

SUBRECIPIENT SECTION 3 ACTION PLAN

The _____, as a Subrecipient of CDBG-DR funds, must follow Section 3 of the Housing and Urban Development Act of 1968 (“Section 3”) and 24 CFR Part 75 (the Section 3 Final Rule) for all Section 3 projects. Section 3 projects include housing rehabilitation, housing construction, demolition, and other public construction projects that receive HUD funding in excess of \$200,000.

The goals of Section 3 are as follows:

- 25% or more of all labor hours must be worked by Section 3 workers;
- 5% or more of all labor hours must be worked by Targeted Section 3 workers.

Subrecipient agrees to track and report the following:

- Total labor hours for the project;
- Labor hours completed by Section 3 workers; and
- Labor hours completed by Targeted Section 3 workers

Subrecipient agrees to implement the following specific affirmative action steps directed at increasing opportunities for training and employment for lower income residents of the project area¹ and increasing the utilization of business concerns within the Section 3 covered area or those owned by Section 3 area residents.

A. Subrecipient agrees to the following requirements:

1. To identify workforce needs for all phases of the program by occupation, trade, skill level, and number of positions, and to set employment goals for lower-income project area residents;
2. To attempt to recruit the required number of project area residents from within the city through local advertising, posted signs, and community organizations, as well as public and private institutions serving the project area;
3. To identify eligible business concerns for CDBG-DR-assisted contracts through: the Chamber of Commerce, the Urban League, local advertising media including public signage; project area committees, citizen advisory boards; lists available through CDBG-DR program officials; regional planning agencies, and all other appropriate referral sources;
4. To maintain a list of eligible business concerns for utilization in CDBG-DR-funded procurements, to ensure that all appropriate project area business concerns are notified of pending contractual opportunities, and to make this list available for general city procurement needs;
5. To require all bidders on contracts to submit a written Section 3 Plan including utilization goals and the specific steps planned to accomplish these goals. To ensure that negotiated contracts (those not established through a bid process) in non-Section 3 covered project areas are established using the same process as those contracts in a Section 3 covered project area;²

¹ The project area is coextensive with the jurisdiction's boundaries.

² Section 3 is applicable to loans, grants, contracts, and subsidies with a value at or above \$100,000.

6. To maintain records, including copies of correspondence, memoranda, etc., which document that all of the above affirmative action steps have been taken; and
7. To appoint or recruit an executive official of the Subrecipient as Section 3 Coordinator to coordinate the implementation of this Section 3 Plan.

Acknowledgement

As Coordinator and Representative of _____, we the undersigned have read and fully agree to this Section 3 Action Plan and become a party to the full implementation of this program.

Signatures

Section 3 Coordinator: _____

Title: _____

Date: _____

Subrecipient Representative: _____

Title: _____

Date: _____