

City of La Feria
“Section 3” Policy
Originally Adopted July 12, 2011
Revised October 9, 2012

In accordance with the United States Housing and Community Development Act of 1968 (as amended and codified at 12 U.S.C. 1701u), it is the policy of the City of La Feria to ensure that, *to the greatest extent feasible*, employment, job training, and contracting opportunities created by the expenditure of federal housing and community development funds are directed towards Section 3 Residents and to businesses that are owned by or employ such persons. This document sets forth the steps the City will take to implement this policy.

- A. Implementation of this policy is the responsibility of the City Manager. The Fair Labor Standards Officer for each covered grant or contract shall serve as the City’s Section 3 Coordinator.
- B. This policy applies to all federal housing and community development grants of \$200,000 or more received by the City of La Feria and to all construction contracts of \$100,000 or more awarded from such funds.
- C. “Section 3 Residents” include any resident of public housing, low-income and very-low income residents of the City of La Feria or Cameron County, participants in HUD’s Youth Build, and homeless persons. Individuals may self-certify that they qualify as a Section 3 Resident and the City and its contractors and subcontractors may use the form attached as **Exhibit A**, or a substantively similar form, for such purpose.
- D. Section 3 Businesses are those that are:
 - 1) 51% or more ownership by Section 3 Resident or Residents;
 - 2) at least 30% of employees are Section 3 Residents, or within 3 years of the date of first employment with the business were Section 3 Residents; or
 - 3) commit to subcontract more than 25% of the dollar amount of all subcontracts to Section 3 Businesses.

Exhibit B, or a substantively similar form, will be used to qualify a business as a Section 3 Business.

- E. The City adopts the following Section 3 goals:
 - 1) 30% of the total persons newly hired by a contractor or subcontractor to complete work covered by Section 3 shall be Section 3 residents;
 - 2) 10% of all construction contracts shall be awarded to Section 3 Businesses; and,

- 3) 3% of all non-construction contracts shall be awarded to Section 3 Business Concerns
- F. Section 3 Residents and Section 3 Businesses will be notified of potential employment and contracting opportunities generated by La Feria's expenditure of federal housing and community development funds through:
- 1) public hearings and related advertisements about the projects;
 - 2) advertisements for requests for qualifications;
 - 3) advertisements for bids and bid documents;
 - 4) notification to Workforce Solutions in Cameron County and the local chapter of the National Association of Minority Contractors;
 - 5) the list of Section 3 Businesses made and maintained by the Texas General Land Office will be reviewed for Section 3 Businesses from Cameron County;
 - 6) the list of Section 3 Businesses made and maintained by the Lower Rio Grande Valley Development Council;
 - 7) The City shall make and maintain a list of Section 3 Businesses which will be notified of contract opportunities, and this list will be made available to Contractors awarded covered contracts; and,
 - 8) Such other methods as set forth in **Exhibit C**, or similar lists of possible outreach techniques.
- G. This Section 3 policy will be included in all procurement documents and meetings including requests for quotes, solicitations for bids, requests for qualifications, requests for proposals, pre-bid meetings, contracts, and pre-construction meetings. **Exhibit D** includes the required Section 3 contract clause. Additionally a certification of compliance will be included in bid packages. See **Exhibit E** for an example.
- H. The City will require in its Section 3 covered contracts that Contractors and Subcontractors provide hiring preference to Section 3 Residents. Contractors and Subcontractors shall be required to give preference to Section 3 residents in the following order of priority: (a) Section 3 Residents residing in the service area or neighborhood in which the Section 3 covered project is located; (b) Participants in HUD Youth Build programs; (c) where the Section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the Section 3 covered project is located shall be given the highest priority; (d) Other Section 3 Residents. Nothing in this policy requires the hiring of any individual not qualified for the job.
- I. The City of La Feria will consider ability to successfully accomplish or exceed the Section 3 contracting and employments goals, set forth in paragraph E above, as a material factor in the evaluation of bidders' ability to perform the contract.
- J. Prior to entering the Section 3 covered contract, prospective Contractors and Subcontractors shall be required to identify all current employees by name, last four digits of social security number, and date of hire. Additionally, prospective contractors and subcontractors shall be required to estimate the workforce needed to complete the work by job category and title and total number of workers prior to commencing work on the contract. See **Exhibit F** for an example of the format in which such information shall be submitted.

- K. Contractors and Subcontractors who must hire workers to complete a Section 3 covered contract shall post the job availability notice with the Texas Workforce Commission and WorkinTexas.com, including information about the preference for Section 3 Residents.
- L. To the extent allowed by law, the City of La Feria and its contractors and subcontractors shall provide a preference for Section 3 Businesses in the making of purchase and the entering of contract as set forth in **Exhibit G**, or a substantially similar attachment.
- M. Compliance with Section 3 will be monitored along with other federal labor requirements, such as the Davis Bacon Act. Contractors and sub-contractors shall be required to report monthly on all new hires. See **Exhibit H** for an example of the type of form or information that will be required.
- N. The City of La Feria's Section 3 Coordinator will accept complaints about alleged non-compliance with Section 3 by any of its contractors or subcontractors, using HUD Form 938, will investigate, and attempt to resolve the matter informally. If the City or the complainant believe the matter has not been satisfactorily resolved, either party may use HUD Form 958 to file a complaint with HUD.
- O. Compliance with Section 3 is a contractual obligation. All the means available to enforce contracts are available to the City of La Feria to enforce compliance with Section 3, including but not limited to withholding of payment until all required reports are filed, reporting to U.S. Department of Housing and Urban Development information about non-compliance, determining not to do business with the business in the future.
- P. The City will adhere to all reporting required of recipients of federal housing and community development funds. See, for example, **Exhibits I and J**.