

# RESTORE



**FEMA PA Match Training July 21, 2017**

# CDBG-DR Section 3 and Civil Rights Requirements

HUD Section 3



# What is Section 3?

- A Provision of the Housing and Urban Development Act of 1968 (as amended)
- HUD's legislative directive for providing preference to low- and very low-income residents of the local community and the businesses that substantially employ them for new employment, training and contracting opportunities resulting from HUD-funded projects.

# Purpose of Section 3?

- Section 3 directs recipients of certain HUD program funding to give preference for training and employment opportunities arising from those programs to local low-income residents **“to the greatest extent feasible”**
- Section 3 also directs recipients to give preference in awarding contracts to businesses owned by or employing local, low-income residents “to the greatest extent feasible”
- Recipients of Section 3 covered assistance must make every effort to recruit, target and direct economic opportunities to Section 3 residents and businesses

# Section 3 Thresholds

For **Grantees**:

- Section 3 requirements apply to **Grantees** of CDBG-DR funding exceeding \$200,000 (in any fiscal cycle)
- Section 3 applies to all projects involving “covered activities,” regardless of whether they are fully or partially funded with CDBG-DR

# Section 3 Thresholds continued

## For **Contractors**:

- Section 3 requirements apply to **contractors or subcontractors** with contracts exceeding \$100,000 (for covered activities)
- The requirements apply to each individual contract that meets the threshold
- If no individual contract exceeds \$100,000, Section 3 responsibilities apply only to the recipient agency ( if funding exceeds \$200,000)

# Section 3 Goals

## Employment Goals:

- 30 Percent of new full-time hires or three out of ten new hires annually, should be qualified Section 3 Residents

## Contracting Goals:

- 10 percent of the total dollar amount of all Section 3 covered contracts for building trades work awarded to Section 3 business concerns
- 3 percent of the total dollar amount of all other contracts, such as professional services award to Section 3 business concerns

# Definitions - Section 3 Resident

A “Section 3 Resident” is defined as:

- A resident of Public Housing or Indian Housing

OR

- A resident of the metro area or non-metropolitan area in which the Section 3 covered assistance is expended

AND

- a low-income (80% of median) or very low-income (50% of median) person



# Definitions - Section 3 Business Concern

A Section 3 Business Concern is defined as one that:

- is 51% or more owned by Section 3 Residents

**OR**

- whose permanent, full-time staff is comprised of at least 30% Section 3 Residents

**OR**

- has committed 25% of the dollar amount of its subcontracts to Section 3 Businesses

# Steps involved in ensuring compliance with Section 3

- Notify Section 3 residents of employment and training opportunities
- Facilitate employment/training opportunities for Section 3 residents
- Develop a list of eligible Section 3 business concerns
- Develop a grantee Section 3 Plan
- Advertise contracting opportunities
- Notify contractors of Section 3 requirements

# Steps involved in ensuring compliance with Section 3 - continued

- Obtain Section 3 Certification form from low bidders
- Include Section 3 clause in all Section 3 covered contracts
- Obtain Section 3 plans from covered contractors and subcontractors
- Document actions taken to attain the goals and any impediments encountered
- Report to OCD-DRU information on Section 3 hires and contracts awarded to Section 3 business concerns

# Nondiscrimination, Equal Opportunity and Affirmative Action

- All CDBG-DR funded activities must be conducted in a manner which will not cause discrimination on the basis of race, creed, color, national origin, religion, sex, disability, or age
- **Employment**
  - Maintain employment data
  - Advertise as an equal opportunity employer
  - Display Equal Opportunity posters
  - Include Equal Opportunity Statement on letterhead
  - Take affirmative action to overcome the effect of past discrimination

# Nondiscrimination, Equal Opportunity and Affirmative Action - continued

- **Contracting**

- Advertise as an equal opportunity employer in bid solicitations
- Solicit bids from minority and women owned businesses
- Maintain a list of minority and women owned businesses
- Inform contractors of equal opportunity requirements
- Monitor contractors for compliance

# Affirmatively Furthering Fair Housing (AFFH)

- Recipients of CDBG DR funds have a responsibility to affirmatively further fair housing even if they aren't running a housing program.
- Conduct at least 1 activity annually to AFFH such as
  - Information Outreach such as posting flyers, distributing brochures, utility bill stuffers, or newspaper advertisements
  - Training Seminars for the General Public, Landlords, Real Estate Brokers and Real Estate Lenders to discuss Fair Housing laws
- Provide assistance with housing discrimination complaints

# Section 504 Background and Purpose

- Section 504 of the Rehabilitation Act of 1973, as amended requires recipients of CDBG DR funds to operate each program or activity receiving Federal financial assistance so that it is readily accessible to and usable by individuals with handicaps.
- Section 504 provides that "No otherwise qualified individual with handicaps in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance

# Steps to Ensure Compliance with Section 504

- Submit an assurance to OCD-DRU that the CDBG DR program will be operated in compliance with Section 504 requirements
- Have a completed Self-Evaluation of policies, practices and facilities
- If applicable, have a Transition Plan
- Complete **“Summary of Actions to Achieve Compliance with Section 504”** that describes past actions to achieve compliance with Section 504 in the areas of physical accessibility, communications, and employment.



# Steps to Ensure Compliance with Section 504 - continued

- Ensure **new** facilities are compliant with the Uniform Federal Accessibility Standards (UFAS)
- Provide for use of sign language, readers, taped material or Braille material as required
- If Grantee employs **15 or more** persons:
  - Designate a Section 504 Coordinator
  - Adopt a Section 504 Grievance procedure
  - Publish a statement of compliance that it does not discriminate on the basis of handicap. Initial notification within 90 days of OCD-DRU award
- Resolve any Section 504 complaints

# Resources

- Section 8 (Civil Rights) of the DR CDBG Grantee Administrative Manual:  
[http://www.doa.la.gov/OCDDRU/Administration%20Manual/Section\\_8/Section\\_8\\_v3.85.pdf](http://www.doa.la.gov/OCDDRU/Administration%20Manual/Section_8/Section_8_v3.85.pdf)
- HUD Section 3 Complaint Register (Exhibit 8-1):  
[http://www.doa.la.gov/OCDDRU%20AdminManual/Section\\_08/Exhibit%208-1.docx](http://www.doa.la.gov/OCDDRU%20AdminManual/Section_08/Exhibit%208-1.docx)
- Suggested Activities to Affirmatively Further Fair Housing (Exhibit 8-2):  
[http://www.doa.la.gov/OCDDRU%20AdminManual/Section\\_08/Exhibit%208-2.docx](http://www.doa.la.gov/OCDDRU%20AdminManual/Section_08/Exhibit%208-2.docx)

## Resources (continued)

- Sample Section 504 Assurance (Exhibit 8-3):  
[http://www.doa.la.gov/OCDDRU%20AdminManual/Section\\_08/Exhibit%208-3.docx](http://www.doa.la.gov/OCDDRU%20AdminManual/Section_08/Exhibit%208-3.docx)
- Sample Summary of Actions Taken to Achieve Compliance with Section 504 (Exhibit 8-4):  
[http://www.doa.la.gov/OCDDRU%20AdminManual/Section\\_08/Exhibit%208-4.docx](http://www.doa.la.gov/OCDDRU%20AdminManual/Section_08/Exhibit%208-4.docx)
- OCD Section 504/ADA Technical Assistance Handbook (Exhibit 8-5):  
[http://www.doa.la.gov/OCDDRU%20AdminManual/Section\\_08/Exhibit%208-5.doc](http://www.doa.la.gov/OCDDRU%20AdminManual/Section_08/Exhibit%208-5.doc)

# Resources (continued)

- Certification of Bidder Regarding Section 3 (Exhibit 8-6):  
[http://www.doa.la.gov/OCDDRU%20AdminManual/Section\\_08/Exhibit%208-6.docx](http://www.doa.la.gov/OCDDRU%20AdminManual/Section_08/Exhibit%208-6.docx)
- Contractor or Subcontractor Section 3 Plan (Exhibit 8-7):  
[http://www.doa.la.gov/OCDDRU%20AdminManual/Section\\_08/Exhibit%208-7.docx](http://www.doa.la.gov/OCDDRU%20AdminManual/Section_08/Exhibit%208-7.docx)
- HUD Section 3 Business Registry:  
<https://portalapps.hud.gov/Sec3BusReg/BRegistry/SearchBusiness>

# QUESTIONS?