

**RESOLUTION NO. 1360  
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION ADOPTING THE SECTION 3 PLAN TO COMPLY WITH 24 CFR,  
PART 135 OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT SECTION 3**

**Whereas**, the United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) to further the goal of ensuring that federal funds benefit the residents of projects funded wholly or in part by those funds; and

**Whereas**, Part 135 of Section 3 is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met; and

**Whereas**, the City of Prineville staff has developed a Section 3 Plan in adherence to 24 CFR, Part 135 that more comprehensively addresses the standards and procedures prescribed in the Act;


**Whereas**, City staff believes it is in the best interest of the City to approve the Plan;

**Now, Therefore**, the City of Prineville resolves as follows: the City authorizes the adoption and implementations of the Section 3 Plan attached hereto and incorporated herewith, to ensure compliance with Federal Law and to designate City Manager Steve Forrester as the Section 3 Coordinator of the City.

Approved by the City Council this 10<sup>th</sup> day of July, 2018.

  
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Betty J. Roppe, Mayor

ATTEST:

  
\_\_\_\_\_  
Lisa Morgan, City Recorder

## City of Prineville Section 3 Plan

### **General Policy Statement**

For any project for which any Department of Housing and Urban Development (HUD) financial assistance is received, it is the policy of the City of Prineville to require its contractors to make good faith effort to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

The policy will ensure that in good faith the City of Prineville will have a reasonable level of success in the recruitment, employment, and utilization of Section 3 residents and other eligible persons and Section 3 business concerns working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The City of Prineville shall examine and consider a contractor's, professional service provider/consultant or vendor's potential for success by providing employment and business opportunities to Section 3 residents and business concerns prior to acting on any proposed contract award.

### **Section 3 Purpose**

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C 1701u) (Section 3) requires the City of Prineville 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.

### **Good Faith Effort**

For projects or services funded by Department of Housing and Urban Development (HUD) financial assistance, City of Prineville and each contractor, subcontractor, professional services provider, vendor or supplier will ensure a good faith effort to fill training positions with Section 3 residents and direct contracting opportunities to Section 3 business concerns. This will be accomplished by:

1. Sending notices of job availability subcontracting opportunities subject to these requirements to recruitment sources, organizations and other community groups capable of referring eligible Section 3 applicants, including WorkSource Oregon.
2. Including in all solicitations and advertisements a statement to encourage eligible Section 3 residents to apply.
3. When using a newspaper or major circulation to request bids/quotes or to advertise employment opportunities to also advertise in minority-owned newspapers.
4. Maintaining a list of all residents from the target area who have applied on their own or by referral from any service, and employ such person, if otherwise eligible and if a trainee position exists. (If the contractor has no vacancies, the applicant, if otherwise eligible, shall be listed for the first available vacancy). A list of eligible applicants will be maintained for future vacancies.

Any construction contractor, professional services provider, vendor or supplier must certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the



regulations of 24 CFR Part 135 require employment opportunities to be directed were not filled to circumvent the contractor's obligation under 24 CFT Part 135.

### **Eligible Projects**

All projects and activities involving housing construction, demolition, rehabilitation, or other public construction, such as roads, water/wastewater infrastructure, community centers, etc., that are funded in whole or in part with HUD monies are subject to the requirements of Section 3.

### **Section 3 Residents**

Section 3 residents are defined as:

1. Residents of public or Indian housing; or
2. Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income does not exceed the local HUD income limits set forth for low- or very low-income households.

### **Section 3 Business Concerns**

A Section 3 Business Concern one of the following:

1. Businesses that are 51 percent or more owned by Section 3 residents;
2. Businesses whose permanent, full time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
3. Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

### **Implementing Procedures to Ensure Section 3 Requirements**

The Section 3 clause (Exhibit A) shall be included in all City bid solicitations and requests for proposals for projects whose funding is derived from HUD and involves housing construction, demolition, rehabilitation, or other public construction.

### **Compliance with Section 3**

Section 3 businesses must meet minimum qualifications, including prequalification with the City of Prineville, and have the ability and capacity to perform successfully under the terms and conditions of the contract. All contractors or businesses seeking Section 3 preference, before submitting bids or proposals to the City, will be required to complete certifications to acknowledge that Section 3 contracting and employment provisions have been met. Such certifications must be adequately supported with appropriate documentation and supplied at the time of prequalification.

The City, to the greatest extent feasible, will offer contracting opportunities to Section 3 business concerns.

### **Evidence of Section 3 Certification**

Any business seeking Section 3 preference in the awarding of contractor or purchase agreements with the City of Prineville shall complete the Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability form (Exhibit B). The business seeking Section 3 preference must provide adequate documentation as evidence of eligibility for preference under the Section 3 program. The certification form must be submitted to the City of Prineville Section 3

Coordinator prior to the submission of bids for consideration. If the City has previously approved the certification, then the certification may be submitted along with the bid.

**Procedures for Non-Section 3 Businesses**

In the event that no Section 3 businesses bid on a contract, or Section 3 businesses bid but are not able to demonstrate to the City's satisfaction that it has the ability to perform successfully under the terms and conditions of the proposed contract, then that contract will be awarded to a non-Section 3 business concern that can meet the terms and conditions of the proposed contract through the competitive bidding process.

**City of Prineville Section 3 Coordinator**

For more information, or to request a Section 3 certification form, contact the City's Section 3 Coordinator.

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