



TEXAS GENERAL LAND OFFICE DISASTER RECOVERY

Section 3 Plan- Best Practices Result Sheet

Date: 5-2-13
 Recipient: Galveston County
 Total Points: 11

 Total Possible Points = 12

TOTAL POSSIBLE POINTS BASED ON SECTION 3 PLANS INCLUDING THE FOLLOWING ELEMENTS:	
1. Does the Plan call for a designated Section 3 Coordinator(s)? (1 point)	<input checked="" type="checkbox"/>
2. Does the Plan reveal how the recipient will monitor and enforce compliance with Section 3? (1 point)	<input checked="" type="checkbox"/>
3. Does the Plan express preferences for Section 3 businesses in the method of award? (1 point)	<input checked="" type="checkbox"/>
4. Does the Plan identify Section 3 reporting requirements to the recipients and subsequently to the GLO? (1 point)	<input checked="" type="checkbox"/>
5. Does the Plan cover the requirement that adds the Section 3 clause into the recipients contracts? (1 point)	<input checked="" type="checkbox"/>
6. Does the Plan outline procedures that identify how the recipient will notify Section 3 residents about training and employment opportunities (outreach)? (1 point)	<input checked="" type="checkbox"/>
7. Does the Plan include procedures that show how the recipient will notify contractors about Section 3 requirements? (1 point)	<input checked="" type="checkbox"/>
8. Does the Plan discuss ways the recipient will provide, coordinate, and/ or facilitate training for upcoming economic opportunities for Section 3 businesses and Section 3 Residents? (1 point)	<input checked="" type="checkbox"/>
9. Does the Plan discuss maintaining a list of recognized Section 3 Business concerns? (1 point)	<input checked="" type="checkbox"/>
10. Does the Plan discuss the maintaining of an advisory board? (1 point)	<input type="checkbox"/>
11. Does the Plan discuss steps to perform a prospective workforce needs analysis that could be used to identify and quantify training, employment and contracting opportunities with local workforce centers, local community colleges, local training programs, local PHAs and local Community groups? (1 point)	<input checked="" type="checkbox"/>
12. Does the Plan discuss processes that ensure contracts will not be awarded to Section 3 regulation violators, as identified by HUD (24 CFR 135.72)? (1 point)	<input checked="" type="checkbox"/>
Total Points =12:	11

Whereas the Texas General Land Office does not issue approvals of individual Section 3 Plans, this results sheet is designed to illustrate whether a Section 3 Plan captures all or some of the best practices outlined in the GLO Section 3 Policy. Developing a Section 3 Plan with best practices in mind allows recipients to develop strong plans that may help them meet numerical goals and document compliance with the “greatest extent feasible” requirement.

Galveston County Round 2.2 Hurricane Ike CDBG-DR Section 3 Plan

Section 3 Introduction

Section 3 of the Housing and Urban Development Act of 1968 is HUD's legislative directive for providing preference to low and very low income residents of the local community, and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.

Recipient Responsibilities

The Galveston County Housing Assistance Program (GCHAP) and Galveston County CDBG Non-Housing Program will make every effort to ensure that contractors and subcontractors performing work on Section 3 funded activities are in compliance with the Section 3 requirements as well as meeting or exceeding the numerical goals as outlined in the HUD Act.

The minimum numerical goals are:

- 30 percent of total of new hires as Section 3 Residents (i.e. 1 out of 3 new hires);
- 10 percent of all awarded construction contracts to Section 3 Business Concerns;
- 3 percent of all awarded non-construction contracts to Section 3 Business Concerns

GCHAP and the Non-Housing Program have appointed a Section 3 Coordinator whose responsibilities are to verify compliance and perform monitoring of all Section 3 activities for Round 2 of the Galveston County Housing Assistance Program and Round 2.2 of the CDBG Non-Housing Program. GCHAP will also maintain a Section 3 advisory board in order to address Section 3 related matters.

The Section 3 Coordinator will take the following steps to promote Section 3 compliance:

- Implement procedures to notify Section 3 individuals and businesses about training, employment, and contracting opportunities generated by Section 3 covered assistance
- Notify contractors working on Section 3 projects of their responsibilities
- Incorporate the Section 3 Clause into solicitations (when applicable) and contracts
- Encourage the training and employment of Section 3 residents and the award of contracts to Section 3 businesses by contractors
- Assist and actively cooperate in making contractors and subcontractors comply
- Refrain from entering into contracts with contractors that are in violation of Section 3 regulations
- Document actions taken to comply with Section 3
- Submit Section 3 Monthly and Annual Summary Reports

Types of economic opportunities available under Section 3:

- Employment opportunities
- Training and educational opportunities
- Contracts and business opportunities

For future grant funding GCHAP will utilize [Texas] Workforce Solutions to assist with a workforce needs analysis used to identify and quantify training, employment, and contracting opportunities.

Section 3 Residents

Section 3 Residents are:

- Residents of Public Housing/Housing Choice Voucher Program
- Individuals that reside in Galveston County in which the Section 3 assistance is expended and whose income do not exceed the local HUD income limits (HUD income limits can be found at: <http://www.huduser.org/portal/datasets/il/il2012/2012summary.odn>) set forth for low or very low income households
- Persons with disabilities
- Participants in Youth-build programs (if applicable)

A contractor shall provide a Section 3 resident with proper documentation. The contractor shall submit the proper documentation to the Section 3 Coordinator to verify and approve. The GCHAP will maintain a list of Section 3 Residents and Business Concerns for current and/or future Section 3 opportunities.

According to HUD a Self-Certification is an acceptable means for the establishing eligibility as a Section 3 Resident. However, recipients may utilize acceptable support documentation with the Section 3 Resident Certification Form to include:

- Proof of residency in a public housing development
- Proof of Housing Choice Voucher assistance
- Evidence of participation in a Youth build program operated in the metropolitan (or non-metropolitan county) where the Section 3 covered assistance is spent
- Evidence that the individual resides in the Section 3 area and is a low or very-low income persons, as defined in Section 3(b)(2) of the U.S. Housing Act of 1937
- Proof that the resident receives some form of government assistance

Section 3 Business Concern

GCHAP will verify if a business qualifies for Section 3 designation by performing a Section 3 Business Concern Certification. Additionally, GCHAP will maintain a list of Section 3 Business Concerns, as well as refer to the GLO's Section 3 Business Certification listing to see if the applicable business is already listed as a Section 3 Business Concern.

A Section 3 Business concern is one that is:

- Owned by 51 percent or more by Section 3 Residents; or
- Employs at least 30 percent of employees who qualify as Section 3 Residents (or within 3 years of the date of first employment with the business concern were Section 3 Residents); or
- Commits to subcontract in excess of 25 percent of the dollar award of all subcontracts to business concerns that meet one of the first two qualifications above.

GCHAP and the Non-Housing Program will include the "Contractor Certification of Efforts to Comply Notice", in contracts where applicable and additionally, will incorporate the Section 3 Clause into contracts or subcontracts in excess of \$100,000 (24 CFR Part 135.38)

Preference for Section 3 Business Concerns:

GCHAP will use a scoring system to measure contractor's performance throughout the life of the Program. Section 3 compliance is a factor of the scoring system. Therefore Section 3 compliance is a determining factor in determining the preference given to contractors when making contractor assignments.

Contractor Requirements

In responding to bids, all contractors and subcontractors are required to comply with the GCHAP and Non-Housing Program Section 3 Plan. The contractor and staff members will review the Section 3 Plan, procedures, and applicable forms that the contractor will use to report progress toward Section 3 goals.

Direct employment of qualified candidates

All general contractors and/or subcontractors shall ensure that 30 percent of new hires will be Section 3 residents to the best extent feasible. Additionally, the contractor and/or subcontractor will provide employed Section 3 residents with applicable training and/or educational opportunities. Contractors must contact a local work force agency to post job openings for Section 3 residents. Contractors must be able to provide documentation within 30 days of the posting they provided to the local work force agency.

Guidelines for Direct Employment:

- Contractors should provide job opportunities for skilled and unskilled workers
- Contractors should maintain employment for candidates throughout the duration of a project (candidates will be employees of the contractor or subcontractor, not GCHAP)

Compliance and Monitoring of Section 3

The Section 3 Coordinator will analyze and evaluate the contractor's compliance with requirements and obligations set forth in the contract. In the event that a review reveals a contractor has not complied with Section 3 requirements, the GCHAP will undertake efforts to help the contractor achieve compliance.

Failure to Meet Required Goals

GCHAP will utilize a points system to score the performance of contractors for the Round 2 Program. Section 3 compliance will be a factor utilized in the scoring system. Performance will determine the number of assignments given to contractors. Reports are to be submitted to GCHAP on the first business day of the following month. Therefore, Section 3 non-compliance can affect the number of assignments given to a particular contractor. The contractor will be given 30 days to achieve compliance.

Galveston County CDBG Non-Housing Program will monitor performance of contractors for compliance. In the event of non-compliance, the contractor will have to provide, in writing, proof of Section 3 outreach efforts, number of actual new hires for the project, etc. This effort is in order to document how compliance was attempted but not achieved. If deliberate cases of non-compliance are discovered, the contractor will be given 30 days to achieve compliance, or the GLO will be notified and potential corrective steps taken to achieve compliance.

Reports

The contractor and/or subcontractor shall submit monthly reports regarding their compliance of Section 3 requirements. An annual report will also be requested from each contractor and/or subcontractor in connection to the performance of each project. This annual report will document the efforts and successes of all Section 3 contractors and subcontractors working under the general contractor, in reaching the percentage goals for employment and business opportunities established in these policies.

Outreach Efforts

- GCHAP and the Non-Housing Program will direct Section 3 residents to Workforce Solutions (Texas City) via internet postings on the Galveston County website, and flyers posted in and around the Galveston County Housing Department Office.
- GCHAP and the Non-Housing Program will initially notify contractors of Section 3 requirements via a Contractor Workshop prior to the beginning of construction.
- GCHAP and the Non-Housing Program will relay any updated Section 3 related information to contractors and staff via internet postings.

Reporting Requirements

GCHAP and the Non-Housing Program will document actions to the best extent feasible taken with the employment, training, and contracting requirements of Section 3, as well as the results of actions taken, and impediments encountered. GCHAP and the Non-Housing Program will submit the Section 3 Monthly Progress Report and the Section 3 Annual Summary Report to the GLO. GCHAP and the Non-Housing Program will require contractors to submit the New Hires Section 3 Monthly Compliance Report.

Filing Complaints

Housing complaints must be submitted in writing to GCHAP or submitted via the Galveston County website. Non-Housing complaints must be submitted in writing to the Non-Housing Program. Complaints related to the Non-Housing Program can also be submitted via the Galveston County Website. All complaints must include the complainant's name, address, telephone number, and a brief narrative detailing the complaint, including but not limited to, the date the alleged violation occurred and the date the alleged violation was discovered. Complaints shall be filed within 30 calendar days after the complainant becomes aware of any alleged violation.

GCHAP and the Non-Housing Program will review every complaint. All parties involved will have the opportunity to submit testimony and/or evidence as available and relevant to the complaint. GCHAP and the Non-Housing Program will issue a written determination within 30 days after the filing of the complaint.

All housing complaints should be submitted to:

Galveston County Housing Department
722 21st Street (6th Floor)
Galveston, TX 77550
Fax Number: 409-877-7623

All non-housing complaints should be submitted to:

Galveston County Housing Department
722 21st Street (3rd Floor)
Galveston, TX 77550
Fax Number: 409-770-5341