



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: June 29, 2022

Department: Board of Commissioners

Agenda Planning Date:

Time required:

15 min

☒ Audio/Visual aids PowerPoint

Contact: Tim Glisson

Phone: 503-302-4700

Department Head Signature:

TITLE

Multiple Resolutions approving Community Development Block Grant/HOME Investment Partnerships Program Manuals/Policies/Plans/and or Procedures

Issue, Description & Background

Under the Federal Community Development Block Grant and HOME Investment Partnerships Program Marion County must have various written manuals/policies/procedures/plans to administer its program. The required list include the following:

Resolution approving the Community Development Block Grant Program Manual
the CDBG Program Manual for Public Services
the CDBG Acquisition and Construction Projects Program Manual

Resolution approving the HOME Program Policy and Procedure Manual

Resolution approving the Affirmative Marketing Policy

Resolution approving the Violence Against Womens Act Transfer Plan

Resolution approving the Residential Anti-Displacement and Relocation Assistance Plan (RARAP)

Resolution approving the Limited English Proficiency Plan (Language Access Plan)

Resolution approving the Section 3 Plan

Financial Impacts:

none

Impacts to Department & External Agencies

none

Options for Consideration:

A.) Approve each Resolution
B.) Do Not Approve each Resolution

Recommendation:

Recommend Approval of each Resolution

List of attachments:

Resolutions for each Program Manual/Policy/Plan and or Procedure

Presenter:

Tim Glisson

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

WHEREAS it is requirement that Marion County to the greatest extent feasible shall also ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to section 3 workers residing within the service area or the neighborhood of the project; and therefore

IT IS HEREBY ORDERED that the Board of Commissioners adopt the Section 3 Plan for projects pertaining to the Community Development Block Grant and HOME Investment Partnerships Program.

DATED at Salem, Oregon, this 22nd day of June 2022.

MARION COUNTY BOARD OF COMMISSIONERS

Chair

Commissioner

Commissioner

This content is from the eCFR and is authoritative but unofficial.

Title 24 - Housing and Urban Development

Subtitle A - Office of the Secretary, Department of Housing and Urban Development

Part 75 Economic Opportunities for Low- and Very Low-Income Persons

Subpart A General Provisions

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PART 75 - ECONOMIC OPPORTUNITIES FOR LOW- AND VERY LOW- INCOME PERSONS

Authority: 12 U.S.C. 1701u; 42 U.S.C. 3535(d).

Source: 85 FR 61562, Sept. 29, 2020, unless otherwise noted.

Subpart A - General Provisions

§ 75.1 Purpose.

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

§ 75.3 Applicability.

- (a) **General applicability.** Section 3 applies to public housing financial assistance and Section 3 projects, as follows:
- (1) **Public housing financial assistance.** Public housing financial assistance means:
 - (i) Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);
 - (ii) Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;
 - (iii) Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and
 - (iv) The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in paragraphs (a)(1)(i) through (iii) of this section.
 - (2) **Section 3 projects.**
 - (i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.
 - (ii) The Secretary must update the thresholds provided in paragraph (a)(2)(i) of this section not less than once every 5 years based on a national construction cost inflation factor through FEDERAL REGISTER notice not subject to public comment. When the Secretary finds it is warranted to ensure compliance with Section 3, the Secretary may adjust, regardless of the national construction cost factor, such thresholds through FEDERAL REGISTER notice, subject to public comment.
 - (iii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.
- (b) **Contracts for materials.** Section 3 requirements do not apply to material supply contracts.

- (c) **Indian and Tribal preferences.** Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of this part.
- (d) **Other HUD assistance and other Federal assistance.** Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

§ 75.5 Definitions.

The terms *HUD*, *Public housing*, and *Public Housing Agency (PHA)* are defined in 24 CFR part 5. The following definitions also apply to this part:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.

Contractor means any entity entering into a contract with:

- (1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or
- (2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in § 75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

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

Section 3 business concern means:

- (1) A business concern meeting at least one of the following criteria, documented within the last six-month period:
 - (i) It is at least 51 percent owned and controlled by low- or very low-income persons;
 - (ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

- (iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- (2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.
- (3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 project means a project defined in § 75.3(a)(2).

Section 3 worker means:

- (1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - (i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
 - (ii) The worker is employed by a Section 3 business concern.
 - (iii) The worker is a YouthBuild participant.
- (2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.
- (3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in §§ 75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

§ 75.7 Requirements applicable to HUD NOFAs for Section 3 covered programs.

All notices of funding availability (NOFAs) issued by HUD that announce the availability of funding covered by § 75.3 will include notice that this part is applicable to the funding and may include, as appropriate for the specific NOFA, points or bonus points for the quality of Section 3 plans.

Subpart B - Additional Provisions for Public Housing Financial Assistance

§ 75.9 Requirements.

(a) *Employment and training.*

- (1) Consistent with existing Federal, state, and local laws and regulations, PHAs or other recipients receiving public housing financial assistance, and their contractors and subcontractors, must make their best efforts to provide employment and training opportunities generated by the public housing financial assistance to Section 3 workers.
- (2) PHAs or other recipients, and their contractors and subcontractors, must make their best efforts described in paragraph (a)(1) of this section in the following order of priority:
 - (i) To residents of the public housing projects for which the public housing financial assistance is expended;
 - (ii) To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;
 - (iii) To participants in YouthBuild programs; and
 - (iv) To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

(b) *Contracting.*

- (1) Consistent with existing Federal, state, and local laws and regulations, PHAs and other recipients of public housing financial assistance, and their contractors and subcontractors, must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers.
- (2) PHAs and other recipients, and their contractors and subcontractors, must make their best efforts described in paragraph (b)(1) of this section in the following order of priority:
 - (i) To Section 3 business concerns that provide economic opportunities for residents of the public housing projects for which the assistance is provided;
 - (ii) To Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by the PHA that is providing the assistance;
 - (iii) To YouthBuild programs; and
 - (iv) To Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

§ 75.11 Targeted Section 3 worker for public housing financial assistance.

- (a) **Targeted Section 3 worker.** A Targeted Section 3 worker for public housing financial assistance means a Section 3 worker who is:
- (1) A worker employed by a Section 3 business concern; or
 - (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - (i) A resident of public housing or Section 8-assisted housing;
 - (ii) A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
 - (iii) A YouthBuild participant.
- (b) [Reserved]

§ 75.13 Section 3 safe harbor.

- (a) **General.** PHAs and other recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary, if they:
- (1) Certify that they have followed the prioritization of effort in § 75.9; and
 - (2) Meet or exceed the applicable Section 3 benchmarks as described in paragraph (b) of this section.
- (b) **Establishing benchmarks.**
- (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the FEDERAL REGISTER. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the type of public housing financial assistance, or other variables. HUD will update the benchmarks through a document published in the FEDERAL REGISTER, subject to public comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of PHAs and other recipients meeting benchmarks, as well as other metrics reported pursuant to § 75.15 as deemed appropriate by HUD, for the 3 most recent reporting years.
 - (2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per § 75.15(a)(4).
 - (3) Section 3 benchmarks will consist of the following two ratios:
 - (i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers funded by public housing financial assistance in the PHA's or other recipient's fiscal year.
 - (ii) The number of labor hours worked by Targeted Section 3 workers, as defined in § 75.11(a), divided by the total number of labor hours worked by all workers funded by public housing financial assistance in the PHA's or other recipient's fiscal year.

§ 75.15 Reporting.

(a) *Reporting of labor hours.*

- (1) For public housing financial assistance, PHAs and other recipients must report in a manner prescribed by HUD:
 - (i) The total number of labor hours worked;
 - (ii) The total number of labor hours worked by Section 3 workers; and
 - (iii) The total number of labor hours worked by Targeted Section 3 workers.
- (2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to § 75.31.
- (3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked with public housing financial assistance in the fiscal year of the PHA or other recipient, including labor hours worked by any contractors and subcontractors that the PHA or other recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.
- (4) PHAs and other recipients reporting under this section, as well as contractors and subcontractors who report to PHAs and recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the PHA, other recipient, contractor, or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.
- (5) PHAs and other recipients may report on the labor hours of the PHA, the recipient, a contractor, or a subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) *Additional reporting if Section 3 benchmarks are not met.* If the PHA's or other recipient's reporting under paragraph (a) of this section indicates that the PHA or other recipient has not met the Section 3 benchmarks described in § 75.13, the PHA or other recipient must report in a form prescribed by HUD on the qualitative nature of its Section 3 compliance activities and those of its contractors and subcontractors. Such qualitative efforts may, for example, include but are not limited to the following:

- (1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- (2) Provided training or apprenticeship opportunities.
- (3) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- (4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- (5) Held one or more job fairs.

- (6) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
- (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- (8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- (9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- (10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- (11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- (13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- (14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.
- (c) **Reporting frequency.** Unless otherwise provided, PHAs or other recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, in a manner consistent with reporting requirements for the applicable HUD program.
- (d) **Reporting by Small PHAs.** Small PHAs may elect not to report under paragraph (a) of this section. Small PHAs that make such election are required to report on their qualitative efforts, as described in paragraph (b) of this section, in a manner consistent with reporting requirements for the applicable HUD program.

§ 75.17 Contract provisions.

- (a) PHAs or other recipients must include language in any agreement or contract to apply Section 3 to contractors.
- (b) PHAs or other recipients must require contractors to include language in any contract or agreement to apply Section 3 to subcontractors.
- (c) PHAs or other recipients must require all contractors and subcontractors to meet the requirements of § 75.9, regardless of whether Section 3 language is included in contracts.

Subpart C - Additional Provisions for Housing and Community Development Financial Assistance

§ 75.19 Requirements.

- (a) **Employment and training.**
 - (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.
 - (2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

- (i) Section 3 workers residing within the service area or the neighborhood of the project, and
- (ii) Participants in YouthBuild programs.

(b) **Contracting.**

- (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.
- (2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:
 - (i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
 - (ii) YouthBuild programs.

§ 75.21 Targeted Section 3 worker for housing and community development financial assistance.

- (a) **Targeted Section 3 worker.** A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:
 - (1) A worker employed by a Section 3 business concern; or
 - (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - (i) Living within the service area or the neighborhood of the project, as defined in § 75.5; or
 - (ii) A YouthBuild participant.
- (b) [Reserved]

§ 75.23 Section 3 safe harbor.

- (a) **General.** Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:
 - (1) Certify that they have followed the prioritization of effort in § 75.19; and
 - (2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.
- (b) **Establishing benchmarks.**
 - (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the FEDERAL REGISTER. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the nature of the Section 3 project, or other variables. HUD will update the benchmarks through a document published in the FEDERAL REGISTER, subject to public comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of recipients meeting benchmarks, as well as other metrics reported pursuant to § 75.25 as deemed appropriate by HUD, for the 3 most recent reporting years.

- (2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per § 75.25(a)(4).
- (3) Section 3 benchmarks will consist of the following two ratios:
 - (i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.
 - (ii) The number of labor hours worked by Targeted Section 3 workers as defined in § 75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

§ 75.25 Reporting.

(a) *Reporting of labor hours.*

- (1) For Section 3 projects, recipients must report in a manner prescribed by HUD:
 - (i) The total number of labor hours worked;
 - (ii) The total number of labor hours worked by Section 3 workers; and
 - (iii) The total number of labor hours worked by Targeted Section 3 workers.
- (2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to § 75.31.
- (3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.
- (4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.
- (5) Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

- (b) ***Additional reporting if Section 3 benchmarks are not met.*** If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in § 75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:
- (1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
 - (2) Provided training or apprenticeship opportunities.
 - (3) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
 - (4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
 - (5) Held one or more job fairs.
 - (6) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
 - (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
 - (8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
 - (9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
 - (10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
 - (11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
 - (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
 - (13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
 - (14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.
- (c) ***Reporting frequency.*** Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

§ 75.27 Contract provisions.

- (a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.
- (b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of § 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Subpart D - Provisions for Multiple Funding Sources, Recordkeeping, and Compliance

§ 75.29 Multiple funding sources.

- (a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to § 75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:
 - (1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and
 - (2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:
 - (i) The total number of labor hours worked on the project;
 - (ii) The total number of labor hours worked by Section 3 workers on the project; and
 - (iii) The total number of labor hours worked by Targeted Section 3 workers on the project.
- (b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in § 75.3(a)(2), the recipient or recipients must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§ 75.31 Recordkeeping.

- (a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.
- (b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:
 - (1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:
 - (i) A worker's self-certification that their income is below the income limit from the prior calendar year;
 - (ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
 - (iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
 - (iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

- (v) An employer's certification that the worker is employed by a Section 3 business concern.
- (2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:
 - (i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:
 - (A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;
 - (B) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
 - (C) An employer's certification that the worker is employed by a Section 3 business concern; or
 - (D) A worker's certification that the worker is a YouthBuild participant.
 - (ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:
 - (A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;
 - (B) An employer's certification that the worker is employed by a Section 3 business concern; or
 - (C) A worker's self-certification that the worker is a YouthBuild participant.
- (c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.
- (d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

§ 75.33 Compliance.

- (a) **Records of compliance.** Each recipient shall maintain adequate records demonstrating compliance with this part, consistent with other recordkeeping requirements in 2 CFR part 200.
- (b) **Complaints.** Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.
- (c) **Monitoring.** HUD will monitor compliance with the requirements of this part. The applicable HUD program office will determine appropriate methods by which to oversee Section 3 compliance. HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found.



Section 3 Plan

Marion County Board of Commissioners Office



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General Policy Statement

It is the policy of the Marion County Board of Commissioners to require its contractors and vendors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's status, marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

Marion County Board of Commissioners implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of Marion County and other qualified low-and very low-income persons residing in the Marion County CDBG & HOME Grant Program Service Area.

The policy shall result in a reasonable level of success in recruitment, employment, and utilization of Marion County CDBG & HOME Grant Program Service Area residents and other eligible persons and business by Marion County contractors working on contracts partially or wholly funded with the United State Department of Housing and Urban Development (HUD) monies. The Marion County Board of Commissioners shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to Marion County residents prior to acting on any proposed contract award.

Section 3 Purpose

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires Marion County Board of Commissioners to ensure that employment and other economic business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low-and very-low income persons.

Section 3 Contracting Policy and Procedure

The Marion County Board of Commissioners will incorporate Section 3 in its existing Procurement Policy and adopt a Section 3 Contracting Policy and Procedure to be included in all procurements generated for use with HUD funding. This policy and procedure contain goal requirements for awarding contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals to the Marion County CDBG & HOME Grant Program, be required to complete certifications, as appropriate, in acknowledgement of the Section 3 contracting and employment provisions

required by this section. Such certifications shall be adequately supported with appropriate documentation as referenced in the form.

The existing Procurement Policy also contains goal requirements for awarding contracts to Small Disadvantaged Businesses, formerly Minority and Women Business Enterprises (M/WBE).

Section 3 Action Plan

The Marion County Board of Commissioners will develop a Section 3 Action Plan to identify the goals, objectives and actions that will be implemented to ensure compliance with the requirements of Section 3.

Marion County Board of Commissioners intent in developing this plan is to include input from various County departments and HUD. Where, applicable, input from other agencies and companies will be included.

1. Employment & Training Goals

It is the policy of the Marion County Board of Commissioners to utilize residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). Marion County Board of Commissioners has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (Reference 24 CFR 135.30 – Numerical goal for meeting the greatest extent feasible requirement). The numerical goal is: Thirty percent (30%) of the aggregate number of new hires in any fiscal year.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals were not feasible. All contractors submitting bids or proposals to the Marion County CDBG & HOME Grant Program are required to certify that they comply with the requirements of Section 3.

The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects. The Section 3 Clause must be included in all Section 3 covered projects. The Section 3 Contract Clause is included in Exhibit 3.

2. Program Participant Certification Procedure

The Marion County CDBG & HOME Grant Program Manager will certify Section 3 program participants who reside in the Marion County CDBG & HOME Grant Program Service Area and who are seeking preference in training and employment by completing and attaching adequate proof of Section 3 eligibility, as required (see Exhibit 3 – Section 3 Participant Eligibility for Preference form).

- Section 3 Program participants, who reside in the Marion County CDBG & HOME Grant Program Service Area and who are seeking preference in training and employment must complete the attached adequate proof of Section 3 Eligibility and submit to the CDBG & Home Grant Program Manager.

- If a Section 3 business concern seeks assistance with meeting the Section 3 resident hiring requirements, the CDBG & HOME Grant Program Manager may provide a list of certified program participants.
- It is the responsibility of the contractor to determine if the individual is job ready. The contractor must inform the CDBG & HOME Grant Program Manager whether the individual is job ready.
- If the individual is not job ready, then a referral may be made other agencies that are better equipped to address the individual's needs.

3. Resident Hiring Requirements

The Marion County Board of Commissioners has adopted the following scale for resident hiring that is to be used on all construction contracts, service contracts, and professional service contracts that contain a labor component, which are partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). It is expected that an appropriate number of residents with certain qualifications or a willingness to begin unskilled labor will be able to participate in Section 3 contracted labor efforts. A prime contractor may satisfy Section 3 resident hiring requirements through its subcontractors.

| TOTAL LABOR DOLLARS USE TOTAL CONTRACT AMOUNT FOR SERVICE CONTRACTS | RESIDENT AS A % OF TOTAL LABOR DOLLARS |
|--|---|
| Labor dollars \$25,000 but less than \$100,000 | 10% of the labor dollars |
| \$100,000, but less than \$200,000 | 9% of the labor dollars |
| At least \$200,000, but less than \$300,000 | 8% of the labor dollars |
| At least \$300,000, but less than \$400,000 | 7% of the labor dollars |
| At least \$400,000, but less than \$500,000 | 6% of the labor dollars |
| At least \$500,000, but less than \$1 million | 5% of the labor dollars |
| At least \$1 million, but less than \$2 million | 4% of the labor dollars |
| At least \$2 million, but less than \$4 million | 3% of the labor dollars |
| At least \$4 million, but less than \$7 million | 2% of the labor dollars |
| \$7 million or more | 1 – ½% of the labor dollars |

With this sliding formula, it is expected that an appropriate number of Section 3 residents and neighborhood residents with certain qualifications or willingness to begin unskilled labor will be able to participate in contracted labor efforts. A prime contractor, through its subcontractor(s), may satisfy Section 3 resident hiring requirement set forth above.

- a) Subcontract or joint venture with a resident owned business. The business must be 51% or more owned by Marion County Service Area residents, or subcontract/joint venture with a business that employs full-time, 30% or more Section 3 Program Participants or low and very-low -income individuals within the jurisdiction of Marion County, Oregon, or

- b) Direct hiring of Section 3 Program Participant residents and/or low and very low-income neighborhood residents based on the Resident Hiring Scale, or
- c) Contractor incurs the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth in the Resident Hiring Scale, or

4. Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals

The Marion County CDBG & HOME Grant Program Manager will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by:

- 1. Requiring the contractor to present a list to the Marion County CDBG & HOME Grant Program Manager, of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- 2. Providing contractors with a list of interested and qualified Section 3 residents for construction projects.
- 3. Providing contractors with a list of Section 3 business concerns interested and qualified for construction projects.
- 4. Reviewing the new hire clause with contractors and subcontractors to ensure that the requirement is understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 program participants before any other person, when hiring additional employees needed to complete proposed work performed with HUD (federal) funds.

5. Preference for Contracting with Section 3 Business Concerns

The Board of the Marion County Commissioners, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts to Section 3 business concerns in the priority order as listed:

- Category 1: Business concerns that are 51% or more owned by residents of the housing development for which the work is performed, or whose full-time, permanent workforce includes 30% of these persons as employees.
- Category 2: Business concerns that are 51% or more owned by residents of the Authority's public housing development(s) other than the housing development where the work is to be performed; or whose full-time permanent workforce includes 30% of these persons as employees.
- Category 3: HUD YouthBuild programs being carried out in Marion County, in which Section 3 covered assistance is expended.
- Category 4: Business concerns that are 51% or more owned by a Section 3 resident(s), or whose permanent, full-time workforce includes no less than 30%

- Section 3 residents (category 4 business); or that subcontract in excess of 25% of the total amount of subcontracts to Section 3 business concerns.
- Contractors and subcontractors are expected to the greatest extent feasible, efforts to achieve the numerical goals established by the Marion County Board of Commissioners.

Contractors and subcontractors are expected to the greatest extent feasible, efforts to achieve the numerical goals established by the Marion County Board of Commissioners.

Evidence of Section 3 Plan Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the Marion County Board of Commissioners, shall complete the Certification for Business Concerns Seeking Section 3 Preference in the Contracting and Demonstration of Capability form, which can be obtained from the Marion County CDBG & HOME Grant Program Manager. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program.

Certifications for Section 3 preference for business concerns must be submitted to the Marion County CDBG & HOME Grant Program Manager, prior to the submission of bids for approval. If the Marion County CDBG & HOME Grant Program Manager previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid.

Resident Owned Business Contracting

The Marion County Board of Commissioners will consider utilizing the alternative procurement process (Section 24 CFR Part 963) when contracting with businesses owned in substantial part by housing agency residents (resident-owned business) for public housing services, supplies or construction.

To be eligible for the alternative procurement process, a business must submit evidence to the Marion County CDBG & HOME Grant Program Manager that shows how each of the following requirements have been met:

- Submit certified copies of any city, state, or county municipal license that support the type of business activity for which it performs.
- Disclose to the Marion County CDBG & HOME Grant Program Manager, all owners of the business, as well as each owner's percentage of ownership and names of those individuals who possess the authority to make decisions on a day-to-day basis.
- Submit evidence that the business can perform successfully under the terms and conditions of the proposed contract.
- Provide a certified listing of all contracts awarded and received under the alternative procurement process within a two-year period. If a resident-owned business has received under this alternative contracting procedure one or more contracts (within the two-year

period) with total combined dollars of \$1,000,000, then it is no longer eligible for additional contracts under the alternative process until the 2-year period is past.

This alternative procurement policy is based upon the procurement procedure and policy set forth in HUD's regulations at 24 CFR, Part 85.36, but applies only to solicitations of resident-owned businesses. Marion County Board of Commissioners will utilize the alternative contracting procedure for resident-owned businesses only in cases where it is considered to be in the best businesses, economic and service interests of the authority.

Efforts to Award Contract Opportunities to Section 3 Business Concerns

The Marion County Board of Commissioners CDBG & HOME Grant Program Manager will use the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist.

- a) Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
- b) Provide written notice of contracting opportunities to all known Section 3 business concerns. The written notice will be provided in sufficient time in order to enable business concerns the opportunity to respond to the bid invitation.
- c) Conduct workshops on Section 3 contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner to allow Section 3
- d) business concerns the opportunity to take advantage of any upcoming contracting opportunities.
- e) Contact business assistance agencies in Marion County, Minority and Women's Business Enterprise (M/WBE) contractor associations and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 businesses.

Section 3 Residents Recruitment, Training, and Employment Resources

Marion County Board of Commissioners will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Training opportunities will be advertised by distributing flyers via mass mailings and posting in common areas of the housing developments.
- The resident councils, resident management corporations, as well as neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.

- Employment opportunities will be advertised by posting job vacancies in common areas of all of Marion County CDBG & HOME housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations.
- A provision for a specific number of public housing or Section 3 program participants to be trained or employed by the contractor will be incorporated into the contract.

Employment of Section 3 Program Participants

Residents experiencing problems with contractors should first communicate the problem to the employer. Residents and employers (contractors or subcontractors) should document problems when they occur and record all efforts to correct them. The written documentation of the problem should be submitted to the Marion County CDBG & HOME Program Manager.

In order to qualify for employment with contractors, residents must have their name(s) on a current lease agreement, be current on rent, be at least eighteen years of age, and not be involved in any legal action regarding: current documented eviction, criminal and drug activity, or trespassing.

Residents not interested in construction employment opportunities can be assessed for other skills including clerical, administrative, etc. and will have the opportunity to receive help with interviewing techniques, mock interviews, resume preparation, application assistance, employment leads, and how to dress for success when conducting a job search.

Residents interested in pursuing General Equivalency Diploma (GED) and continued training education will be referred to those resources.

Contractor's Requirements in Employing Section 3 participants:

Under the Marion County Section 3 Program, contractors and subcontractors are required to provide employment opportunities to Section 3 residents/participants in the priority order as listed:

- Category 1 – Section 3 Resident. Residents of the housing development or developments for which the contract shall be expended.
- Category 2 – Section 3 Resident. Residents of other housing developments managed by the Marion County Housing Authority.
- Category 3 – Section 3 Resident. Participants in HUD YouthBuild program being carried out in the project boundary area.
- Category 4 – Section 3 Resident. Residents of Section 8 of the Marion County Housing Authority as well as all other residents residing in the Marion County Service Area who meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).

After the award of contracts, the contractor must, prior to beginning work, inform Section 3 participants of the development at which the work will be performed, by providing the following:

1. Names of the Section 3 business concerns to be utilized.

2. Estimates of the number of employees to be utilized for contract.
3. Projected number of available positions, to include job descriptions and wage rates (construction wages consistent with Davis Bacon).
4. Efforts that will be utilized to seek Section 3 participants. (See Exhibit 2)

Contractors must notify the Marion County CDBG & HOME Grant Program Manager of their interests regarding employment of Section 3 participants prior to hiring. The Marion County CDBG & HOME Grant Program Manager will ensure that the participant is Section 3 eligible, by assessing the Section 3 database to ensure job readiness. Additionally, the Marion County legal department will be contacted to ensure that the individuals are not involved in any legal proceedings regarding current documented eviction, criminal and drug activity, or trespassing.

Contractors must also provide the following information:

1. A list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award.
2. Document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc., and provide this information to the Marion County CDBG/HOME Program Manager.
3. Immediately notify the Marion County CDBG/HOME Program Manager of any problems experienced due to the employment of Section 3 participants.
4. Immediately notify the Marion County CDBG & HOME Program Grant Manager if a participant quits, walks off, or is terminated for any reason. The contractor must provide written documentation to support any incidents should they occur to the Marion County CDBG/HOME Program Manager to determine if an investigation is warranted.

Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, the Marion County Board of Commissioners encourages submittal of such complaints to its Marion County Community Development Division Director as follows:

- a) Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135.
- b) Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- c) An investigation will be conducted if complaint is found to be valid. The Marion County Community Development Division Director will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.

- d) The Marion County Community Development Division Director will provide written documentation detailing the findings of the investigation of the complaint. The Marion County Legal Department will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than thirty (30) days after the filing of complaint.

If complainants wish to have their concerns addressed outside of Marion County, a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and 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.

Definitions

Applicant – Any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency 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.

Assistant – the Assistant Secretary for Fair Housing and Equal Opportunity.

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 Authority (HA) – Public Housing Agency.

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.

JTPA – The Job Training Partnership Act (29 U.S.C. 1579 (a)).

Low-income person – families (including single persons) whose incomes do not exceed 80 percent (80%) of the median 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 80 percent (80%) 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 (30%) 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 (25%) 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 work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).
5. 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 contracts do not include contracts awarded under HUD’s procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, when a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

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 – a public housing resident or an individual who resides in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and who is considered a low-to very low-income person.

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.

Very low-income person – families (including single persons) whose income do not exceed 50 percent (50%) 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 percent (50%) of the median for the area based on the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Section 3 Clause

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 or 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.
- g) With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act.

(25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Exhibit 1

CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY

Name of Business: _____

Address of Business: _____

Type of Business: ☐ Corporation ☐ Partnership
 ☐ Sole Proprietorship ☐ Joint Venture

Attached is the following documentation as evidence of status:

For Business claiming status as a Section 3 resident-owned enterprise:

- | | |
|---|---|
| <input type="checkbox"/> Copy of resident lease | <input type="checkbox"/> Copy of receipt of public assistance |
| <input type="checkbox"/> Copy of evidence of participation evidence in a public assistance program | <input type="checkbox"/> Other |

For business entity as applicable:

- | | |
|--|---|
| <input type="checkbox"/> Copy of Articles of Incorporation | <input type="checkbox"/> Certificate of Good Standing |
| <input type="checkbox"/> Assumed Business Name Certificate | <input type="checkbox"/> Partnership Agreement |
| <input type="checkbox"/> List of owners/stockholders & % of ownership of each | <input type="checkbox"/> Corporation Annual Report |
| <input type="checkbox"/> Organization chart with names & Titles | <input type="checkbox"/> Latest Board minutes appointing officers |
| | <input type="checkbox"/> Additional documentation & brief function statement |

For business claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:

- ☐ List of subcontracted Section 3 business(es) and subcontract amount

For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:

- | | |
|--|---|
| <input type="checkbox"/> List of all current full-time employees | <input type="checkbox"/> List of employees claiming Section 3 status |
| <input type="checkbox"/> PHA/IHA Residential lease less than 3 years from day of employment | <input type="checkbox"/> Other evidence of Section 3 status less than 3 years from date of Employment |

Evidence of ability to perform successfully under the terms and conditions of the proposed contract:

- ☐ Current financial statement
- ☐ Statement of ability to comply with public policy
- ☐ List of owned equipment
- ☐ List of all contracts for the past two years

Authorizing Name

(Corporate Seal)

Signature

Exhibit 2

THE MARION COUNTY BOARD OF COMMISSIONERS

RESIDENT EMPLOYMENT OPPORTUNITY DATA OF THE MARION COUNTY BOARD OF COMMISSIONERS

ELIGIBILITY FOR PREFERENCE

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, _____, and a legal resident of _____

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

☐ Copy of lease

☐ Copy of receipt of public assistance

☐ Copy of evidence of participation

☐ Other evidence

Signature: _____ Date: _____

Print Name: _____

THE MARION COUNTY BOARD OF COMMISSIONERS

SECTION 3 INCOME LIMITS

Individuals residing in the Marion County CDBG & HOME Service Area, 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.

| Eligibility Guideline | | |
|------------------------------|------------------------|-------------------|
| Number in Household | Very Low Income | Low Income |
| 1 individual | 24,750 | 39,600 |
| 2 individuals | 28,300 | 45,250 |
| 3 individuals | 31,850 | 50,900 |
| 4 individuals | 35,350 | 56,550 |
| 5 individuals | 38,200 | 61,100 |
| 6 individuals | 41,050 | 65,600 |
| 7 individuals | 43,850 | 70,150 |
| 8 individuals | 46,700 | 74,650 |

Current as of 1/22

SECTION 3

CONTRACTING POLICY

AND PROCEDURE

Exhibit 3

INTRODUCTION

It is the mission of the Marion County, Oregon Board Of Commissioners to provide a variety of safe, sanitary, accessible, decent, and affordable housing to the citizens of Marion County, Oregon while enhancing and promoting resident self-sufficiency.

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal State, and local laws and regulations, be directed to low and very-low income individuals, especially recipients of government assistance for housing, and to business concerns which provide economic opportunities to low and very- low income individuals. (Section 3 means section 3 of the Housing and Urban Development Act of 1968, as amended 12 U.S.C. 1701u).

Section 3 requirements apply to all contractors and subcontractors performing work in connection with projects and activities funded by public housing assistance covered by Section 3, regardless of the amount of the contract or subcontract. Section 3 covered contracts do not include contracts for the purchase of supplies and materials unless the contract includes the installation of the materials.

A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence that the business concern qualifies as a Section 3-business concern. (Refer to What is A Section 3 Business Concern?). The Section 3 business must also be able to demonstrate its ability to complete the contract. The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36, 24 CFR 85.36b(8).

Contractors who do not qualify as Section 3 business concerns, but who enter into contracts with the Marion County CDBG & HOME Grant Program, must agree to comply with certain general conditions (refer to Section 3 Clause). All contractors and subcontractors, including Section 3 businesses, must comply with these general conditions. Included in these conditions is the requirement that each contractor and subcontractor submit with each pay request a report of Section 3 compliance (refer to Section 3 Compliance Report). Failure to comply with these general conditions may lead to sanctions which can include termination of the contract for default and suspension or debarment from future HUD-assisted contracts (refer to Sanctions for Contractor's Noncompliance).

Please direct any questions you may have regarding this information to:

Tim Glisson, Contract Administrator
Marion County, Oregon

WHAT IS A SECTION 3 BUSINESS CONCERN?

A Section 3 Business Concern is a business concern, as defined in this section:

1. Is fifty-one percent (51%) or more owned by Section 3 residents: or
2. Whose permanent, full-time employees include persons, at least thirty percent (30%) 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 twenty-five percent (25%) of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in items (1) or (2) above.

Note: A business concern seeking to qualify for Section 3 shall certify and submit evidence that the business meets one of the guidelines stated above. (Refer to Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability Form – Exhibit 1)

WHO IS A SECTION 3 RESIDENT?

For purposes of the Marion County CDBG & HOME Grant Program, a Section 3 resident is:

1. A public housing resident.
2. An individual who lives with the Marion County CDBG & HOME Grant Program Service Area and whose income falls within the guidelines for low- or very low income.

ORDER OF PROVIDING PREFERENCE

SECTION 3 BUSINESS CONCERN

When considering the award of contracts to business concerns, and more than one Section 3 business concern is being considered, to the greatest extent possible, awards shall be made in the following order of priority:

1. A Section 3 business concern that is fifty-one percent (51%) or more owned by resident(s) of the public housing, or Marion County or whose full-time, permanent employees include at least thirty percent (30%) of the residents of the public housing development in which the work is directed:
2. A Section 3 business that is majority owned by resident(s) of other developments owned by The Marion County Housing Authority or Marion County, but not the housing development in which the work is directed, or whose full-time, permanent employees include at least thirty percent (30%) residents of other developments owned by The Marion County Housing Authority or Marion County, but not the housing development in which the work is directed.
3. HUD YouthBuild programs that are being carried out in the city in which the Section 3 covered assistance is expended.
4. A Section 3 business concern that is majority owned by a Section 3 resident who is not a public housing resident or whose permanent, full-time workforce includes no less than thirty percent (30%) Section 3 residents who are not public housing residents, or that subcontract in excess of twenty-five percent (25%) of the total amount of subcontracts to Section 3 business concerns.

Note: A Section 3 business concern seeking any of the above preferences shall submit evidence that it meets the guidelines of that preference.

WHAT IF MY BUSINESS DOES NOT QUALIFY AS A SECTION 3 BUSINESS?

The Marion County Board of Commissioners 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 Marion County's satisfaction that it can 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 feasible, 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 explained 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.

ORDER OF PROVIDING PREFERENCE EMPLOYMENT OF SECTION 3 RESIDENT

When considering the employment of a Section 3 resident, the following order of priority is followed as outlined in 24 CFR 135.32:

- Category 1 – Section 3 Resident. Residents of the housing development or developments in which the contract shall be expended.
- Category 2 – Section 3 Resident. Residents of other housing developments managed by the Marion County Housing Authority.
- Category 3 – Section 3 Resident. Participants in HUD YouthBuild program being carried out.
- Category 4 – Section 3 Resident. All other residents (including Section 8 recipients) of Marion County, Oregon Service Area, who meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).

In all cases, applicants must meet the minimum qualifications for the position. In no instance shall it be construed that preference is given to Section 3 residents who do not meet these minimum qualifications.

SECTION 3 INCOME

Individuals residing within the Marion County CDBG & HOME Grant Program Service Area of the housing development and who meet the income limits set forth below, can also qualify for Section 3 status.

| Number in Household | Very Low Income | Low Income |
|---------------------|-----------------|------------|
| 1 individual | 24,750 | 39,600 |
| 2 individuals | 28,300 | 45,250 |
| 3 individuals | 31,850 | 50,900 |
| 4 individuals | 35,350 | 56,550 |
| 5 individuals | 38,200 | 61,100 |
| 6 individuals | 41,050 | 65,600 |
| 7 individuals | 43,850 | 70,150 |
| 8 individuals | 46,700 | 74,650 |

Exhibit 4

SECTION 3 SPECIAL CONDITIONS

Marion County Board of Commissioners has initiated efforts to enhance resident hiring in specific procurement areas. These initiatives are designed to set the requirements for resident hiring and developing and/or strengthening administrative procedures for facilitating contractors' hiring of Marion County Section 3 residents, other low income and/or very low- income residents residing in the Marion County CDBG & HOME Grant Program Service Area.

1. Procurement Documents

Each bidder/proposer must include a Section 3 Opportunities Plan or a Schedule D which indicates its commitment to meet Section 3 resident hiring requirements.

If a bidder/proposer fails to submit a Section 3 Opportunities Plan or a Schedule D and the related data along with the bid/proposal, such bid/proposal will be declared as "non-responsive".

For Invitations for Bids ("IFB") where awards are made to the lowest, responsive, and responsible bidder, the bidder's commitment to satisfy Section 3 resident hiring requirements will be a factor used in determining whether the bidder is "responsive".

For RFQ's, RFP's and IFB's, contractors shall be required to detail the cost of the bid or proposal by separately categorizing contract cost by labor (person hours and dollar amounts).

2. Resident Hiring Requirements

In view of Marion County Board of Commissioner's desire to provide Section 3 residents and neighborhood residents with employment opportunities, the following scale for resident hiring will be utilized on all construction contracts, service contracts, and professional service contracts containing a "labor" component:

| TOTAL LABOR DOLLARS USE TOTAL CONTRACT AMOUNT FOR SERVICE CONTRACTS | RESIDENT AS A % OF TOTAL LABOR DOLLARS |
|--|---|
| At least \$25,000, but less than \$100,000 | 10% of the labor dollars |
| \$100,000, but less than \$200,000 | 9% of the labor dollars |
| At least \$200,000, but less than \$300,000 | 8% of the labor dollars |
| At least \$300,000, but less than \$400,000 | 7% of the labor dollars |
| At least \$400,000, but less than \$500,000 | 6% of the labor dollars |
| At least \$500,000, but less than \$1 million | 5% of the labor dollars |
| At least 1 million, but less than \$2 million | 4% of the labor dollars |
| At least 2 million, but less than \$4 million | 3% of the labor dollars |
| At least \$4 million, but less than \$7 million | 2% of the labor dollars |
| \$7 million or more | 1 – 1/2% of the labor dollars |

With this sliding formula, it is expected that an appropriate number Section 3 residents and neighborhood residents with certain qualifications or willingness to begin unskilled labor will be able to participate in contracted labor efforts. A prime contractor, through its subcontractor(s), may satisfy Section 3 Marion County's resident hiring requirements set forth above.

3. Enforcement

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.

4. Monitoring and Enforcement Authority and Responsibility

The function of monitoring and enforcing resident hiring will be carried out by the Marion County Community Development Division Director, including all field activities.

DEFINITION:

For participation in the Resident Hiring effort, a resident is defined as anyone who is residing in Marion County Housing Authority or Marion County CDBG & HOME developments, Section 8 residents, and individuals residing within the Marion County CDBG & HOME Grant Program Service Area who can be classified as low and very-low income.

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.

The Section 3 Opportunities Plan is to be completed for service and professional 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 resident owned business. The business must be 51% or more owned by _____, or _____ public housing residents, or subcontractors/joint venture with a business that employs full-time, 30% or more _____, or low and very-low income individuals with the Marion County CDBG & HOME Service Area, or
2. Direct hiring of _____ Housing Authority's _____ public housing residents and/or low and very-low-income neighborhood residents, 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 Marion County CDBG & HOME Program Manager.

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

In paragraph number one (1), if the (sub)contractor has identified a resident owned business or a business which employs 30% or more Section 3 residents, this paragraph is to be completed by indicating the number of residents owned businesses that will be used on the contract/spec number shown at the end of the paragraph.

If the (sub) contractor plans to hire Section 3 residents to work for its company, paragraph two (2) must be completed with the contract/spec numbers and percentages of compliance in hiring resident(s). For example, if your contract amount is \$100,000.00, the Section 3-dollar amount that must be expended is 10% of our 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 percentage 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 the resident owned business that employs 30% or more residents.

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

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 LICSDR and LIAR columns, list the number of current staff who are residents of Marion County Oregon.
5. Marion County CDBG & HOME Grant Program housing, or who are low or very low-income neighborhood residents,
6. In the To Be Filled column, list the number of positions that fit into the low and very low-income, Marion County CDBG & HOME Grant Program residents and low and very low-income Area Residents (LIAR) who will be hired.
7. In the Hiring Goal column, list the number of Marion County CDBG & HOME Grant Program residents or low and very low-income neighborhood residents you intend to hire.

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 Marion County CDBG & Home Grant Program Manager and the Marion County Procurement/Contracts Department.

Each contractor is required to attend a pre-construction conference with the Procurement/Contract Compliance Department 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 Marion County CDBG & Home Grant Program Manager will refer qualified residents to be interviewed by the contractor.

The Section 3 Opportunities Plan that is submitted with the RFQ/RFP/IFB and the final copy that is submitted to the Marion County CDBG & HOME Grant Program Manager and Procurement Contract Compliance Department must be signed and include the title of person executing the plan.

SECTION 3 OPPORTUNITIES PLAN

Business Opportunities and Employment Training of the Marion County CDBG & Home Grant Program Residents and Low and Very Low-Income Neighborhood Residents

Opportunities Plan

The contractor had 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 _____. (Resolutions implementing Section 3 requirements). The contractor hereby submits this document to identify employment opportunities for Section 3 residents and low and very low-income area residents, during the term of the contract between the contractor and Marion County. 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 _____% of its Section 3 requirements. (Option 2)

The above percentage(s) equal(s) 50% of the contractors Section 3 obligations. Option three (3) on page 2 equal 25% of compliance. You may choose one option to comply or all; however, total compliance must equal 100%.

I. Labor Survey:

SPEC or RFP Title: _____

SPEC or RFP # _____

[illegible]

II. Resident List

Section 3 Resident Employee Information (Jobs to be filled)

| Job Title | LICSPHAR OR LIAR NAME | ADDRESS | SOCIAL SECURITY NUMBER |
|-----------|--------------------------|---------|---------------------------|
| | | | |
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LISPHAR = Low and Very Low-Income Marion County 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 training programs in place and am willing to train Marion County residents 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 Marion County CDB & HOME Program Manager to deduct payment from my draw requests. (Compliance amount is based upon the labor dollars of the contract award).

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

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.

Contractor's Signature _____ Date _____

Title _____

Name of Prime Contractor _____

Title of RFP or Spec _____

Spec #, RFP # or Purchase Order # _____

Contract # _____

MARION COUNTY CDBG & HOME PROGRAM MANAGER

PROCUREMENT/CONTRACT COMPLIANCE DEPARTMENT

WARNING: THIS DOCUMENT IS REQUIRED FOR ALL CONSTRUCTION OR LABOR RELATED PROCUREMENTS.

Employment and Training of Marion County CDBG & HOME Section 3 Residents and Low and Very Low-Income Area Residents.

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 Schedule D as its Section 3 Opportunities Plan.

The Contractor shall provide a status report identifying its progress in meeting the Section 3 goals established in this Section D 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 Schedule D. For any goal not met, the report shall identify any other economic opportunities, which the contractor has provided, or intend to provide to _____ 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 must complete this Schedule D 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 phases 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 Marion County CDBG & HOME Grant Program Housing residents.

- c. How may 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 the Marion County CDBG & HOME Grant Program Service Area 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.

III. 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)

Title

Date: _____