



SECTION 3 PLAN & GUIDEBOOK

FOR THE CITY OF RENO

AS

COMMUNITY DEVELOPMENT BLOCK GRANT & OTHER HUD FUNDED GRANTEE

AND LEAD AGENCY OF

THE WASHOE COUNTY HOME CONSORTIUM

November 2012

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

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

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

WHEREAS, City of Reno staff implementing the CDBG program and the Washoe County HOME Consortium developed a Section 3 Plan in adherence to 24 CFR, Part 135 that comprehensively addresses the standards and procedures prescribed in the Act; and

WHEREAS, the Directors of the Washoe County HOME Consortium, representing the three participating jurisdictions, have reviewed and approved the plan and have forwarded it to Reno, the WCHC Lead Agency, for acceptance.

NOW, THEREFORE, BE IT RESOLVED THAT the City of Reno, as the Lead Agency for the WCHC, authorizes the Washoe County HOME Consortium and CDBG recipient to implement the Section 3 Plan to ensure compliance with Federal Law.

APPROVED AND ADOPTED this ___ day of _____, 2012.

Robert A. Cashell, Sr., Mayor
City of Reno
Lead Agency of the Washoe County HOME Consortium

General Policy Statement

It is the policy of the City of Reno, in operation of the Community Development Block Grant (CDBG) program and as lead agency of the Washoe County HOME Consortium (WCHC) to comply with Section 3 of the Housing and Urban Development Act of 1968.

The City implements this policy through the awarding of contracts to contractors to create employment and business opportunities for qualified low-income persons residing in the region.

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

The City developed this Section 3 Plan to identify the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3. The plan includes input from the WCHC's three participating jurisdictions, previously funded affordable housing developers, contractors, as well as HUD.

What is Section 3?

Section 3 of the Housing and Urban Development Act of 1968, {12U.S.C.1701u}(Section 3) and implementing regulations at 24 C.F.R.135 states 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-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-income persons. The City of Reno fully embraces this definition of Section 3 and has set forth policies and procedures to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible be directed to low-income persons, and to business concerns which provide economic opportunities to low-income persons.

Why is Section 3 Important to the City of Reno?

The City, as Lead Agency for the Washoe County HOME Consortium and as a grantee for federal Community Development Block Grant (CDBG) and other HUD funds, is required to develop and implement a Section 3 program which provides hiring and economic opportunities for low-income persons, particularly those who are recipients of government assistance for housing and business concerns which provide economic opportunities to low-income persons to achieve these objectives. The City embraces the spirit and intent of its obligations under Section 3, and has set forth the following policies which are applicable to contractors engaged in projects funded through the City with funds from HUD. These policies are discussed throughout the remainder of this guidebook.

City of Reno Section 3 Implementation

The City of Reno's Section 3 policies require that new employment, contracting, and/or training opportunities be extended to low-income residents of the area where the project is being implemented. In essence, Section 3 residents are to be extended preference in new hiring situations which result from the infusion of HUD funds. These policies also require that designated Section 3 business concerns be extended preference in contracting, sub-contracting, purchasing and servicing activities. All bids submitted for applicable HUD funded projects will be required to also contain the contractor's proposed Section 3 Utilization Plan. Approval of the Utilization Plan will be part of the City's overall bid/proposal review process. The City of Reno Section 3 Coordinator will review it and either approve it,

conditionally approve it, with suggested modifications or disapprove the plan. The City of Reno will not issue a firm commitment to the contractor until a Section 3 Plan has been approved.

In the implementation of this plan, the City of Reno Housing and Neighborhood Development Division is tasked with the overall responsibility for implementation and monitoring of the City's Section 3 policies. In some cases the City of Reno Public Works Department and Human Resources may be involved in the implementation of the Section 3 plan.

The Housing and Neighborhood Development Division will employ a variety of methods to meet the Section 3 requirements and to ensure contract compliance. These methods will be discussed in this guidebook. Failure to fulfill contractual obligations pursuant to this guidebook and to the Section 3 Utilization Plan can be construed as a breach of contractual terms.

The City's implementation disregards the funding/contract dollar thresholds as identified by HUD, and instead requires that all construction related contracts of \$50,000 or more comply with the City's Section 3 plan.

Housing and Neighborhood Development Division
Section 3 Coordinator: Krista Lee
P.O. Box 1900
Reno, NV 89505
(775) 785-5853

Section 3 Contracting Policy and Procedure

The City of Reno, including as the Lead Agency of the WCHC, will incorporate Section 3 in its existing Procurement Policy and will include a Section 3 Contracting Policy and Procedure to be in all contracts pertaining to a Section 3 covered project.

At a minimum, contractors will be contractually obligated to:

1. Submit and comply with a Section 3 Utilization Plan which includes information on how Section 3 outreach will be conducted for all new hires and contracting opportunities;
2. Assign a Project Section 3 Coordinator;
3. Accept and give preferential employment consideration to Section 3 residents and business concerns when new employment and/or contracting opportunities present;
4. Provide bid notices to Section 3 business concerns in the applicable field/trade of work from the City of Reno Section 3 list;
5. Provide appropriate employment outreach signage at the project site and throughout the project area to inform low-income neighborhood residents of employment opportunities;
6. Document and report Section 3 implementation efforts and utilization of Section 3 residents and business concerns; and
7. Cooperate with Section 3 monitoring as applicable.

City requires completion of certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions required by this plan. Such certifications shall be adequately supported with appropriate documentation.

The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects and is to be included in all Section 3 covered project contracts and request for bids. The Section 3 Contract Clause is Exhibit 1 of this Plan.

Section 3 Applicability to Housing and Community Development Programs

Section 3 Covered Assistance	<ul style="list-style-type: none"> • Housing Rehab (includes reduction and abatement of lead hazards, but does not include routine maintenance, repair or replacement) • Housing Construction • Other Public Construction (i.e. sidewalks and public buildings)
Coverage of Section 3 Mandate	<ul style="list-style-type: none"> • Entire project (not just the portion of the project that is funded with Section 3 dollars)

It is important to emphasize that the infusion of \$50,000 or more in HUD dollars through the City of Reno and/or the Washoe County HOME Consortium at any point in a project triggers the full applicability of the City's Section 3 Policies to the entire project. It is the policy of City of Reno that full and complete Section 3 obligations apply to all projects.

Section 3 Goals

It is the policy of the City to utilize and encourage the utilization of Section 3 residents and businesses in contracts partially or wholly funded with monies from HUD. The City will establish employment goals that contractors and subcontractors should meet in order to comply with Section 3 requirements to the greatest extent feasible. The City will set overall Section 3 employment and contracting goals annually through the Annual Action Plan which will be submitted to HUD for approval. The current Section 3 goals are as follows:

Contractors Goals:

1. Employment: 30% of the aggregate number of new hires during a one year period for all applicable projects should be Section 3 residents. New hires defined as full-time employees for permanent, temporary or seasonal employment opportunities. A new hire would be a person who is not on the payroll at the time of receipt of the funding award or contract and would include any employees who were laid off and rehired. Example: A construction contractor hires 10 new workers. Three of the new workers should be Section 3 residents.
2. Contracting: (a) At least 10% of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, construction, and other public construction (infrastructure) with federal funds; and (b) At least 3% of the total dollar amount of all other covered Section 3 contracts to Section 3 business concerns. The City will review Section 3 Utilization Plans prior to the initiation of construction.

City of Reno Goals:

1. Employment: 30% of the aggregate number of new hires during a one year period for all covered contracts should be Section 3 residents. 30% of new hires hired directly by the City of Reno for building trades work in connection with housing rehabilitation, construction, and other public construction with HUD funds should be Section 3 residents. New hires are defined as full-time employees for permanent, temporary or seasonal employment opportunities. A new hire would be a person who is not on the payroll at the time of receipt of the funding award or contract and would include any employees who were laid off and rehired.
2. Contracting: (a) At least 10% of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, construction, and other public construction (infrastructure) with federal funds; and (b) At least 3% of the total dollar amount of all other covered Section 3 contracts to Section 3 business concerns.

It is the responsibility of contractors to implement progressive efforts to attain Section 3 compliance. Any contractor that does not or can not meet the Section 3 numerical goals must demonstrate why meeting the goals was not feasible. All contractors submitting bids or proposals to the City for HUD funded projects are required to certify that they will comply with the requirements of Section 3 and the City of Reno Section 3 Plan (Exhibit 5). It is

recommended that all contractors that do not have a direct contract with the City of Reno but who are working on a Section 3 covered project, also submit utilization plans and certifications to the Project Section 3 Coordinator.

Achieving Section 3 Goals

The City of Reno recognizes that the ultimate responsibility for a successful Section 3 implementation rests with the City, therefore, for all HUD Section 3 covered projects the City will:

- Require the contractors with direct contracts with the City to complete a Section 3 Utilization Plan which will describe the steps the applicant plans to take to meet Section 3 numerical goals and the overall City of Reno Section 3 Plan. The Utilization Plan may also require the proposed number of current and new hires for the project as well as other information as requested in the application.
- Review the Section 3 Clause with developers, contractors and subcontractors when necessary to ensure that the requirement is understood. City shall include the Section 3 Clause in all covered contracts. Again, it is not intended for developers, 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 funds.
- The City will develop or provide information regarding resources that provide training and employment opportunities to Section 3 program participants by implementing the following:
 - Creating a City of Reno Section 3 webpage which will include information on training opportunities, City of Reno employment opportunities (only for Section 3 covered projects), information about the City of Reno Section 3 Plan, and applications for consideration as a Section 3 resident or business concern.
 - Neighborhood community organizations, housing resident councils, employment related agencies, and/or the Chamber of Commerce will be contacted to request their assistance in notifying residents/clients of the available training and employment opportunities and how to register with the City as a Section 3 resident or business concern.
 - A list will be developed of eligible, qualified Section 3 business concerns to contact with respect to the availability of contract opportunities. The list will be provided to contractors upon request.
 - Section 3 numerical goals will be incorporated into all covered contracts.

Employing Section 3 Participants

Goal: 30% of the aggregate number of new hires during a one year period of the covered project should be Section 3 residents.

The City will require that Section 3 residents who reside within Washoe County and are seeking preference in employment complete the *Section 3 Resident Self-Certification* (Exhibit 2). Those wishing to be included on the City of Reno Section 3 list must submit evidence of Section 3 status along with their application to the City. Additional evidence is not required when submitting certification to the developer, contractor, etc.

A prime contractor, through its subcontractor(s), may satisfy their Section 3 participant hiring goals by:

1. Subcontract or joint venture with a resident owned business. The business must be 51% or more owned by Section 3 residents; or has permanent, full-time employees at least 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 has a commitment to sub-contract in excess of 25% of the dollar award of all sub-contracts to be awarded to such businesses described above; or

2. Direct hiring of public housing residents and/or low-income neighborhood residents; or
3. Contractor incurs the cost of providing skilled training for residents; or
4. Developing detailed Section 3 Utilization Plans that are attainable and include active outreach to individuals and business concerns that are Section 3 eligible.

Under the City Section 3 Plan contractors and subcontractors are required to:

1. Provide employment opportunities to Section 3 residents/participants in the priority order listed below:
 - 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);
 - Participants in HUD Youthbuild programs (category 2 residents);
 - 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
 - Other Section 3 residents.
2. Submit a list of current employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award. It is recommended that contractors also ask for a list of current employees when bidding out projects. Those in direct contract with the City of Reno shall submit list at the time of contract, all others shall submit list to the Project Section 3 Coordinator.
3. After the award of contracts, the contractor must, prior to beginning work, inform Section 3 residents in the service area in which the work will be performed, by providing appropriate employment outreach signage at the project site and throughout the project area to inform low-income neighborhood residents of employment opportunities. Signage may include:
 - 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); and
 - Efforts that will be utilized to seek Section 3 participants.
4. After the award of contracts and until project completion, the contractor/subcontractors should:
 - Document the performance of employees including Section 3 participants (positive and negative), regarding punctuality, attendance, etc.; and
 - Provide information upon request and in applicable reports to the Project Section 3 Coordinator, if a Section 3 participant quits, walks off, or is terminated from a covered project for any reason.

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.

Contracting with Section 3 Business Concerns

Goal: At least 10% of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, construction, and other public construction (infrastructure) with federal funds; and (b) At least 3% of the total dollar amount of all other covered Section 3 contracts to Section 3 business concerns.

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements shall complete the *Section 3 Business Concern Self-Certification* form (Exhibit 3). The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program if required. Businesses concerns seeking to be included on the City of Reno Section 3 list will be required to supply evidence of their Section 3 status.

Contracted businesses who may not have wished to receive preference for contracting but who meet the qualifications for a Section 3 business concern may also complete the self-certification form and supply the form to the general contractor or developer to be submitted with the other required reporting forms.

The City, in compliance with Section 3 regulations, will require developers, contractors and subcontractors (including professional service contractors) to direct their contracting efforts towards Section 3 business concerns in the following order to priority:

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);
2. Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses); and
3. Other Section 3 business concerns.

Developers, contractors, and subcontractors at a minimum must provide bid notices to Section 3 business concerns in the applicable field/trade of work from the City of Reno Section 3 list.

The City, developers, contractors and subcontractors may also use any or all of the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist:

- Advertise contracting opportunities via newspaper, websites, mailings, and/or 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 all business concerns the opportunity to respond to bid invitations;
- Coordinate pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance;
- Conduct workshops on pre-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 Reno Housing Authority, 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 Section 3 businesses;
- Establish relationships with the Small Business Administration (SBA), Minority and Women's Business Enterprise M/WBE association, Community Development Corporations, and other sources as necessary to assist City with educating and mentoring residents with a desire to start their own businesses;

- Seek out referral sources in order to ensure job readiness for housing residents through on-the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market; and/or
- Develop resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, and obtain licenses, bonding, and insurance.

Section 3 business concerns contracted for work on a project must complete a self-certification (Exhibit 3)

Section 3 Utilization Plan

Each developer, recipient, and contractor preparing to undertake work pursuant to a Section 3 covered contract directly with the City of Reno shall develop and implement a detailed Section 3 Utilization Plan, which shall:

- Set forth the approximate number and dollar value of all contracts proposed to be awarded to all businesses within each category (type or profession) over the duration of the Section 3 covered project;
- If known, the estimated number of current and new employees provided work through the contract; and
- Outline the anticipated program/process to be used to achieve the Section 3 numerical goals for the project. This program/process should include but not be limited to the following actions:
 1. Insertion in the bid documents, if any, of the Section 3 Utilization Plan of the applicant, recipient, contractor, or subcontractor letting the contract;
 2. Insertion of the Section 3 Clause in all contracting/bid documents;
 3. Identification within the bid documents, if any, of the applicable Section 3 project area;
 4. Identification of signage, outreach efforts, etc. that will be used to recruit Section 3 business concerns and residents;
 5. Identification of the Section 3 Coordinator for the project; and
 6. Ensuring that the appropriate Section 3 residents and business concerns are notified of pending contractual opportunities either personally or through other determined methods.

It is expected that any known contractors or subcontractors also working on the project will be consulted prior to submitting a plan to the City of Reno.

The Section 3 Utilization Plan shall be submitted at the time of the funding request. The City of Reno Section 3 Coordinator will review the plan and either approve it, conditionally approve it, with suggested modifications or disapprove the plan. The City will not issue a firm commitment to the Developer/Contractor until a Section 3 Plan has been approved.

A Sample Section 3 Utilization Plan is included and attached as Exhibit 6.

Documenting Section 3 Efforts

The City shall require annual reports from all developers, contractors, and sub-contractors on Section 3 projects. It is the responsibility of the Project Section 3 Coordinator to ensure all reports are accurate, complete and submitted to the City on time. Report forms shall be due to the City by July 30 for the period of July 1-June 30. These reports shall be submitted to the Housing & Neighborhood Development Division Section 3 Coordinator.

The City will submit the annual Section 3 report to HUD as part of its Consolidated Annual Performance Report (CAPER) of each year. All reports shall be submitted on HUD Form 60002 (Exhibit 7). An additional copy of the annual HUD Form 60002 for CDBG and for HOME projects will be submitted to FHEO at the time of the CAPER submission. An electronic version of this form can be found at: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12048.pdf.

The City will receive and maintain records to document compliance with the Section 3 Program objectives. At a minimum, records will include specific information and documentation to demonstrate whether the numerical goals were met and that the recipient and contractors/subcontractors carried out their responsibilities.

Section 3 Compliance

All Section 3 covered projects are subject to compliance monitoring by the City of Reno Section 3 Coordinator, Project Section 3 Coordinator, HUD, or other monitoring agencies.

In cases of non-compliance with Section 3, the City may issue a notice of non-compliance to the Project Section 3 Coordinator. The notice will provide information on the problem and ask for a written response as to how the Project Section 3 Coordinator plans to remedy the problem.

Failure to submit appropriate documentation, reports, or to demonstrate that a reasonable effort was made to comply with Section 3 and the City of Reno Section 3 Plan may result in the withholding of project retention funds. For projects that did have new hires or new contracting opportunities and were unable to meet the numerical goals for the project, the Project Section 3 Coordinator must provide a written explanation as to why the goals were not met.

Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, the City encourages submittal of such complaints 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 the complaint is found to be valid. The Project Section 3 Coordinator 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 Project Section 3 Coordinator will provide written documentation detailing the findings of the investigation of the complaint with a copy to the City. The findings will be made available no later than thirty (30) days after the filing of complaint.

If complainants also wish to have their concerns considered outside of the above 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.

EXHIBIT 1
Section 3 Clause

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-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 2
SECTION 3 RESIDENT SELF-CERTIFICATION**

A section 3 resident seeking the preference in training and employment provided by this part shall certify, and submit evidence to the recipient contractor or subcontractor if requested, that the person is a Section 3 resident. (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.)

RESIDENCY/CONTACT INFORMATION

I, _____, am a legal resident of Reno, Sparks, or Washoe County, Nevada and can be contacted at:

Street Address: _____ Phone Number: _____

City, State, Zip Code: _____ Email Address: _____

INCOME ELIGIBILITY

I live in Public Housing through the Reno Housing Authority:

No (continue filling out form) Yes (Provide documentation and skip to the employment skills section)

My annual income currently falls below the limits for my household size: Yes No

Effective Federal Fiscal Year 2013

Family Size	1	2	3	4	5	6	7	8
Annual Gross Income	\$38,050	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000	\$67,350	\$71,700

I can provide the following documentation as evidence of my low-income status if requested:

- Copy of lease at income qualified property Copy of receipt of public assistance
 Copy of evidence of participation in a public assistance program Other evidence _____

EMPLOYMENT SKILLS

Please describe your construction experience/skills or indicate that you are interested in a training position:

CERTIFICATION

I hereby certify that all of the information provided above is true and correct and I agree to provide additional documentation if requested confirming my residency, family size, income, and employment skills. Further I authorize the City of Reno to release my name, skills, and contact information for the purposes of further employment opportunities under Section 3 covered construction projects. I understand that I must also meet other eligibility criteria as determined by law and/or employer (immigration, OSHA card, etc.). I understand that completing this form does not guarantee employment.

Printed Name: _____ Signature: _____

Date: _____

**EXHIBIT 3
SECTION 3 BUSINESS CONCERN SELF-CERTIFICATION**

Name of Business _____

Address of Business _____

Type of Business: Corporation Partnership Sole Proprietorship Joint Venture

The business concern must satisfy at least one of the following minimum requirements to be qualified as a Section 3 business concern before being awarded contracts under Section 3. Please check the appropriate box:

- A majority 51% or more ownership of business is held by low-income residents
- At least 30% of employees of the business are low-income residents
- More than 25% of the awarded contract shall be performed by businesses that meet either of the conditions above.

Low Income Definition Effective Federal Fiscal Year 2013

Family Size	1	2	3	4	5	6	7	8
Annual Gross Income Below:	\$38,350	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000	\$67,350	\$71,700

Please mark and attach the appropriate following documentation as evidence of business status:

For business entity as applicable provide one or more of the following:

- 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 status as a Section 3 resident-owned enterprise provide one or more of the following:

- Copy of resident lease
- Copy of evidence of participation in a public assistance program
- Copy of receipt of public assistance
- Other evidence of being a Section 3 resident

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

- List of subcontracted Section 3 business(es), contact information, and subcontract amount

For business claiming Section 3 status, claiming at least 30% 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 provide all of the following:

- List of all current full-time employees
- Evidence of employee Section 3 resident status (self-certification form)
- List of employees certified as Section 3 eligible AND
- Evidence of Section 3 resident status less than 3 years from date of employment for all employees in this category

This business provides the following services:

- Carpentry
- Painting
- Electrical
- Vinyl Siding
- Environmental
- Roofing
- Concrete/Asphalt
- Asbestos Testing/Abatement
- Lead Testing/Abatement
- Other _____
- Other _____
- Other _____

Plumbing
 Heating (HVAC)

Windows/Doors
 Landscaping

Carpet/Flooring
 Demolition

Other _____
 Other _____

CERTIFICATION

I hereby certify that all of the information provided above is true and correct and I agree to provide additional documentation if requested confirming residency, family size, and income for myself, my employees, or my subcontractors. I understand that I must also meet other eligibility criteria as determined by law and/or contractor (immigration, OSHA card, etc.). I understand that completing this form does not guarantee a contract.

Printed Name: _____ Signature: _____

Date: _____

Optional:

I authorize the City of Reno to release my name, business name, and contact information for the purposes of further employment opportunities under Section 3 covered construction projects including but not limited to putting my business information on a Section 3 webpage.

Printed Name: _____ Signature: _____

Date: _____

For questions about this form please contact the City of Reno Section 3 Coordinator at (775) 785-5853.

Return completed form and supplemental documentation to the prime contractor if applicable

Or

City of Reno
Housing and Neighborhood Development Division
Section 3 Coordinator
P.O. Box 1900
Reno, NV 89505

EXHIBIT 5
SECTION 3 DEVELOPER/CONTRACTOR COMPLIANCE CERTIFICATION

For contracts over \$50,000:

Housing and Urban development Regulations implementing Section 3 of the Housing and Urban Development Act of 1968 requires that, to the greatest extent feasible, opportunities for training and employment be given to low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

As evidence of compliance, the undersigned certifies that he/she will:

1. Take affirmative steps to hire and/or train low-income residents of the project area;
2. Solicit the participation of businesses located in or owned substantially by persons residing in the area of the project;
3. Submit a Section 3 Utilization Plan; and
4. Comply with the requirements of the City of Reno Section 3 Plan

Signed: _____ Date: _____

Title: _____

Company: _____

EXHIBIT 6
SAMPLE SECTION 3 UTILIZATION PLAN

- I. Projected Work Force Needs for the Project: Using Table A (attached) list all *projected* work force needs for all phases of this project by occupation, trade, skill level and number of positions.
- II. Determination of Project Area Boundaries:
 - A. Address of Project:

 - B. The project area for purposes of this Section 3 Utilization Plan is:

- III. Utilization of Low-Income Area Residents as Employees (Table A): The Company Agrees to complete Table A, Estimated Employment Work Force Breakdown:
 - A. Number of estimated positions in the various occupational categories Table A, Column 2.
 - B. Number of positions currently occupied by employees, Table A, Column 3.
 - C. Number of positions not currently occupied by regular, permanent employees in Table A, Column 4.
 - D. This company's goal for the number of positions on this project to be filled by low-income residents of the Section 3 project area is stated in Table A, Column 5. (Each contractor is expected to make a good faith effort to fill all the positions identified in Table A, Column 5, with Low-Income Project Area Residents.
- IV. Utilization of Businesses Contracted or Owned in Substantial Part by Persons Residing in the Project Area
 - A. Table B, Column 1, list all contracts to be awarded, described by type of business, or professional to all businesses in connection with this Section 3 covered project.
 - B. In Column 2, estimate the number of contracts of each type to be let.
 - C. In Column 3, project the approximate total dollar amount for all contracts of each type.
 - D. Based on the information given in Table B, Columns 1-3, and the availability of eligible business concerns within the project area doing business in professions or occupations identified, set forth your goals for the number of contracts to be awarded to eligible project area businesses in Column 4, and for approximate dollar amount to be awarded to project area businesses in Column 5. Eligible project area businesses will be utilized to the greatest extent feasible.
- V. The company agrees to develop and complete a final report which is entitled and accurately reflects *ACTUAL EMPLOYMENT WORK FORCE BREAKDOWN*, Table C. This report will be submitted with the final request for payment.

VI. Specific Utilization Steps

_____ (Company Name) agrees to implement the following specific action steps directed at increasing the utilization of low-income residents and project area businesses.

- A. To attempt to recruit from the appropriate areas the necessary number of low-income residents through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area such as *(Need list of these)*
- B. To prominently display a Section 3 Notice at the project site. *(See Exhibit 8 Sample Section 3 Notice)*
- C. To maintain a list of all low-income area residents who have applied either on their own or as a referral from any source, and to employ such persons if otherwise eligible and if a vacancy exists. *(Certification documentation – See attached sample Resident Certification Form)*
- D. To insert this utilization plan in all bid documents and to require all bidders to submit a Section 3 Affirmative Action Plan including utilization goals and the specific steps planned to accomplish those goals.
- E. To insure that contracts which are typically let on a negotiated rather than a bid basis in areas other than Section 3 covered project areas, are also let on a negotiated basis, whenever feasible, when let in a Section 3 covered project area.
- F. To formally contact unions, subcontractors and trade associations to secure their cooperation for this program.
- G. To insure that all appropriate project area business concerns are notified of pending opportunities. *(Certification documentation – See attached sample Business Certification Form)*
- H. To maintain records, including copies of correspondence, memoranda, etc., which document that all of the above affirmative action steps have been taken.
- I. To appoint an official of the company to coordinate the implementation of this Section 3 Utilization Plan.

As officers and representatives of _____ we
(company name)

the undersigned have read and fully agree to this Section 3 Utilization Plan, and become a party to the full implementation of the Section 3 program.

_____ Date: _____

_____ Date: _____

_____ Date: _____

TABLE A
ESTMATED PROJECT WORK FORCE BREAKDOWN

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
JOB CATEGORY	TOTAL ESTIMATED POSITIONS	NUMBER. POSITIONS CURRENTLY OCCUPIED BY EMPLOYEES	NUMBER POSITIONS NOT CURRENTLY OCCUPIED	GOAL: NUMBER OF POSITIONS TO BE FILLED WITH LOW-INCOME INCOME PROJECT AREA RESIDENTS
OFFICERS/SUPERVISORS				
PROFESSIONALS				
TECHNICIANS				
HSG. SALES/RENTAL MGMT.				
OFFICE/CLERICAL				
SERVICE WORKERS				
OTHERS				
TRADE				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				
TRADE				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				
TRADE				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				
TRADE				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				
TRADE				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				

Company: _____

Project Name: _____

Signature SECTION 3 Responsible Person: _____

TABLE B
PROPOSED CONTRACTS BREAKDOWN

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
Types of Contract (Business or Professional)	Total Number of Contracts	Total Approximate Dollar Amount	Estimated Number of Contracts to Project Area Businesses	Estimated Dollar Amounts to Section 3 Eligible businesses

Company: _____

Project Name: _____

Signature Section 3 Responsible Person:

TABLE C
ACTUAL EMPLOYMENT WORK FORCE BREAKDOWN

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
JOB CATEGORY	TOTAL POSITIONS	NUMBER POSITIONS OCCUPIED BY EMPLOYEES	NUMBER POSITIONS NOT CURRENTLY OCCUPIED	NUMBER OF POSITIONS FILLED WITH LOW-INCOME PROJECT AREA RESIDENTS
OFFICERS/SUPERVISORS				
PROFESSIONALS				
TECHNICIANS				
HSG. SALES/RENTAL MGMT.				
OFFICE/CLERICAL				
SERVICE WORKERS				
OTHERS				
TRADE:				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				
TRADE:				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				
TRADE:				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				
TRADE:				
Journeyman				
Helpers				
Apprentices				
Maximum No. of Trainees				
Others				

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

**EXHIBIT 8
SAMPLE SECTION 3 NOTICE**

This Project is covered by the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended.

To the maximum extent feasible opportunities for training and employment arising in connection with HUD-assisted projects will be given to low-income residents of the project area.

To the maximum extent feasible we will utilize small business concerns located in or substantially owned by residents of the project area in the award of contracts and purchase of services and supplies.

Any low-income resident seeking employment or training or any business located in or substantially owned by persons residing in the project area seeking contract opportunities who alleges non-compliance may file a grievance:

U. S. Dept. of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
600 West Broad Street
Richmond, VA 23230-0331

EXHIBIT 9
SUMMARY OF CONTRACTOR REQUIREMENTS

Section 3 requires that contractors with contracts of \$50,000 or more take steps so that low-income residents and Section 3 business concerns have an opportunity to benefit from the project. Described below are some of the steps you should take to ensure that you comply with Section 3. City of Reno and/or WCHC contracts may require additional steps that are not included below.

1. Submit and comply with a Section 3 Utilization Plan which includes information on how Section 3 outreach will be conducted for all new hires and contracting opportunities;
2. Assign a Project Section 3 Coordinator;
3. Submit a list of current employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award. It is recommended that contractors also ask for a list of current employees when bidding out projects. Those in direct contract with the City of Reno shall submit list at the time of contract, all others shall submit list to the Project Section 3 Coordinator;
4. Accept and give preferential employment consideration to Section 3 residents and business concerns when new employment and/or contracting opportunities present;
5. Complete certification or distribute self-certification forms to Section 3 residents and business concerns hired or contracted for the project;
6. Provide bid notices to Section 3 business concerns in the applicable field/trade of work from the City of Reno Section 3 list;
7. Document and report Section 3 implementation efforts and utilization of Section 3 residents and business concerns;
8. Include the Section 3 Clause in all contracts;
9. Require your contractors to provide you copies of their contracts showing inclusion of the Section 3 Clause;
10. After the award of contracts, the contractor must, prior to beginning work, inform Section 3 residents in the service area in which the work will be performed, by providing appropriate employment outreach signage at the project site and throughout the project area to inform low-income neighborhood residents of employment opportunities;
11. After the award of contracts and until project completion, the contractor/subcontractors should document the performance of employees including Section 3 participants (positive and negative), regarding punctuality, attendance, etc. and provide information upon request and in applicable reports to the Project Section 3 Coordinator, if a Section 3 participant quits, walks off, or is terminated from a covered project for any reason;
12. Require all contractors to complete a Section 3 Summary Report (HUD Form 60002) or other approved reporting form; and
13. Cooperate with Section 3 monitoring as applicable.

EXHIBIT 10 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 Secretary**– 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 which generates the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project. This may include Developers, Community Housing Development Organizations (CHDOs), vendors, suppliers, subrecipients, etc.
- **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 City implemented 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)** –Housing Authority of the City of Reno
- **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 as well as certain HUD-funded Housing and Community Development projects that complete housing rehabilitation, housing construction, and other public construction.
- **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-income families. (Other Examples: Job Corps, Americorps)
- **Low-income person** – families (including single persons) whose incomes do 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. A new hire would be a person who is not on the contractor's or recipient's payroll at the time of receipt of the contract or any employees who were previously laid off and are rehired for the funded project.
- **Neighborhood Area** - With reference to HUD housing programs, a neighborhood area is a geographical location within the jurisdiction of local government which is designated in ordinances or other local documents as being a neighborhood, village or similar geographical designation. With reference to HUD community development programs neighborhood area is defined according to the regulations of the particular program or CDBG regulations.
- **Project Section 3 Coordinator**- the Section 3 Coordinator for the project itself. This person may work for the entity holding the contract with the City of Reno or it could be an employee of another contractor. This is not the same as the City of Reno Section 3 Coordinator.
- **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, public housing authority, 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 located within Washoe County that is:
 - 1) that is 51% or more owned by a Section 3 resident: or
 - 2) whose permanent, full-time employees include persons, at least 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% 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** – 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 and provided herein.
- **Section 3 Covered Contracts** – a contract or subcontract of \$50,000 or more (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. Public construction may also include street repair, sewage line repair or installation, updates to building facades, etc.
- **Section 3 Resident** – a public housing or other qualified affordable housing tenant 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-income person according to an 80% median income standard and could include people who are homeless.
- **Service Area** - the geographical area in which the intended beneficiaries of the Section 3 assistance reside. The service area shall not extend beyond the unit of general local government in which the covered assistance is expended.
- **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.