

SECTION 3 PLAN

FOR
CLAY CENTER HOUSING AUTHORITY

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Section 3 Purpose

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires the Clay Center Housing Authority (CCHA) to ensure that employment and other economic and 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.

General Policy Statement

It is the policy of the CCHA to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or 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.

The CCHA implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of City of Clay Center.

The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of low income residents and other eligible persons and business by contractors working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) funds. The CCHA shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to Apollo Towers residents prior to acting on any proposed contract award.

Section 3 Contracting Policy and Procedure

The CCHA 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 contains goal requirements for awarding contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must before submitting bids/proposals to the be required to complete certifications, as appropriate, as 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 Procurement Policy also contains goal requirements for awarding contracts to Small Disadvantaged Businesses, formerly Minority and Women Business Enterprises (M/WBE).

Section 3 Employment & Training Goals

It is the policy of the CCHA 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). CCHA 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:

- Twenty percent (20%) of the aggregate number of new hires during the course of the project.

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 are required to certify that they comply with the requirements of Section 3.

Section 3 Program Participant Certification Procedure

The CCHA will certify Section 3 program participants who reside in the City of Clay Center and who are seeking preference in training and employment by completing and attaching a Proof of Section 3 eligibility, as required.

- All persons living in the City who meet the Section 3 eligibility guidelines can, by appointment, visit with the CCHA staff to complete a job readiness assessment.
- Once this assessment is complete, the housing authority will determine if the individual meets the eligibility requirements and is job ready.
- If the individual is deemed eligible for Section 3 participation and deemed not ready for employment, a referral will be made to other agencies that are better equipped to address the individual's needs, i.e., substance abuse providers, etc.
- The Section 3 job readiness component is a part of the CCHA's commitment to provide economic opportunities and training to residents/eligible participants to become gainfully employed.

Resident Hiring Requirements

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. It is expected that an appropriate number of residents with particular qualifications or a willingness to begin unskilled labor will be able to participate in CCHA's contracted labor efforts. A prime contractor may satisfy 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
\$2 million or more	3% of the labor dollars

Preference for Contracting with Section 3 Business Concerns

CCHA, 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 following order to priority:

- **Category 1:** Business concerns that are 51% or more owned by residents of the neighborhood 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) 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 the city of Clay Center in which Section 3 covered assistance is expended., if applicable
- **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 extend to the greatest extent feasible, efforts to achieve the numerical goals established by the project.

Evidence of Section 3 Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the project shall complete the Certification For Business Concerns Seeking Section 3 Preference In Contracting and Demonstration of Capability form. 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 prior to the submission of bids for approval.

Efforts to Award Contract Opportunities to Section 3 Business Concerns

Apollo Towers project will use the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist.

- Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide written notice of contracting opportunities to all known Section 3 business concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
- Coordinate pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
- Conduct workshops on contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner in an effort to allow Section 3 business concerns the opportunity to take advantage of any upcoming contracting opportunities.
- Contact the City of Clay Center 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 Goals

The CCHA 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 general circulation such libraries, post office, and public housing development..
- The resident councils and neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.
- A database will be developed of certified Section residents of public housing and other Section 3 residents.
- A database will be developed to maintain a skill assessment of all Section 3 residents of public housing and other Section 3 residents.
- A database will be developed of eligible qualified Section 3 Business concerns to contact with respect to the availability of contract opportunities.
- 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

- The Clay Center Authority will conduct a pre-interview with all residents prior to being hired by a contractor.
- The pre-interview will assess job readiness (i.e., childcare, transportation, work maturity, job retention skills). Residents not deemed job ready would be referred elsewhere.
- If a resident is referred to a contractor and does not perform satisfactorily due to poor work habits (i.e., tardiness, absenteeism, alcohol/drugs, abusive language, fighting, etc.), it will be mandatory that she/he attend and complete a job readiness class, alcohol/drug treatment center, or any other program that he or she may be required to attend. After successful completion the resident will be given the opportunity to be reinstated on the list of residents available for work.
- Residents experiencing problems with contractors should first communicate the problem to the employer. If the problem cannot be solved between the employee and employer, the housing authority will meet with the parties involved to assist in trying to resolve the problem. Residents and employers (contractors or subcontractors) should document problems whenever they occur and record any and all efforts to correct them.

Contractor's Requirements in Employing Section 3 participants:

Under the Apollo Towers Section 3 Program, contractors and subcontractors are required to:

- Provide employment opportunities to Section 3 residents/participants in the priority order listed below:

a) Category 1 – Section 3 Resident

Residents of the neighborhood for which the contract shall be expended.

b) Category 2 – Section 3 Resident

Residents of other housing developments managed by the CCHA of the City.

c) Category 3 – Section 3 Resident

Participants in HUD Youthbuild program being carried out in the project boundary area.

d) Category 4 – Section 3 Resident

Residents of City of Clay Center who meet the income guidelines for Section 3 preference.

- Contractors must notify the Clay Center Housing Authority of their interests regarding employment of Section 3 participants prior to hiring. The housing authority will ensure that the participant is Section 3 eligible, by assessing the Section 3 database to ensure job readiness.
- Contractors must also document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc. Immediately notify the Housing Authority of any problems experienced due to the employment of Section 3 participants.
- Immediately notify the Housing Authority if a participant quits, walks off, or is terminated for any reason.

Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, encourages submittal of such complaints to the Clay Center Housing Authority:

- 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.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The Clay Center Housing Authority 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.
- The Clay Center Housing Authority will provide written documentation detailing the findings of the investigation.

If complainants wish to have their concerns considered outside of the internal compliant process, 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.

Certification of Section 3 Compliance

In compliance with the Section 3 Plan requirements, Clay Center Housing Authority and project contractors will develop a list of strategies to be adopted for compliance with the stated employment, training and contracting goals. Contracts in excess of \$100,000 must include the Section 3 Clause.

If Federal and State funds are combined to fund an eligible Section 3 project, the combined amount is subject to the Section 3 requirements.

In compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, we the undersigned have read and have received a copy of the Section 3 Plan for this project. We acknowledge being a party to this Plan and further pledge our commitment to adhere to the objectives set forth.

Developer's Chief Executive Officer

Date

General Contractor's Chief Executive Officer

Date