

MISSISSIPPI REGIONAL HOUSING AUTHORITY IV
SECTION 3 PLAN AND GOALS
ECONOMIC OPPORTUNITIES FOR LOW AND VERY LOW INCOME PERSONS



THOMAS R. ROBINSON
EXECUTIVE DIRECTOR



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PURPOSE:

To establish the Mississippi Regional Housing Authority's (hereinafter the "Authority") policy that economic opportunities generated by certain U.S. Department of Housing and Urban Development (hereinafter "HUD") financial assistance for housing programs shall, to the greatest extent feasible, be given to low and very low income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these person.

SCOPE:

This plan applies to all economic opportunities generated by the expenditure of any "Section 3 covered assistance" (Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u] referred to throughout this plan as "Section 3").

STATEMENT OF POLICY:

1. When employment opportunities are generated because a project or activity undertaken with Section 3 financial assistance necessitates the employment of additional personnel (new hires) through individual hiring, the Authority will give preference in hiring to low and very low income persons. Additionally, when contract opportunities are generated because a project or activity undertaken with Section 3 financial assistance necessitates the awarding of contracts for work, the Authority will give preference in contracting to businesses owned by low and very low income persons or that substantially employ such persons.
2. The Authority and its contractors and subcontractors will, to the greatest extent feasible, provide training and employment opportunities to "Section 3 residents" when expending "Section 3 covered assistance." Additionally, the Authority and its contractors will, to the greatest extent feasible, award "Section 3 covered contracts" to "Section 3 business concerns."
3. In its efforts to meet the goals and objectives set forth in Section 3 regulations, the Authority will:
 - a. Implement procedures designed to notify Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.
 - b. Notify potential contractors for "Section 3 covered projects" of the requirements of regulations governing Section 3.
 - c. Incorporate the Section 3 clause in all solicitations and contracts.

- d. Facilitate the training and employment of Section 3 residents by undertaking certain activities. Some examples are described in Section I of the Attachment to this plan.
- e. Attempt to award contracts to Section 3 business concerns by undertaking certain activities. Some examples are described in Section II of the Attachment to this plan.
- f. Ensure that contractors and subcontractors comply with Section 3 regulations by:
 - (1) Refraining from contracting with contractors for which the Authority has received notice or has knowledge that the contractor has been found in violation of Section 3 regulations;
 - (2) Responding to complaints made to the Authority by Section 3 residents or Section 3 business concerns that a contractor or subcontractor is not in compliance with Section 3 regulations; and
 - (3) Cooperating with HUD in obtaining the compliance of contractors and subcontractors when allegations are made and supported that the Authority's contractors and subcontractors are not in compliance with Section 3 regulations.

DEFINITIONS:

1. Section 3 covered assistance. Financial assistance awarded to the Authority by HUD. This financial assistance includes:
 - a. Development assistance;
 - b. Operating assistance; and
 - c. Modernization assistance.
2. Section 3 resident.
 - a. A public housing resident; or
 - b. An individual who resides in the metropolitan area or non-metropolitan County in which the Section 3 covered assistance is expended, and who is a low-income person or a very low-income person.
3. Section 3 covered contract. A contract or subcontract (including a professional service contract) awarded for work generated by the expenditure of Section 3 covered assistance.
4. Section 3 covered project. The construction, reconstruction, conversion or rehabilitation of public housing.
5. Section 3 business concern.

- a. A business that is 51 percent or more owned by Section 3 residents; or
 - b. A business whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within 3 years of the date of first employment with the business were Section 3 residents; or
 - c. A business that provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to businesses that meet the qualifications set forth in the above paragraphs a and b.
6. A low-income person. Families (including single persons) whose incomes do not exceed 80 percent of the median family income for the area.
 7. A very low-income person. Families (including single persons) whose incomes do not exceed 50 percent of the median family income for the area.
 8. New hires. Full-time employees for permanent, temporary, or seasonal employment opportunities.
 9. HUD Youthbuild programs. Programs that receive assistance under Title IV of the National Affordable Housing Act, and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low and very low-income families.

GENERAL COMMENTS:

1. Thresholds. There are no thresholds for Section 3 covered assistance. Therefore, this plan applies to all Section 3 covered assistance provided to the Authority notwithstanding the amount of such assistance. Additionally, this plan and Section 3 regulations apply to all contractors and subcontractors performing work under a Section 3 covered contract regardless of the amount of the contract or subcontract.
2. Numerical goals. The Authority and its contractors and subcontractors may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth below for providing training, employment, and contracting opportunities to Section 3 residents and Section 3 business concerns.
 - a. Training and employment. The goal of having 30 percent of the aggregate number of new hires for the Authority and its contractors and subcontractors as Section 3 residents.
 - b. Contracts. The goal of the Authority and its contractors of awarding contracts and subcontracts to Section 3 business concerns as follows:
 - (1) At least 10 percent of the total dollar amount of all Section 3 covered contracts for work involving maintenance, repair, modernization, or development of public housing; and

- (2) At least 3 percent of the total dollar amount of all other Section 3 covered contracts.
 - c. Compliance determination. If the Authority and its contractors meet the numerical goals set forth above, they will be considered to have complied with the requirements of Section 3 regulations. If the numerical goals are not met, the Authority and its contractors will have the burden of demonstrating why it was not feasible to meet those goals. Such justification may include, but is not limited to:
 - (1) Hiring Section 3 residents for part-time positions;
 - (2) Voluntarily employing and training Section 3 residents even though new positions were not created; and
 - (3) Explaining impediments encountered despite all actions that have been taken.
3. Preference for Section 3 residents in training and employment opportunities. The Authority and its contractors and subcontractors shall direct their efforts toward providing training and employment opportunities to Section 3 residents in the following order of priority:
- a. Residents of the housing development or developments for which Section 3 covered assistance is expended;
 - b. Residents of other housing developments managed by the Authority;
 - c. Participants in HUD Youthbuild programs being carried out in the metropolitan area, or non-metropolitan county, in which the Section 3 covered assistance is expended;
 - d. Other Section 3 residents.
4. Preference for Section 3 business concerns in contracting opportunities. The Authority and its contractors and subcontractors shall direct their efforts toward awarding Section 3 covered contracts to Section 3 business concerns in the following order of priority:
- a. Business concerns that are at least 51 percent owned by residents of the development or developments for which the Section 3 covered assistance is expended, or whose full-time permanent workforce includes 30 percent of these persons as employees;
 - b. Business concerns that are at least 51 percent owned by residents of other housing developments managed by the Authority, or whose full-time permanent workforce includes 30 percent of these persons as employees;
 - c. HUD Youthbuild programs being carried out in the metropolitan area, or non-metropolitan county, in which Section 3 covered assistance is expended;
 - d. Business concerns that are at least 51 percent owned by Section 3 residents, or whose permanent full-time workforce includes no less than 30 percent Section 3 residents, or that subcontract in excess of 25 percent of the total amount of subcontracts to business concerns identified in paragraphs 4a and 4b above.

5. Eligibility for preference (training and employment). A Section 3 resident seeking the preference in training and employment shall certify, or submit evidence to the Authority, contractor, or subcontractor, if requested, that the person is a Section 3 resident. (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).
6. Eligibility for preference (contracts). 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.
7. Recordkeeping. The Authority and its contractors and subcontractors will maintain records documenting actions taken to comply with Section 3 regulations, the results of these actions, and any problems encountered. Records must also include: the number of "new hires"; the names and addresses of these employees; the race, ethnic origin, and gender of the employees; the income level of each employee hired; the positions for which they were hired; and their salaries. Additionally, if a contract or subcontract is awarded to a Section 3 business concern, documentation that the business qualifies as a Section 3 business concern should be maintained. All records, reports, and contracts will be available for HUD review.
8. Reporting. An annual Section 3 report will be submitted with the Performance and Evaluation Report required by the Comprehensive Grant Program regulations.

ATTACHMENT

The following are some examples that may be used by the Authority and its contractors to reach the established goals. It should be noted that these examples are not all inclusive and are only examples:

SECTION I. Examples of efforts to offer training and employment opportunities to Section 3 resident:

1. Entering into hiring agreements with organizations representing Section 3 residents.
2. Sponsoring a "Step-up" employment and training program.
3. Establishing other training programs.
4. Advertising training and employment positions by distributing notices to all units in the development, and by placing notices in places readily available to residents.
5. Notifying resident associations.
6. Sponsoring job informational meetings to be conducted by the Authority or contractors.
7. Arranging assistance in conducting job interviews and completing job applications.
8. Contacting agencies administering HUD Youthbuild programs and requesting assistance in recruiting Youthbuild participants.
9. Consulting with organizations administering training programs funded through JTPA, JOBS, etc.
10. Adopting a program so that upon entry into residency and at recertification time, residents who are unemployed are asked to fill out a skills inventory so that they can possibly be assisted with training and employment.
11. Developing a data bank of residents for potential employment opportunities.

SECTION II. Examples of efforts to award contracts to Section 3 business concerns:

1. Considering the contractors' record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
2. Contacting business assistance agencies, minority contractors associations, and community organizations and advise them of contracting opportunities for Section 3 business concerns.
3. Advertising contracting opportunities by posting notices in housing developments and notifying resident associations.

4. Providing written notices to all known Section 3 business concerns.
5. Following up with Section 3 business concerns that have expressed interest in contracting opportunities.
6. Advising Section 3 business concerns as to where they may seek assistance to overcome limitations such as the inability to obtain bonding, financing, or insurance.
7. Breaking out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.
8. Contacting agencies administering HUD Youthbuild programs.
9. Establishing numerical goals for award of contracts to Section 3 business concerns.
10. Establishing or sponsoring programs designed to assist residents in the creation and development of resident owned businesses.