



**Hillsborough
County Florida**

Section 3 Requirements Plan

Prepared For
U.S. Department of Housing and Urban Development
CDBG and HOME Programs
June 1, 2021

Affordable Housing Services Department
601 E. Kennedy Blvd, 24th Floor
Tampa, FL 33602



SUBJECT: AHS Section 3 Requirements Plan

EFFECTIVE DATE: 8/4/21

PURPOSE: To assure compliance with Section 3 of the Housing and Urban Development Act of 1968 and its associated regulations 24 C.F.R. Part 75 (Economic Opportunities for Low- and Very Low-income Persons), "The Act." The purpose of The Act is to ensure that employment and other economic opportunities generated by HUD financial assistance or HUD-assisted projects covered by Section 3 for Housing and Community Development Programs (e.g. HOME, CDBG, ESG, etc.) shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward 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.

PLAN: Affordable Housing Services (AHS) is responsible for the implementation of "The Act" and its associated regulations. The AHS Director and staff responsible for the activity whereby federal funds are invested, will ensure plan implementation.

PROCEDURE: The County shall ensure compliance with the statutory and regulatory requirements of Section 3 in its own operations, and those of covered contractors/subcontractors. These responsibilities include:

- Designing and implementing procedures to comply with the requirements of Section 3
- The engagement in outreach efforts to generate job applications from targeted Section 3 workers
- Facilitating the training or apprenticeship opportunities and employment of Section 3 workers
- Facilitating the award of contracts to Section 3 business concerns
- Ensuring Contractor and Subcontractor Awareness of and Compliance with Section 3 Benchmarks and responsibilities
- Ensuring Contractor and Subcontractor engage in outreach efforts to create opportunities for Section 3 businesses and/or workers
- Provide the Section 3 Business Registry listing for the Tampa-St. Petersburg-Clearwater, FL MSA Metropolitan area for Contractors
- Maintain the Section 3 Business Registry listing through no less than annual assessment and increase the number of Section 3 businesses registered
- Ensure Contractor and Subcontractor complete hours report with each payment request
- Monitor contractor compliance and provide incentives to contractors for meeting benchmark goals
- Maintain documentation to demonstrate compliance with Section 3 as required per 24 CFR 75.31

- Reporting Requirements: Submitting Annual Summary reports at a minimum including, but not limited to:
 - (a) The total number of labor hours worked;
 - (b) The total number of labor hours worked by Section 3 workers;
 - (c) The total number of labor hours worked by Targeted Section 3 workers; and
 - (d) Nature of the efforts made to hire Section 3 businesses and/or workers.

DEFINITIONS (24 CFR Part 75.5):

- *Benchmarks for Section 3 Workers:* ≥25% total number labor hours worked by all workers on a Section 3 project.
- *Benchmarks for Targeted Section 3 workers:* ≥5% total number of labor hours worked by all workers on a Section 3 project.
- *Income Determination:* HUD income limits (80% [low] and 50% [very low] of area median income)
- *Recipient:* Any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.
- *Section 3 Project:* Housing rehabilitation, housing construction, and other public construction projects assisted under HUD program, when the total amount of assistance to the project exceeds \$200,000
- *Section 3 Worker:*
 - (1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - (i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
 - (ii) The worker is employed by a Section 3 business concern.
 - (iii) The worker is a Youth Build participant.
 - (2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.
 - (3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.
- *Targeted Section 3 Worker:* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

- (1) A worker employed by a Section 3 business concern; or
 - (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - (i) Living within the service area or the neighborhood of the project, as defined in § 75.5; or
 - (ii) A Youth Build participant.
- *Section 3 Business Concern:*
 - (1) A business concern meeting at least one of the following criteria, documented within the last six-month period:
 - (i) It is at least 51% owned and controlled by low- or very low-income persons;
 - (ii) Over 75% of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
 - (iii) It is a business at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
 - *Youth Build:* Community-based pre-apprenticeship program
 - *Safe Harbor (Part 75.23):* When a Recipient has met or exceeded the applicable Section 3 benchmarks

REQUIREMENTS (24 CFR PART 75.19):*(a) Employment and training:*

- (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.
- (2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:
 - (i) Section 3 workers residing within the service area or the neighborhood of the project, and
 - (ii) Participants in Youth Build programs.

(b) Contracting:

(1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

(i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) Youth Build programs.