



Section 3 Plan

Ogden City
Community Development Division
2549 Washington Boulevard, Suite 120
Ogden, Utah 84401
www.ogdencity.com/section3
Email: fairhousing@ogdencity.com





Ogden City
Community and Economic Development Department
Section 3 Plan

This Section 3 Plan

This Section 3 Plan (“Plan”) identifies the policies and procedures that the Community and Economic Development Department (CED) of Ogden City will implement to ensure compliance in its own operations and those of Section 3 covered developers, sub-recipients, bidders, contractors, and subcontractors (hereinafter collectively referred to as “Contractors”) with the requirements of Section 3. The CED may take other actions it deems necessary as well. This Section 3 policy requires that new employment opportunities be directed to qualified low- and very low-income residents of the area where the project is being implemented. The policy also requires that designated Section 3 business concerns with the ability and capacity to perform projects be extended preference in contracting, sub-contracting, and professional service activities.

What is Section 3?

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) and implementing regulations at 24 C.F.R. Part 135 requires Ogden City CED to ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons.

Section 3 is applicable when the normal completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities. If the expenditure of covered funding does not result in new employment, contracting, or training opportunities, the requirements of Section 3 are not applicable. The requirements of Section 3 also directly apply to Contractors that receive contracts of \$100,000 or more for Section 3 eligible projects / activities.

Section 3 Coordinator

Ogden City CED has designated a Section 3 Coordinator to assist Section 3 residents and Section 3 business concerns.

Cathy Fuentes,
Section 3 Coordinator
2549 Washington Boulevard, Suite 120
Ogden, Utah 84401
801-629-8903
cathyf@ogdencity.com

Section 3 Website

A Section 3 website, <http://Section3.ogdencity.com>, has been created to further “to the greatest extent feasible” the hiring of Section 3 residents and contracting Section 3 businesses.

Eligible Projects

All projects / activities involving housing construction, demolition, rehabilitation, or other public construction, (i.e., roads, sewers, community centers, etc.) that have HUD Community Planning and Development funding assistance are subject to the requirement of Section 3.

Section 3 Covered Contracting and Hiring Goals

It is the policy of CED that, to the greatest extent feasible, to utilize and to require Contractors to utilize Section 3 business concerns and Section 3 residents in contracts partially or wholly funded with monies from HUD.

Ogden City CED has established contracting and employment goals for itself and Contractors to attain in order to comply with Section 3 requirements in accordance with 24 CFR 135.30. The numerical goals for Section 3 covered contracts are:

1. 1. 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, housing construction, and other public construction shall be awarded to Section 3 business concerns, and
2. 2. At least 3 percent (3%) of the total dollar amount of all other Section 3 covered contracts (e.g. architect, appraisal, etc.) shall be awarded to Section 3 business concerns; and
3. 3. At least 30 percent (30%) of the aggregate number of new hires in any fiscal year shall be Section 3 residents.

Recipients that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable the Department to make a compliance determination.

The infusion of certain HUD funds through Ogden City CED into a project at any point in the project means that the goals apply to all construction costs of the project, not just the amount of HUD financial assistance. Records must be maintained on goals reached, and efforts taken to reach goals. If goals are not met, a description of impediments encountered despite actions taken must be reported to the CED.

Section 3 Residents

To be considered a Section 3 Resident, at least one of the following must apply:

1. Be a resident of Public and Indian Housing;
2. Be a YouthBuild participants or
3. Reside in the Ogden-Clearfield MSA (Weber, Davis and Morgan counties) and whose income does not exceed income limits set by HUD for low- or very low-income households. Low Income is defined as 80% or below the area median income as determined by HUD.

Refer to the US Department of HUD Income Limits chart (Attachment A). In accordance with the regulation, residents seeking Section 3 preference shall self-certify their status as a Section 3 resident using the Section 3 Resident Certification Form (Attachment B) and shall submit evidence of eligibility to Ogden City's Section 3 Coordinator or to the contractor verifying they meet the definitions provided above.

Self-certification is an acceptable means for establishing eligibility as a Section 3 resident. However, recipients shall submit acceptable evidence of eligibility documentation with the Section 3 Resident Certification form to include:

- Proof of residency in a public housing development
- Evidence of participation in a HUD YouthBuild program located in the Ogden-Clearfield MSA.
- Copy of a Section 3 voucher certificate or voucher
- Evidence of eligibility or participation in a federally-funded program for very low- to moderate income persons.
- Evidence that the individual resides in the Ogden-Clearfield MSA and is a low- to moderate-income person as defined by HUD.

Determining Income Levels

- Low income is defined as 80% or below the median income of that area.

Section 3 Business Concern

To be considered a Section 3 Business Concern, at least one of the following must apply:

1. Business is 51% or more owned by Section 3 residents;
2. At least 30% of the business's permanent, full-time employees are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
3. Business provides evidence of a commitment to subcontract in excess of 25% of the dollar amount of all subcontracts to be awarded to businesses that meet the qualification described above.

Business concerns seeking Section 3 preference shall complete and submit to CED the Section 3 Business Certification form (Attachment C), and shall register at the Utah Division of Workforce Services' Section 3 website (<http://jobs.utah.gov/housing/section3/HUDSection3.html>) and, upon request, submit evidence to CED verifying that they meet the definitions provided above.

Section 3 Clause

The Section 3 contract clause required by 24 CFR Section 135.38 specifies the requirements for Contractors hired for Section 3 covered projects. CED will ensure that at a minimum a reference to the Section 3 Clause will be included in Section 3 covered bid notices and Request for Proposals (RFP). The following "Section 3 Clause" is to be included in all CED Section 3 covered project contracts whose funding is derived from HUD and involves housing construction, demolition, rehabilitation, or other public construction, i.e., roads, sewers, community centers, etc.

'The work to be performed under this bid specification / contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended. 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- and very-low income persons, particularly persons who are recipients of HUD assistance for Housing'

Efforts by Ogden City CED to Award Contract Opportunities to Section 3 Business Concerns

Ogden City CED is committed to ensuring that qualified Section 3 business concerns derive economic benefit from all Section 3 covered projects undertaken in their communities. CED will use the following methods to facilitate compliance of Section 3:

- Advertise contracting opportunities via the City's website that will provide general information about the project and where to obtain additional information.
- Advertising Section 3 contracting opportunities through trade association papers, newsletters, and/or through local media.
- Contacting the BIC and/or business assistance agencies and community organizations to inform them of contracting opportunities and requesting assistance in identifying Section 3 businesses.
- Utilizing the Utah Division of Workforce Services website to identify Section 3 businesses.
- Providing electronic, and if requested non-electronic, notice of contracting opportunities to Section 3 business concerns.
- Coordinate pre-bid meetings at which Section 3 business concerns may be informed of upcoming contracting and sub-contracting opportunities and requirements.
- Reviewing past performance of potential Contractors and their record of Section 3 compliance, to be considered as evidenced by past actions and their current plans for the pending contract.
- Requiring Contractors with HUD-funded Section 3 covered contracts of \$100,000 or more to prepare a Section 3 Action Plan for the project. Contractors must submit a Section 3 Action Plan

and demonstrate in their Section 3 Action Plan and through their subsequent actions that contracting and other economic opportunities are, to the greatest extent feasible, directed to Section 3 business concerns.

- Implementing a Section 3 contracting preference as authorized in CFR 85.36(d) for CED contracts and for general contractors with contracts of \$100,000 or more. Under this Section 3 policy, Section 3 business concerns will be given priority in contracting for appropriate work. The following lists the order of preference (from highest to lowest) for Section 3 business concerns seeking contracting opportunities:
 1. Category 1 businesses: 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.
 2. Category 2 businesses: Applicants selected to carry out YouthBuild programs.
 3. Category 3 businesses: Other Section 3 business concerns.
- Requiring reports to monitor Contractors' compliance with Section 3 requirements.
- Support businesses which provide economic opportunities to low income person by linking them to support services available at the BIC and the SBA and the Department of Commerce.
- Encourage local financial institutions, in carrying out their Community Reinvestment Act (CRA) to provide no or low interest loans to Section 3 businesses for providing working capital and other financial business needs.

Efforts to Offer Training and Employment Opportunities to Section 3 Residents

Ogden City CED will engage in for its own Section 3 projects, and require that Contractors engage in the following minimum steps to afford maximum employment and training opportunities to eligible Section 3 residents for Section 3 covered projects:

- Facilitating the training and employment of Section 3 residents by notifying the Ogden Housing Authority of new employment or training opportunities resulting from the expenditure of covered funding;
 - Section 3 job announcements will be sent to the Director of Ogden Housing Authority who will direct the posting of notices of new hiring and training opportunities at public housing apartments.
- Accepting and giving preferential employment consideration to Section 3 residents.
- Conducting employment outreach by notifying Ogden-Weber Applied Technology College's (OWATC) YouthBuild Program Director of Section 3 job opportunities, and requesting their assistance in identifying YouthBuild program participants for opportunities.
- Requiring that all new Section 3 covered job announcements be submitted to Utah Division of Workforce Services for posting the state's employment website: www.jobs.utah.gov.

Preference for Section 3 Business Concerns:

Request for Bid process applicable to Ogden City CED, subrecipients, developers, contractors and subcontractors.

Preference in the award of Section 3 covered contracts that are awarded under a sealed bid process shall be provided as follows:

(i) Bids shall be solicited from all businesses (section 3 business concerns, and non-section 3 business concerns). An award shall be made to the qualified section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid--

(A) is within the maximum total contract price established in the City's budget for this project for which bids are being taken, and

(B) is not more than “X” higher than the total bid price of the lowest responsive bid from any responsible bidder. “X” is determined as follows:

x=lesser of:

When the lowest responsive bid is equal to or less than
\$100,000 5% of that bid.

When the lowest responsive bid is:

Over \$100,000 3% of that bid.

(ii) If no responsive bid by a section 3 business concern meets the requirements of paragraph (i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

Contractors, Subcontractors, Developers and/or Sub-recipients Contractual Obligations:

Under this Section 3 Plan, Section 3 funded contractors, subcontractors, developers and/or sub-recipients are obligated to:

- Conduct subcontractor outreach to Section 3 eligible businesses for sub-contracting and business opportunities.
- Submit a Section 3 Action Plan for contracts over \$100,000.
- Accept and give priority subcontracting consideration to Section 3 businesses.
- Document outreach efforts related to Section 3 eligible businesses.
- Maintain documentation of utilization of Section 3 eligible businesses.
- Submit to the Section 3 Coordinator documentation of Section 3 efforts.

It is Ogden City CED’s policy that funded contractors, subcontractors, developers and/or sub-recipients adhere to city approved procurement and bidding procedures. All Section 3 businesses shall be licensed when appropriate and have experience in the service to be provided to Ogden City CED or its sub-recipients.

Compliance to Section 3:

To ensure compliance with Section 3 requirements, CED will document actions taken to comply, including but not limited to:

1. Ogden City Community and Economic Development Director will implement a Section 3 Plan and assign a Section 3 Coordinator.
2. Ensure that Contractors and Subcontractors with Section 3 covered contracts over \$100,000 submit a Section 3 Action Plan to the Section 3 Coordinator and will comply with all requirements.
3. The CED has adopted Section 3 covered contracting and employment goals as defined by 24 CFR 135.30 for itself and Contractors in order to comply with Section 3 requirements.
4. Comply with the Section 3 Clause contract language.
5. Assisting and actively cooperating with HUD in ensuring contractors and subcontractors comply with Section 3;
6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations; and
7. Documenting actions taken to comply with Section 3
8. Submitting Section 3 Summary reports (HUD Form 60002).

Attachment A
HUD 2013 Income Limits for Utah

STATE:UTAH		-----I N C O M E L I M I T S-----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Logan, UT-ID MSA									
FY 2013 MFI: 55700	30% OF MEDIAN	12150	13850	15600	17300	18700	20100	21500	22850
	VERY LOW INCOME	20200	23100	26000	28850	31200	33500	35800	38100
	LOW-INCOME	32350	36950	41550	46150	49850	53550	57250	60950
Ogden-Clearfield, UT MSA									
FY 2013 MFI: 70800	30% OF MEDIAN	14900	17000	19150	21250	22950	24650	26350	28050
	VERY LOW INCOME	24800	28350	31900	35400	38250	41100	43900	46750
	LOW-INCOME	39700	45350	51000	56650	61200	65750	70250	74800
Provo-Orem, UT MSA									
FY 2013 MFI: 61900	30% OF MEDIAN	13450	15350	17250	19150	20700	22250	23750	25300
	VERY LOW INCOME	22350	25550	28750	31900	34500	37050	39600	42150
	LOW-INCOME	35750	40850	45950	51050	55150	59250	63350	67400
Salt Lake City, UT MSA									
Salt Lake City, UT HMFA									
FY 2013 MFI: 70300	30% OF MEDIAN	14800	16900	19000	21100	22800	24500	26200	27900
	VERY LOW INCOME	24650	28150	31650	35150	38000	40800	43600	46400
	LOW-INCOME	39400	45000	50650	56250	60750	65250	69750	74250
Summit County, UT HMFA									
FY 2013 MFI: 97000	30% OF MEDIAN	20400	23300	26200	29100	31450	33800	36100	38450
	VERY LOW INCOME	33950	38800	43650	48500	52400	56300	60150	64050
	LOW-INCOME	45100	51550	58000	64400	69600	74750	79900	85050
Tooele County, UT HMFA									
FY 2013 MFI: 69700	30% OF MEDIAN	14650	16750	18850	20900	22600	24250	25950	27600
	VERY LOW INCOME	24400	27900	31400	34850	37650	40450	43250	46050
	LOW-INCOME	39050	44600	50200	55750	60250	64700	69150	73600
St. George, UT MSA									
FY 2013 MFI: 56800	30% OF MEDIAN	12150	13850	15600	17300	18700	20100	21500	22850
	VERY LOW INCOME	20200	23100	26000	28850	31200	33500	35800	38100
	LOW-INCOME	32350	36950	41550	46150	49850	53550	57250	60950
Beaver County, UT									
FY 2013 MFI: 49300	30% OF MEDIAN	12150	13850	15600	17300	18700	20100	21500	22850
	VERY LOW INCOME	20200	23100	26000	28850	31200	33500	35800	38100
	LOW-INCOME	32350	36950	41550	46150	49850	53550	57250	60950
Box Elder County, UT									
FY 2013 MFI: 64300	30% OF MEDIAN	13550	15450	17400	19300	20850	22400	23950	25500
	VERY LOW INCOME	22550	25750	28950	32150	34750	37300	39900	42450
	LOW-INCOME	36050	41200	46350	51450	55600	59700	63800	67950
Carbon County, UT									
FY 2013 MFI: 55400	30% OF MEDIAN	12150	13850	15600	17300	18700	20100	21500	22850
	VERY LOW INCOME	20200	23100	26000	28850	31200	33500	35800	38100
	LOW-INCOME	32350	36950	41550	46150	49850	53550	57250	60950
Daggett County, UT									
FY 2013 MFI: 64800	30% OF MEDIAN	12900	14750	16600	18400	19900	21350	22850	24300
	VERY LOW INCOME	21500	24550	27600	30650	33150	35600	38050	40500
	LOW-INCOME	34300	39200	44100	49000	52950	56850	60800	64700
Duchesne County, UT									
FY 2013 MFI: 62000	30% OF MEDIAN	12850	14700	16550	18350	19850	21300	22800	24250
	VERY LOW INCOME	21450	24500	27550	30600	33050	35500	37950	40400
	LOW-INCOME	34300	39200	44100	48950	52900	56800	60700	64650



Section 3 Resident Certification

To be signed by the Section 3 Resident

Name: _____

Address: _____

Phone: _____ Email: _____

- Is the Employee a public housing resident? Yes () No ()
If yes, name of development _____
(public housing is owned by a Public Housing Agency – PHA)
- Is the employee a Section 3 resident because they are a low-income individual in the city/MSA of the project? Yes () No ()
- Is the employee a Section 3 resident because they are a low-income individual in the city/MSA of the project? Yes () No ()

Annual income from all sources for household last year: _____

Number of people in household: _____

City/MSA: _____

- Is your total household income below 80% Median Income: Yes () No ()

# of persons in household	1	2	3	4	5	6	7	8
80% Median Income	\$39,700	\$45,350	\$51,000	\$56,650	\$61,200	\$65,750	\$70,250	\$74,800

To be signed by the Section 3 Resident

I certify that the above statements are true, complete and correct to the best of my knowledge and belief.

Name (signature) _____ Name (printed) _____

Employer (printed) _____

Project Name: _____

For further information call or write:
Ogden City Community Development
 2549 Washington Blvd., Suite 120
 Ogden, UT 84401-2319

Visit: <http://Section3.ogdencity.com> or call (801) 629-8903
 For Accessibility and Language Assistance help: (801)629-8701
 Or visit <http://Accessibility.ogdencity.com>





Section 3 Resident Certification

To be signed by the Section 3 Resident

Instructions to employer: Complete this form for every employee that is a Section 3 resident, with resident signature. Retain this form in project files.

All employees working on Section 3 covered projects must be reported in aggregate on the Section 3 Summary Report with their Section 3 resident status. For all employees reported as being Section 3 residents, documentation of their status must be retained in the project files. Ogden City considers this form adequate documentation of Section 3 status.

“Low income” means they earn below 80% of the median income for the household of their size in their area. To identify the income limit for your area, please use HUD Income Guidelines.

Return Section 3 documentation and forms to:

Cathy Fuentes, Section 3 Coordinator
2549 Washington Boulevard, Suite 120
Ogden, Utah 84401
801-629-8903
cathyf@ogdencity.com

