



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Elizabeth H. Tyler, FAICP, Community Development Director

FROM: Kelly H. Mierkowski, Manager, Grants Management Division

DATE: March 24, 2017

SUBJECT: ADOPTION OF A PLAN TO COMPLY WITH 24 CFR, PART 135 OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (SECTION 3)

Background

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 U.S. Department of Housing and Urban Development (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 persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Previously, the Grants Management Division has complied with each regulation included within Section 3 separately, and passed those requirements on to applicable employers. To consolidate these regulations and more easily pass them along to applicable employers, the Grants Management Division has begun to codify Section 3 requirements into a formal administrative Section 3 Plan, which is attached to this memorandum. The provisions of this plan would be triggered by applicable commitments of Community Development Block Grant (CDBG) funding by the City of Urbana as well as commitments of HOME Investment Partnerships (HOME) Program funding through the City of Urbana or subrecipients of the Urbana HOME Consortium, including the City of Champaign and the Champaign County Regional Planning Commission (CCRPC).

Description

To ensure that commitments of Federal funding provide employment and professional development opportunities for public housing residents and low-income residents of Champaign County, the attached Section 3 Plan provides a framework that will allow developers to understand their responsibilities and goals regarding Section 3 hiring practices.

The primary goal of the Plan requires that the City strive toward ensuring that at least 30% of the aggregate new hires working on HUD-funded projects are Section 3 Residents. A Section 3 Resident is defined in the Plan as either a public housing resident or an individual who lives within Champaign County, Ford County, or Piatt County, and whose income falls within the HUD-defined guidelines of being low- or very low-income.

The Plan also defines a Section 3 Business Concern as being an organization that is either majority-owned by Section 3 Residents, a business whose permanent, full-time employees include at least thirty percent (30%) Section 3 Residents, or within three years of the date of first employment with the business concern were Section 3 residents, or a business that subcontracts in excess of 25% of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications. Section 3 Business Concerns are given preference in contracting when the City of Urbana bids projects funded in whole or in part by HUD funding. The general contractor selected by the City of Urbana will also be required to give preference to subcontractors that are qualified as Section 3 Business Concerns.

Among other proposed activities, the Plan calls for the City to undertake the following actions:

- Contact the City of Urbana Economic Development Division, local business assistance agencies, 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 potential Section 3 Business Concerns.
- Establish relationships with the Champaign County Economic Development Corporation and Champaign-Urbana Small Business Development Center to assist the City with educating and mentoring residents with a desire to start their own businesses.
- Coordinate pre-bid meetings at which the Section 3 Business Concerns would be informed of upcoming contracting opportunities in advance.
- 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.

This Plan would take effect for all applicable new construction or rehabilitation projects that are funded through HUD funds allocated to the City of Urbana or Urbana HOME Consortium.

Options

1. Approve the adoption of a Plan to comply with 24 CFR, Part 135 of the United States Department of Housing and Urban Development (Section 3).
2. Approve the adoption of a Plan to comply with 24 CFR, Part 135 of the United States Department of Housing and Urban Development (Section 3), with suggested changes.
3. Not approve the adoption of a Plan to comply with 24 CFR, Part 135 of the United States Department of Housing and Urban Development (Section 3).

Fiscal Impacts

This Plan will only pertain to projects funded by HUD grant programs that have been allocated to the City of Urbana and Urbana HOME Consortium. It could pertain to projects funded by City general funds if those projects are also funded by HUD funding committed by the City of Urbana or Urbana HOME Consortium. The action steps outlined in this Plan will primarily fall under the duties of the existing staff in the Grants Management Division.

Programmatic Impacts

The City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019 discusses the steps that the City and Consortium will take to alleviate poverty. Among them “[t]he City of Urbana will continue to utilize its resources to encourage job creation and retention. Section 3 regulations will be carried out with all applicable HOME and CDBG projects in an effort to build the local job pool. Job training programs will be considered under Section 3.” This Plan will assist in the existing Anti-Poverty Strategy detailed in the current City of Urbana and Urbana HOME Consortium Consolidated Plan.

Recommendation

Staff recommends that the Community Development Commission approve the Section 3 Plan for the City of Urbana and Urbana HOME Consortium.

Prepared by:



Matthew Rejc
Community Development Coordinator
Grants Management Division

Attachments:

1. Section 3 Plan for the City of Urbana, Illinois and Urbana HOME Consortium

SECTION 3 PLAN
FOR
THE CITY OF URBANA, ILLINOIS
AND
AS LEAD ENTITY
FOR
THE URBANA HOME CONSORTIUM

OFFICE OF ECONOMIC OPPORTUNITY
FAIR HOUSING EQUAL OPPORTUNITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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Exhibits/Forms

- Exhibit 1: Certification for Business Concerns Seeking Section 3 Preference

- Exhibit 2: Certification of Residents Seeking Preference in Training and Employment

- Exhibit 3: Contracting Policy & Procedure

- Exhibit 4: Special Conditions

General Policy Statement

It is the policy of the City of Urbana and Urbana HOME Consortium (hereinafter "City and Consortium") 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 City and Consortium implement this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the City and other qualified low- and very low-income persons residing in Champaign County, Piatt County, or Ford County, Illinois.

The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of public housing residents and other eligible persons and businesses working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The City and Consortium shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to Champaign County, Piatt County, or Ford County residents prior to acting on any proposed contract award.

The Urbana HOME Consortium consists of the City of Urbana in its capacity as lead entity, as well as the City of Champaign and the Champaign County Regional Planning Commission (CCRPC) in their capacities as subrecipients. The City of Champaign and CCRPC provided input into the creation of this plan, and the provisions of this plan apply to all applicable commitments of HOME Investment Partnerships Program funding by the City of Champaign and CCRPC.

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 City and Consortium 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.

Section 3 Contracting Policy and Procedure

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

Section 3 Plan

The City and Consortium has developed a Section 3 Plan to identify the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3. The City and Consortium developed this Plan using information from various City departments as well as HUD.

Section 3 Employment & Training Goals

It is the policy of the City and Consortium 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). The City and Consortium 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 document why meeting the goals were not feasible. Employers are not expected to terminate workers and make additional hires solely in furtherance of this Plan's goals. All contractors submitting bids or proposals to the City and Consortium 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 contracts or subcontracts used in Section 3 covered projects. The Section 3 Contract Clause is included in Exhibit 3.

Section 3 Program Participant Certification Procedure

The City and Consortium will certify Section 3 program participants who reside in incorporated or unincorporated Champaign County, Piatt County, or Ford County 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).

- All persons living in Champaign County, Piatt County, or Ford County who meet the Section 3 eligibility guidelines can, by appointment, visit with the City of Urbana Grants Management Division to complete a job readiness assessment.
- Once this assessment is complete, the City of Urbana Grants Management Division 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 City and Consortium's commitment to provide economic opportunities and training to residents/eligible participants to become gainfully employed.

Resident Hiring Requirements

The City and Consortium 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. 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 City and Consortium contracted labor efforts. A prime contractor may satisfy the City and Consortium's resident hiring requirements through its subcontractors.

RESIDENT HIRING SCALE

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 public housing residents and neighborhood residents with particular 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 the City and Consortium resident hiring requirement set forth above. Funding provided to the following individuals/entities can be considered as "labor dollars" as described above:

1. Subcontract or joint venture with a resident-owned business. The business must be 51% or more owned by public housing residents, or subcontract/joint venture with a business that employs full-time, 30% or more public housing authority residents, or low and very-income individuals within Champaign County, Piatt County, or Ford County, or
2. Direct hiring of public housing residents and/or low and very low-income neighborhood residents based on the Resident Hiring Scale, or
3. 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. Contractor makes a contribution to a public housing authority Resident Training/Educational Fund to provide assistance to residents to obtain training. The level of contribution would be commensurate with the sliding scale set forth in the Resident Hiring Scale. The contribution can be made with any public housing authority in Champaign County, Piatt County, or Ford County.

Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals

The City and Consortium will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by requiring the contractor to present a list to the City of Urbana Grants Management Division of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.

City of Urbana Grants Management Division will provide the contractor with a list of interested and qualified Section 3 residents for construction projects.

City of Urbana Grants Management Division will provide the contractor with a list of Section 3 business concerns interested and qualified for construction projects.

City of Urbana Grants Management Division will inform contractor of known issues that might affect Section 3 residents from performing job-related duties.

City of Urbana Grants Management Division will review 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 to be performed with HUD (federal) funds.

Preference for Contracting with Section 3 Business Concerns

PREFERENCE AMONG SECTION 3 BUSINESS CONCERNS

In housing and community development programs, priority consideration shall be given, where feasible, to: (24 CFR 135.36):

1. Section 3 business concerns that provide economic opportunities for section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses); and
2. Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (Category 2 businesses);
3. All other 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. Contractors and subcontractors are expected, to the greatest extent feasible, to achieve the numerical goals established by the City and Consortium.

Evidence of Section 3 Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the City and Consortium shall complete the Certification For Business Concerns Seeking Section 3 Preference In Contracting and Demonstration of Capability form, which can be obtained from the City of Urbana Grants Management Division. 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 City of Urbana Grants Management Division prior to the submission of bids for approval. If the City of Urbana Grants Management Division previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid.

Efforts to Award Contract Opportunities to Section 3 Business Concerns

The City and Consortium 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 City and Consortium 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 Urbana Economic Development Division, local business assistance agencies, 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 potential Section 3 businesses.
- Leverage existing relationships with the Champaign County Economic Development Corporation and Champaign-Urbana Small Business Development Center to assist the City/Consortium with educating and mentoring residents with a desire to start their own businesses.
- Seek out referral sources in order to ensure job readiness for public housing residents through on-the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market.
- Develop resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, obtain licenses, bonding, and insurance.

Section 3 Residents Recruitment, Training, and Employment Goals

City and Consortium will develop resources to link potential Section 3 program participants to training and employment opportunities by implementing the following:

- Training opportunities will be advertised by distributing flyers via mass mailings and posting in common areas of the housing developments as well as all Housing Authority of Champaign County public housing management offices.
- 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 the Housing Authority of Champaign County housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations.
- A database will be developed of certified Section 3 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.
- Relationships will be developed with local area employers in an effort to solicit job vacancies to determine skills needed in their workforce, thereby providing training to residents developing skills that will transfer into the external labor market.
- 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 if applicable.

Employment of Section 3 Program Participants

- In order to qualify for employment with contractors, public housing residents must have their name(s) on a public housing authority lease, be current on rent, be at least eighteen years of age, and not be involved in any legal action with any public housing authority in Champaign County, Piatt County, or Ford County (current documented eviction, criminal and drug activity or trespassing).
- Residents not interested in construction employment opportunities can be referred by the City of Urbana Grants Management Division to agencies providing job readiness training in other capacities (clerical, administrative, etc.).
- Residents interested in pursuing General Equivalency Diploma (GED) and continued training education will be referred to those resources by the City of Urbana Grants Management Division.

Contractor's Requirements in Employing Section 3 participants:

Under the City and Consortium Section 3 Program, contractors and subcontractors are required to:

- In housing and community development programs, priority consideration shall be given, where feasible, to:
 1. Section 3 residents residing in the service area or neighborhood in which the section 3 covered project is located (collectively, referred to as category 1 residents); and
 2. Participants in HUD Youthbuild programs (category 2 residents)
 3. Where the section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the section 3 covered project is located shall be given the highest priority;
 4. Other Section 3 residents.
- 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:
 - names of the Section 3 business concerns to be utilized,
 - estimates of the number of employees to be utilized for contract,
 - projected number of available positions, to include job descriptions and wage rates (construction wages consistent with Davis Bacon),
 - efforts that will be utilized to seek Section 3 participants. (See Exhibit 2)
- Contractors must notify the City of Urbana Grants Management Division of their interests regarding employment of Section 3 participants prior to hiring. The City of Urbana Grants Management Division will ensure that the participant is Section 3 eligible. Additionally, public housing authorities in the Champaign-Urbana Metropolitan Statistical Area will be contacted to ensure that the individuals are not involved in any legal proceedings against/with public housing authorities in the Champaign-Urbana Metropolitan Statistical Area.
 - Submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contact award.

Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, City and Consortium encourages submittal of such complaints to the City of Urbana Grants Management Division as follows:

- 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 City of Urbana Grants Management Division will consult with the City of Urbana Human Relations Officer to 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 City of Urbana Grants Management Division or Human Relations Officer will provide written documentation detailing the findings of the investigation of the City and Consortium. The City and Consortium 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 needed, the matter may be referred to the City of Urbana Human Relations Officer for further investigation.

If complainants wish to have their concerns considered outside of the City of Urbana and/or Urbana HOME Consortium, 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 – a member of a family (including single persons) whose income as a whole does not exceed 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% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

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

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

Recipient – any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

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

Section 3 Business Concern – a business concern,

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

Section 3 Covered Assistance –

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

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

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

Section 3 covered 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, whenever 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 non-metropolitan county in which the Section 3 covered assistance is expended and who is considered to be 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 – a member of a family (including single persons) whose income as a whole does not exceed 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% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

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 CAPBILITY**

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:

- Copy of resident lease
- Copy of evidence of participation in a public assistance program
- Copy of receipt of public assistance
- Other evidence

For business entity as applicable:

- Copy of Articles of Incorporation
- Assumed Business Name Certificate
- List of owners/stockholders and % ownership of each
- Organization chart with names and titles and brief function statement
- Certificate of Good Standing
- Partnership Agreement
- Corporation Annual Report
- Latest Board minutes appointing officers
- Additional documentation

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:

- List of all current full-time employees
- PHA/IHA Residential lease less than 3 years from day of employment
- List of employees claiming Section 3 status
- 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 and Signature

(Corporate Seal)

Attested by: _____

Exhibit 2

RESIDENT EMPLOYMENT OPPORTUNITY DATA

CITY OF URBANA AND URBANA HOME CONSORTIUM

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, _____, am a legal resident of the _____

_____ and meet the income eligibility guidelines for a low- or very-low-income person as published on the reverse.

My permanent address is: _____

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

Copy of lease

Copy of receipt of public assistance

Copy of Evidence of participation in a public assistance program.

Other evidence

Signature

Print Name

Date

Exhibit 2

SECTION 3 INCOME LIMITS

All residents of public housing developments qualify as Section 3 residents. Additionally, individuals residing in Champaign County, Piatt County, and Ford County who meet the income limits set forth below can also qualify for Section 3 status. These income limits are updated regularly and are circulated by the U.S. Department of Housing and Urban Development.

A picture identification card and proof of current residency is required, along with documentation of very-low income or low-income status in line with the Part V definition of annual income. Please contact the City of Urbana Grants Management Division for more information.

Eligibility Guideline		
Number in Household	Very Low Income (\$)	Low Income (\$)
1 individual	24,500	39,150
2 individuals	28,000	44,750
3 individuals	31,500	50,350
4 individuals	34,950	55,900
5 individuals	37,750	60,400
6 individuals	40,550	64,850
7 individuals	43,350	69,350
8 individuals	46,150	73,800

Exhibit 3

SECTION 3 CONTRACTING

POLICY AND PROCEDURE

INTRODUCTION

It is the mission of the City of Urbana and Urbana HOME Consortium to provide a variety of safe, sanitary, accessible, decent, and affordable housing to those residing within the City of Urbana and in the geographic area of the Urbana HOME Consortium.

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 contractors and subcontractors performing work in connection with projects and activities funded by qualifying amounts of HUD Community Planning and Development funding assistance. 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 City and Consortium, 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:

Grants Management Division Manager
City of Urbana
400 S. Vine St.
Urbana, Illinois 61801

WHAT IS A SECTION 3 BUSINESS CONCERN?

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

1. That 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 City of Urbana and Urbana HOME Consortium, a Section 3 resident is:

1. A public housing resident;
2. An individual who lives within Champaign County, Piatt County, or Ford County and whose income falls within the guidelines for low- or very low income.

ORDER OF PROVIDING PREFERENCE SECTION 3 BUSINESS CONCERNS

In housing and community development programs, priority consideration shall be given, where feasible, to: (24 CFR 135.36(a)(2)):

1. Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses); and
2. Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
3. All other 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 City and Consortium will, to the greatest extent feasible, offer contracting opportunities to Section 3 business concerns. However, in the event no Section 3 business bids on a contract, or bids but is not able to demonstrate to the City's satisfaction that it has the ability to perform successfully under the terms and conditions of the proposed contract, then that contract will be awarded to a non-Section 3 business concern that can meet the terms and conditions of the proposed contract through the competitive bidding process.

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

This will include:

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

ORDER OF PROVIDING PREFERENCE EMPLOYMENT OF SECTION 3 RESIDENTS

When considering the employment of a Section 3 resident, the following order of priority is followed as outlined in 24 CFR 135.34(a)(2):

1. Section 3 residents residing in the service area or neighborhood in which the section 3 covered project is located (collectively, referred to as category 1 residents); and
2. Participants in HUD Youthbuild programs (category 2 residents); and
3. Where the section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the section 3 covered project is located shall be given the highest priority; and
4. Other Section 3 residents

Section 3 residents in the above categories shall be given preference over all other Section 3 residents. 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 LIMITS

All residents of public housing developments qualify as Section 3 residents. Additionally, individuals residing in Champaign County, Piatt County, and Ford County who meet the income limits set forth below can also qualify for Section 3 status. These income limits are updated regularly and are circulated by the U.S. Department of Housing and Urban Development.

A picture identification card and proof of current residency is required, along with documentation of very-low income or low-income status in line with the Part V definition of annual income. Please contact the City of Urbana Grants Management Division for more information.

Eligibility Guideline

Number in Household	Very Low Income (\$)	Low Income (\$)
1 individual	24,500	39,150
2 individuals	28,000	44,750
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4 individuals	34,950	55,900
5 individuals	37,750	60,400
6 individuals	40,550	64,850
7 individuals	43,350	69,350
8 individuals	46,150	73,800

Exhibit 4

SECTION 3 SPECIAL CONDITIONS

The City and Consortium 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 public housing authority residents, other low income and/or very low-income residents residing in Champaign County, Piatt County, or Ford County.

1. **Procurement Documents**

Each bidder/proposer must include a Section 3 Opportunities Plan or a Schedule D which indicates its commitment to meet City and Consortium 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 City and Consortium 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 the City and Consortium's desire to provide public housing authority 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 of public housing residents and neighborhood residents with particular 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 the City and Consortium resident hiring requirements set forth above.

Exhibit 4

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 impart 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 do 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 City of Urbana Grants Management Division, including all field activities.

DEFINITION:

For participation in the Resident Hiring effort, a resident is defined as anyone who is residing in a public housing development, Section 8 residents, and individuals residing within Champaign County, Piatt County, or Ford County who can be classified as low-and very-low income.

Exhibit 4

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% more owned by public housing residents, or subcontractor/joint venture with a business that employs full-time, 30% or more public housing residents, or low- and very low-income individuals within Champaign County, Piatt County, or Ford County, or
- 2) Direct hiring of 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 City of Urbana Grants Management Division.
- 4) Contribute to the resident educational fund of a public housing authority within the Champaign-Urbana metropolitan statistical area in an amount commensurate with the sliding scale included in the Section 3 Conditions.

If a prime contractor is unable to satisfy the City and Consortium 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 Public Housing or Neighborhood residents, this paragraph is to be completed by indicating the number of resident owned businesses that will be used on the contract/spec number shown at the end of the paragraph.

If the (sub)contractor plans to hire Public Housing or Neighborhood residents to work for its company, paragraph two (2) must be completed with the contract/spec number and the percentage of compliance in hiring the resident(s). For example, if your contract amount is \$100,000.00, the Section 3 dollar amount that must be expended is 10% of your labor dollars or \$10,000.00. If the whole dollar amount is to be expended on the resident's salary, then 100% is to be inserted on the percent line. If a percentage amount less than 100% will be expended on the resident's salary, that amount must be inserted

on the line and the remaining percentage must be expended through subcontracting/joint venturing with a resident owned business or a business that employs 30% or more residents, or placed into the Section 3 Resident Educational Fund of a public housing authority in the Champaign-Urbana Metropolitan Statistical Area. In which case, the corresponding paragraph must be completed.

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

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 public housing, or who are low or very low income neighborhood residents,
- (5) In the To Be Filled column, list the number of positions that fit into the low- and very low-income public housing residents or Champaign County, Piatt County, or Ford County low and very low income Area Residents (LIAR) who will be hired.
- (6) In the Hiring Goal column, list the number of public housing 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 City of Urbana Grants Management Division.

The public housing and neighborhood residents are screened and skills assessed by the City of Urbana Grants Management Division. Each contractor is required to attend a pre- construction conference with the City of Urbana Grants Management Division 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 City of Urbana Grants Management Division 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 City of Urbana Grants Management Division must be signed and include the title of person executing the plan.

Exhibit 4

NAME OF PRIME CONTRACTOR: _____
TITLE OF RFP OR SPEC: _____
SPEC. # OR RFP # OR PURCHASE ORDER#: _____
CONTRACT #: _____

CITY OF URBANA GRANTS MANAGEMENT DIVISION
PROCUREMENT/CONTRACT COMPLIANCE

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

1. Employment and Training of Public Housing 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 public housing and neighborhood residents.

The failure of the Contractor to comply with the approved plan can constitute 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 City and Consortium Resident Hiring Requirements. Please complete the Skill Needs Table in Section 1 of Section 3 Opportunities Plan in the following columns.

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

NOTE: The minimum of trainees is that which can reasonably be utilized in each occupation, and no less than the number established by the U.S. Secretary of Labor for construction and non-construction labor related occupations. The contractor shall fill all vacant positions with low-income persons (earning less than 80% of the median income in the Champaign-Urbana Metropolitan Statistical 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.

II. SECTION 3 BUSINESSES SUBCONTRACTING OPPORTUNITIES

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

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

Acknowledged by:

(President or Authorized Officer)

Date: _____

