

SECTION 3 COMPLIANCE PLAN FOR THE CITY OF CINCINNATI

I. Mission Statement

This plan is developed in order to implement the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended to date. The purpose is to ensure that employment and other economic opportunities generated by certain programs funded by the U.S. Department of Housing and Urban Development 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.

Under this Plan the City of Cincinnati is seeking to insure that opportunities for employment of low- and very-low income persons, and for the use of business concerns which provide economic opportunities for low- and very low- income persons are, at least to the extent set forth in Federal regulations, made available to qualified persons and businesses within the City of Cincinnati when it is expending funds under programs covered by the Section 3 regulations (24CFR Part 135). The covered Federal program expenditures include, but are not necessarily limited to, Trade & Development Block Grant (CDBG), HOME Investment Partnership program (HOME), and related funding sources when these funds are used for:

1. Housing rehabilitation (including reduction and abatement of lead based paint hazards, but excluding routine maintenance, repair and replacement);
2. Housing construction; and
3. Other public construction

II. Definitions

The definition of terms under the Plan is the same as those set forth in CFR 24 Part 135.5.

For the purposes of this Plan “neighborhood area” and “service area” mean, in all cases the legal boundaries of the City of Cincinnati. A partial listing of definitions is set forth in the attached Glossary.

III. Plan Goals and Selection Priorities

For expenditures covered by the Section 3 requirements it is the goal of the City to employ, or have sub-recipients and contractors employ, Section 3 residents (i.e. residents of the Cincinnati MSA) whose income is 80% or less than the median income of the Cincinnati MSA. The specific employment goals of the City of Cincinnati are as follows:

Employment: Thirty percent (30%) of the aggregate number of new hires during a one-year period of the project. (Example: A construction contractor hires 10 new workers. Three of the new workers should be Section 3 eligible persons).

The order of priority for selecting Section 3 new hires shall be, where feasible, as follows:

1. Section 3 residents residing in the service area or neighborhood in which the Section 3 covered project is located;
2. Participants in HUD Youthbuild programs;
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 (Cincinnati MSA).

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 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). Nothing in this part shall be construed to require the employment of a Section 3 resident who does not meet the qualifications of the position to be filled.

For expenditures covered by the Section 3 requirements it is the goal of the City to award contracts, or have sub-recipients and contractors award contracts to Section 3 business concern as follows:

Contracting: At least 10 percent (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 with deferral funds; and (b) At least three percent (3%) of the total dollar amount of all other covered Section 3 contracts to eligible section 3 business concerns. trade activities (engineering, architecture, construction management, etc.).

The order of priority for selecting Section 3 business concerns shall be, where feasible, as follows:

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

A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, if requested, that the business concern is a Section 3 business concern as defined in 135.5.

A Section 3 business concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the

terms and conditions of the proposed 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 (see 24 CFR 85.36(b)(8)). This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

IV. Application and Required Actions

A. Covered Activities

Section 3 covered projects are those projects that involve constructions, reconstruction, conversion of rehabilitation of housing, and other publicly-funded construction including other buildings or improvements, regardless of ownership. Therefore, some of the funding programs available through the County for community and economic development, and housing activities are covered by section 3. Section 3 covered projects include the reduction and abatement of lead-based paint hazards, but exclude routine maintenance, repair and replacement.

B. Dollar Thresholds

When HUD ("Grantor") funding to the City of Cincinnati ("Subgrantee") exceeds \$200,000, it has been determined that the City has met the required thresholds and that specific Section 3 requirements apply. Additionally, the City's recipient of HUD funds and their sub-contractors must also comply with Section 3 in instances where the aggregate (total) amount of City assistance for all projects exceeds \$100,000. Section 3 requirements apply to the entire project or activity, regardless of whether the project or activity is fully or partially funded with HUD assistance.

C. City of Cincinnati

Since the City, as a subgrantee receives HUD funding in excess of \$200,000, the city is subject to Section 3 requirements for activities involving construction projects, new housing projects, or housing rehabilitation projects. The City is required to pass these requirements on to all recipients and their subrecipients who receive \$100,000 or more in covered assistance.

As a recipient of covered Section 3 funds the City of Cincinnati will undertake the following actions in order to meet its obligations under the regulations.

1. Notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance.
2. Notify potential contractors for covered projects of Section 3 requirements.
3. Incorporate the Section 3 clause set forth in 24 CFR 135.38 in all solicitations and contracts.
4. Facilitate the training and employment of Section 3 residents
5. Facilitate the award of contracts to Section 3 business concerns.
6. Assist and actively cooperate with the Assistant Secretary in obtaining the compliance of contractors and subcontractors with Section 3 requirements.
7. Refrain from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the Section 3 regulations.
8. Document actions taken to comply with Section 3, the results of actions taken and impediments, if any.
9. Submit required reports.

The City will pass these responsibilities on, via Agreement, to any covered sub-recipient. Covered sub-recipients are subject to the above requirements.

In addition, the City will undertake the following additional actions.

- Inform the Department of Trade & Development of Section 3 hiring requirements for the City of Cincinnati staff dealing with HUD funds, especially positions which deal directly with housing rehabilitation, housing construction or other construction.
- Establish procedures and informational material for affected developers/contractors (\$100,000 in HUD funds) as well as subcontractors in excess of \$100,000 with any level of HUD funding.
- Place Section 3 Clause in all covered solicitation and procurement. This would include all covered contracts in excess of \$100,000 regardless of the level of HUD funded assistance.
- Requirements may, at local discretion, be passed on to other contracts. Notice of Section 3 requirements will be included in all public advertisements or notices.
- Require timely submission of Section 3 reports from covered sub-recipients, contractors and sub-contractors. A Section 3 file shall be established for all covered contracts.
- Establish procedures to prevent award of funds to sub-recipients or contractors who fail to meet Section 3 Requirements (barred list).

D. Contractors

For all contractors, and subcontractors, covered by the Section 3 requirement, the City shall require them to undertake the following actions to implement the requirements.

1. Include the "Section 3 clause" set forth in 135.38 in every subcontract subject to the Section 3 regulations.
2. Send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding a notice advising them of the contractor's commitments under the Section 3 clause.
3. Post copies of the notice in "2" above 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
 - Set forth minimum number of job titles subject to hire
 - List the availability of apprenticeship and training positions, and the qualifications for each
 - Specify the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. Refrain from filling any vacant employment and training positions after the contractor is selected but before the contract is executed to circumvent the contractor's obligations under 24 CFR Part 135 of the Section 3 Regulations.
5. Refrain from entering into any contract with any subcontractor where the contractor has notice of knowledge that the contractor has been found in violation of the Section 3 regulations.
6. Direct efforts to award covering contracts to Section 3 business concerns in the order of priority set forth in the Statute.

7. Direct efforts to employ and train Section 3 residents in the order of priority set forth in the Statute.
8. Document actions taken to comply with Section 3 requirements.
9. Submit required reports.

Each covered sub-recipient, contractor and subcontractor shall be provided with a copy of this Plan and attached "Contractors Booklet".

IV. Technical Guidelines

A. Examples of Efforts to Offer Training and Employment Opportunities to Residents

1. Distribute flyers which identify positions to be filled, qualifications, and where to obtain additional information to:
 - Assisted housing developments and transitional housing in the neighborhood or service area of the Section 3 covered project.
 - Resident councils, resident management corporation, resident organizations, churches, or other neighborhood organizations
 - Agencies administering federal, state or locally funded training programs (JTPA, JOBS, School-to-Work), and employment services agencies and organizations.
2. Request the assistance of resident and community organizations in:
 - Notifying residents of training and employment positions to be filled
 - Conducting job interviews and completing and collecting job applications
3. Sponsor or participate in job informational meetings or job fairs in the neighborhood or service area of the Section 3 covered project.
4. Advertise vacancies through local media such as radio and newsletters.
5. Undertake job counseling, education and related programs in association with local institutions.
6. Hire Section 3 residents for training and employment positions.
7. Take actions to ensure the continued employment of Section 3 residents.
8. Sponsor a HUD-certified "Step-Up" employment and training program for Section 3 residents.
9. Establish pre-apprenticeship and apprenticeship training programs that are consistent with DOL requirements for Section 3 residents.
10. Request the assistance of agencies and administering HUD in administering HUD Youthbuild programs in recruiting HUD Youthbuild program participants for the contractor's training and employment positions.
11. Employ Section 3 residents directly on either a permanent or a temporary basis.

12. Maintain a file of eligible qualified Section 3 residents for future employment positions.
13. Incorporate into the contract (after selection of bidders but prior to execution of contracts), a negotiated provision for a specific number of other Section 3 residents to be trained or employed on covered projects.
14. Coordinate economic development plans (e.g., job training and business assistance for residents) with the plans for housing and Trade & Development.

B. Examples of Efforts to Award Contracts to Section 3 Business Concerns

1. Utilize procurement procedures for Section 3 business concerns similar to those provided in the Appendix to Part 135.
 2. Consider potential contractors record of Section 3 compliance in determining their ability to perform successfully under the terms and conditions of proposed Section 3 contracts (e.g., past actions and plans for the pending contract).
 3. Ensure that Section 3 business concerns are notified of pending contracting opportunities by taking such steps as:
 - Informing business assistance agencies, minority contractors associations, City of Cincinnati resident organizations, community organizations, and community organizations of opportunities.
 - Providing written notice to known Section 3 business concerns of contracting opportunities that contains information on where to obtain additional information.
 - Conducting pre-bid meeting with Section 3 business concerns
 - Advertising opportunities through trade association papers and local media (e.g., radio, newspapers and newsletters).
 - Notifying agencies administering HUD Youthbuild programs of opportunities.
 4. Request the assistance of contractors associations and resident community organizations in identifying Section 3 businesses that may solicit bids or proposals for contracts.
 5. Follow up with Section 3 business concerns that have expressed interest in contracting opportunities by providing additional information.
 6. Carry out workshops on contracting procedures and specific contract opportunities.
 7. Advise Section 3 business concerns of assistance resources for obtaining bonding, lines of credit, financing or insurance.
 8. Break out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.
 9. Develop a list of eligible Section 3 business concerns.
 10. Establish programs designed to assist PHA residents in creating and developing resident-owned businesses.
 11. Link Section 3 business concerns to support services.
 12. Actively support joint ventures with Section 3 business concerns.
 13. Coordinate Section 3 business list development with the city.
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C. Examples of Records to be Maintained

1. Copies of training and employment advertisements.
2. List of Section 3 applicants and employees.
3. Copies of recruitment letters to resident and community organizations.
4. Copies of the required Notices and Posting.
5. Copies of solicitations or requests for proposals.
6. Record of bid evaluations and selections.
7. Pre-construction conference minutes and attendance roster.
8. Copies of notifications of awards to grantees and contractors.
9. Record of efforts taken to award contracts to Section 3 business concerns (e.g., outreach and procurement procedures).
10. Record of contracts awarded to Section 3 business concerns, including the dollar amounts of each.
11. Records of efforts taken to insure that contractors and subcontractors are informed of Section 3 requirements.
12. Records of efforts taken to ensure that Section 3 residents are informed of Section 3 requirements.
13. Core list of current employees, aside from the new hires.
14. Payroll records that substantiate payment to and continuous employment of the Section 3 new hires and current employees aside from the new hires.