

## Oklahoma City Housing Authority Section 3 Policy

### What is Section 3?

Section 3 is a policy mandated by Congress. The purpose of Section 3 is to “ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing 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.

### OKC Housing Authority’s Part in Compliance

OKC Housing Authority (OCHA) shall comply with Section 3 requirements to ensure the financial assistance OCHA receives, for the greatest extent feasible, is utilized by low- and very low-income residents and business concerns which are owned and/or provide economic opportunities to low- and very low-income persons.

### OCHA Policy Statement

OCHA and all Contractors (construction and/or non-construction) shall 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, and sexual orientation. All job applicants and existing employees shall be given fair and equal treatment.

The implementation of this policy is through the awarding of contracts, to the greatest extent feasible, to create employment and business opportunities for residents and/or businesses to low- and very low-income persons.

OCHA and all Contractors shall be proactive in the recruitment, employment and utilization of OCHA residents and other eligible persons within the community for any new positions made available due to contracts funded by HUD monies.

### Making Section 3 Work

OCHA and all Contractors and sub-tier contractors shall, to the greatest extent feasible, hire at least 30% of the aggregate number of full-time NEW HIRES created by the contract or grant driven work with a preference for the residents at the public housing site where the work is being performed.

Attempt to award at least 10% of the total dollar amount of all Section 3 covered contracts to Section 3 business concerns for building trades work including maintenance, repair, remodeling, modernization of OCHA facilities or for building trades work arising in connection with housing rehabilitation, housing construction or other contracted work.

OCHA’s goal is to advocate for as many OCHA residents as possible. Contractors are strongly encouraged to comply with Section 3 by hiring Section 3 eligible person regardless of whether new hires are necessary.

### How to Demonstrate “Greatest Extent Feasible”

Failure to meet the goals established above will require all Contractors to provide written documentation of their effort for hiring Section 3 residents and/or businesses which demonstrates:

- 1) Their established policies and procedures to achieve compliance;
- 2) Maintaining a list of eligible Section 3 residents and business that have asked to receive priority consideration;
- 3) Notification of Section 3 residents;
- 4) All communications must be provided in a manner that is effective for all persons consistent with Section 504 of the Rehabilitation Act of 1973 and HUD’s Final Guidance to Federal Financial Assistance Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons;
- 5) Ensure that priority consideration is provided to Section 3 residents and business in accordance with the orders of priority consideration;
- 6) Monitor the payroll data of entities throughout the project to ensure employment opportunities are made available;
- 7) Ensure all bid

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solicitations acknowledge the applicability of Section 3; 8) Ensure all sub-entities enter into a written agreement; 9) All notices or signs acknowledge Section 3 obligations and advertising vacant employment, training, contracting or subcontracting opportunities are posted in places where they can be clearly seen; 10) Notices shall include anticipated dates that work will begin and end, anticipated number and type of job vacancies available, number and type of registered apprenticeship or training opportunities offered, anticipated dollar amount of subcontracting opportunities, application and bidding procedures and name of contact information; 11) Coordinate with applicable labor unions, DOL Workforce Investment Boards, YouthBuild grantees; and 12) Provide written documentation taken to comply with the items listed in this section.

### Definitions

*Contracting Opportunities:* include, but are not limited to, demolition, rehabilitation, housing construction, other public construction, architectural design, legal representation or other services directly related to construction and rehabilitation activities. This shall also include maintenance, landscaping, painting, professional services, police and security, equipment servicing, janitorial services and extermination. This does not include “material only” contracts.

*Contractor:* Any entity that enters into a contract or agreement to perform work generated by the expenditure of Section 3 covered financial assistance. This shall include all sub-tier contractors (subcontractors and sub-subcontractors).

*Economic Opportunities Generated by Section 3 Covered Financial Assistance:* 1) Training, employment, or other opportunities generated by the expenditure of Section 3 covered financial assistance. This shall include, but it not limited to, jobs (including training positions or on-the-job training opportunities), skill development, registered apprenticeships, and other business development; and 2) Other training opportunities and contracting opportunities for building trades, professional services and other activities directly

associated with demolition, rehabilitation or construction.

*Low-Income Person:* A person as defined in Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437(b)(2)), or a person whose median household income does not exceed 80 percent of the median household income within the metropolitan area or nonmetropolitan county where the Section 3 covered project or activity is located.

*New Hires:* 1) Full or part-time employees for permanent, temporary, or seasonal employment opportunities. This applies to any employee that was not on the payroll of the entity administering Section 3 covered financial assistance funds at the beginning of the award of the Section 3 covered financial assistance; 2) Any person hired by an entity on a per-project basis as a result of a Section 3 covered project or activity.

*Priority Consideration:* The entity must give, to the greatest extent feasible, training, employment, or contracting opportunities to Section 3 residents or Section 3 businesses as defined in this section in accordance with the appropriate orders of priority consideration related to the Section 3 covered financial assistance.

*Section 3 Business:* A business that is located in the Section 3 local area and that is able to demonstrate one of the following: 1) Meets the definition of “resident-owned” business. This is any business concern which is owned and controlled by public housing residents. (The term “resident-owned business” include sole proprietorships.) For purposes of this part, “owned and controlled” means a business that a) Is at least 51% owned by one or more public housing resident; b) Whose management and daily business operations are controlled by one or more such individuals. All securities which constitute ownership or control of a corporation for purposes of establishing the business as a resident-owned business shall be held directly by the public housing residents. No securities held in trust, or by any guardian for a minor, shall be considered as held by the public housing

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resident in determining the ownership or control of a corporation. (Refer to 24 CFR 963 for complete details.); 2) The business is 51 percent or more owned by a Section 3 resident; 3) The permanent, full-time employees of the business include persons, at least 30% of whom are Section 3 residents; 4) The business demonstrates that at least 20% of its permanent full-time employees are Section 3 residents and the business either: sponsored a minimum of 10% of its current Section 3 employees to attend Department of Labor (DOL) or DOL recognized State-Apprenticeship Agency approved registered apprenticeship, or a pre-apprenticeship training program that meets the requirements in outlined DOL/ETA Training and Employment Notice 13-12; and 5) That 10% of its employees are participants or graduates of a DOL YouthBuild program.

*Section 3 Resident:* An individual residing in the Section 3 local area who can document that: 1) They are a public housing resident; 2) A participant in a DOL YouthBuild program; 3) A member of a family that receives federal housing assistance; and 4) An individual who meets the HUD income limits for determining the eligibility of low- and very low-income persons for HUD assisted housing programs within the metropolitan area or nonmetropolitan county.

### Questions

This is a partnership between OCHA and their contractors to ensure the employment of Section 3 residents and help in ending the cycle of unemployment.

Staff at OCHA is available to assist you with your Section 3 questions. Please contact (405) 239-7551 or post questions at [www.ochanet.org](http://www.ochanet.org).