opportunities generated by HUD financial assistance for housing and community development programs shall be directed to low and very low income persons, particularly those who are recipients of government assistance for housing and business concerns which provide economic opportunities to low and very low income persons.

Section I

The Section 3 Opportunities Plan is to be completed for construction and professional service contracts. There are four (4) ways in which Section 3 can be fulfilled. They are listed in order of preference:

1. Subcontract or joint venture with a Section 3 resident owned business. The business must be 51% or more owned by Section 3 residents or Subcontractor/joint venture with a business whose permanent full-time employees include persons at least 30% of whom are currently Section 3 residents or within 3 three years of the date of first employment with the business concern were Section 3 residents, or
2. Direct hiring Section 3 residents of the service area or the neighborhood in which the covered project is located, or
3. Incur the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth. Such training shall be determined after consultation with the Section 3 Coordinator of Sweet Home,
4. Contribute to a Section 3 resident educational fund in an amount commensurate with the sliding scale included in the Section 3 Conditions.

If a prime contractor is unable to satisfy the Section 3 resident hiring requirements per the above, the requirements may be satisfied through any subcontractors that may be involved in the project:

1. If the (sub)contractor has identified a resident owned business or a business which employs 30% or more Public Housing or Neighborhood residents, this paragraph is to be completed by indicating the number of resident owned businesses that will be used on the contract/spec number shown at the end of the paragraph.
2. If the (sub)contractor plans to hire Public Housing or Neighborhood residents to work for its company, paragraph two (2) must be completed with the contract/spec number and the percentage of compliance in hiring the resident(s).

For example, if your contract amount is \$100,000.00, the Section 3 dollar amount that must be expended is 10% of your labor dollars or \$10,000.00. If the whole dollar amount is to be expended on the resident's salary, then 100% is to be inserted on the percent line. If a percentage amount less than 100% will be expended on the resident's salary, that amount must be inserted on the line and the remaining percentage must be expended through subcontracting/joint venturing with a resident owned business or a business that employs 30% or more residents, or placed into _____ Section 3 Resident Educational Fund. In which case, the corresponding paragraph must be completed.

3. If the (sub)contractor has exhausted the first two (2) options, then the full amount of the contractor's Section 3 obligations will be placed into _____ Resident Educational Fund, in which case paragraph three (3) must be completed and paragraphs one (1) and two (2) will contain zeroes in the percentage lines.

Section II

The second portion of the Section 3 Opportunities Plan begins with the specification or request for proposal title and number.

Section III

The third section is to be completed by listing current staff to be used to complete the work bid upon.

1. List the job titles,
2. Complete the Needed column if additional staff will be required to fulfill the classification,
3. In the Total column, list the total number of staff plus the number needed,
4. In the _____ and low and very low income area residents (LIAR) columns, list the number of current staff who are residents of _____ public housing, or who are low or very low income neighborhood residents,
5. In the To Be Filled column, list the number of positions that fit into the low and very low-income _____ public housing residents _____ and low and very (LIAR) who will be hired.
6. In the Hiring Goal column, list the number of _____ Public Housing residents or LIAR you intend to hire.

Section IV

The final section is to be completed after the contract has been awarded, interviews have taken place and residents have been hired. The completed Section 3 Opportunities Plan must be submitted to the Sweet Home Section 3 Coordinator.

Each contractor is required to attend a pre-construction conference with the Sweet Home Section 3 coordinator where contractual obligations will be explained, the contractor's Section 3 dollar amount will be determined, and the contractor's hiring goals will be discussed. The Section 3 coordinator will refer qualified residents to be interviewed by the contractor.

The Section 3 Opportunities Plan that is submitted with the QBS/RFQ/RFP/IFB and the final copy that is submitted to the Section 3 Coordinator must be signed and include the title of person executing the plan.

SECTION 3 OPPORTUNITIES PLAN

Business Opportunities and Employment Training of Sweet Home Public Housing Residents and Low and Very Low Income Neighborhood Residents

Section I. Opportunities Plan

The Contractor has identified _____ Section 3 resident owned business(es) or _____ business(es) which employ 30% or more Section 3 residents to comply with _____% of its Section 3 requirements covered under Contract# _____. (Option 1)

Alternately, the Contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135.1 et seq. and Sweet Home _____ Section 3 plan implemented through Resolution #_____ dated _____. The Contractor hereby submits this document to identify employment opportunities for Section 3 public housing residents and low and very low-income area residents, during the term of the contract between the Contractor and Sweet Home. The Contractor affirms that the jobs identified shall be for meaningful employment that may or may not be related to the scope of services covered under Contract # _____. The Contractor has committed to employ the following in order to comply with _____% of its Section 3 requirements. (Option 2)

The above percentage(s) for Option 1 and 2 equal(s) 50% of the Contractor's Section 3 obligations. Option three (3) on page 1 of the instructions equal 25% of compliance and Option four (4) on page 1 of the instructions equals 25% of compliance. You may choose one option to comply or all; however, total compliance must equal 100%. The Contractor hereby agrees by signing below that any remaining percentages will be deducted from payouts placed in the _____ Section 3 Educational Fund.

Section II. Labor Survey

Project Title: _____

Job Title: _____

Local Contract/Agreement Number: _____

Job Title (1)	Needed (2)	Number of Positions			Hiring Goal		
		Total (a)	LICSDR(b)	LIAR (c)	To be Filled (4)	LICSDR (a)	LIAR (b)

Section III. Resident List

Section 3 resident employee information (jobs to be filled)

Job Title	LICSPHAR or LIAR Name	Address	Social Security Number

LICSPHAR= Low and very low income public housing authority resident
 LIAR= Low and Very low income area resident

Please check the Option(s) that describe your contracting efforts:

- Option 1: Subcontract with Section 3 Business(es) – 25%
- Option 2: Hire Section 3 residents/participants – 25%
- Option 3: I have a training program in place and am willing to train _____ residents – 25%
- Option 4: Contribute to the _____ training/educational fund for resident training – 25%

In the event I am awarded the contract, I have the option to submit my check in the compliance amount of the start of contract date, or allow _____ to deduct payment from my draw requests. (Compliance amount is based upon the labor dollars of the contract award.)

You may comply by choosing one or all options. Remember your compliance must be equal to 100% as noted on page 1, paragraph three (3), or any remaining percentages will be deducted from payouts and placed in the _____ resident training/educational fund account.

The failure of the contractor to comply with the above-approved plan shall be a material breach of the contract.

 Contractor's Signature and Title

Date: _____

SECTION 3 OPPORTUNITIES PLAN CERTIFICATION

NAME OF PRIME CONTRACTOR/ PROFESSIONAL SERVICES PROVIDER: _____

Local contract/.Agreement

#: _____

CONTRACT

Name: _____

WARNING: THIS DOCUMENT IS REQUIRED FOR ALL CONSTRUCTION OR LABOR RELATED PROCUREMENTS AND PROFESSIONAL SERVICE AGREEMENTS.

The Contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135.38 implementing Section 3 requirements. The contractor hereby submits this Section 3 Opportunities Plan. The Contractor shall provide a status report identifying its progress in meeting the Section 3 goals established in this Section 3 Opportunities Plan on a quarterly basis throughout the contract period. The quarterly status report shall be submitted no later than 10 days after the end of each calendar quarter of the contract (e.g., April 10 for calendar quarter January 1 to March 31). The status report shall be in at least the same level of detail as the approved Section Opportunities Plan. For any goal not met, the report shall identify any other economic opportunities, which the contractor has provided, or intend to provide to Section 3 and neighborhood residents.

The failure of the Contractor to comply with the approved plan shall be a material breach of the contract. Each Bidder/Proposer for a construction or labor related contract and professional services agreement must complete the Section 3 Opportunities Plan and submit all relevant information required herein. A prime contractor, through its' subcontractors may satisfy the Section 3 Resident Hiring Requirements. Please complete the Skill Needs Table in Section 1 of Section 3 Opportunities Plan in the following columns.

1. Indicate each category of employment for all phase of this contract;
2. The number of positions which will be needed in each category;
3. How many of those positions are currently filled;
 - a. The number filled by neighborhood residents, excluding _____ and _____ residents;
 - b. The number filled by Public Housing residents;
 - c. How many positions need to be filled;
4. Indicate your goal for the number of positions you intend to fill with:
 - a. Section 3 Residents
 - b. Low and Very low income area residents.

NOTE: The minimum of trainees is that which can reasonably be utilized in each occupation, and no less than the number established by the U.S. Secretary of Labor for construction and non-construction labor related occupations. The contractor shall fill all vacant positions with low-income persons (earning less than 80% of the median income in Sweet Home and these positions shall not be filled immediately prior to undertaking work in order to circumvent regulations as set forth at 24 C.F.R. Part 135 et seq: as amended.

II. SECTION 3 BUSINESSES SUBCONTRACTING OPPORTUNITIES

In a one (1) page letter on your company's letterhead:

1. Indicate the goals, expressed in terms of percentage of planning subcontracting dollars, for the use of Section 3 business concerns as subcontractors.
2. A statement of the total dollar amount to be subcontracted, total dollar amount to be subcontracted to Section 3 business concerns for building trades, and total dollar amount to be subcontracted to Section 3 business concerns for other than building trades work (maintenance, repair, modernization and redevelopment).
3. A description of the method used to develop the goals above and the efforts to be undertaken by the Contractor to meet those goals.

Acknowledged by:

(President or Authorized Officer)

Date: _____