

## SECTION 3 PRESENTATION

The overall purpose of Section 3 is to facilitate contract and employment opportunities for low and very low-income workers, specifically those that live close to the project location. To report on these efforts, this presentation details new reporting requirements and other efforts to increase Section 3 participation in the CDBG program.

HUD instituted new Section 3 policy requirements, effective November 30, 2020.

On July 1, 2021, TDA implemented the final rule for all existing and future CDBG grants. As part of these requirements, each grant recipient is required to review and discuss a Section 3 Presentation during a meeting of its governing body.

The additional pages dive deeper into Section 3 concepts, definitions for Section 3 businesses and workers, contractor outreach recommendations for new hires, and recordkeeping requirements pertaining to the grant.

Going forward, the grant administrator (Public Management, Inc) will coordinate with all parties to:

- Monitor public postings and contractor requirements pertaining to Section 3 provisions
- Track the number of hours of anyone who works on the grant project, including
  - Local government employees (i.e., City secretary, City Administrator, Public Works, Judge, WSC Operators, etc)
  - Construction contractor's laborers and staff
  - Grant administration employees.
  - \*Engineers, surveyors, and other professionals are exempt for hourly reporting requirements

Please reach out to your grant administrator with any questions on these changes.

## **Section 3 Policy Updates - Effective July 1, 2021 Presentation**

The City of Breckenridge recently received a Grant Contract #CDM22-0020, for the amount of \$500,000 funded through the Community Development Block Grant, via the U.S. Department of Housing and Urban Development and Texas Department of Agriculture, for the purpose of street reconstruction.

### **SECTION 3 CONCEPTS**

As a condition of funding, the City of Breckenridge must comply with Section 3 of the Housing and Urban Development Act of 1968. To the greatest extent feasible, Grant Recipients must direct economic opportunities generated by CDBG funds to low- and very low-income persons.

In part, this means ensuring that:

- Section 3 Businesses have the information to submit a bid or proposal for the project; and
- Section 3 Workers have information about any available job opportunities related to the project.

The purpose of this presentation is to discuss the Section 3 goals of the CDBG program and facilitate employment opportunities for Section 3 workers.

The awarded construction contractor may have job opportunities for local residents. If they do need to make new hires for this job, they will post job listings on WorkInTexas.com.

### **SECTION 3 BUSINESSES**

A company may qualify as a Section 3 Business if:

- it is owned by low-income persons;
- it is owned by Section 8-Assisted housing residents; or
- 75% of all labor hours for the business in a 3 month period are performed by Section 3 Workers

Register at:

- HUD's Section 3 website: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness>
- Any Local/Regional registry for disadvantaged businesses

This project is expected to include the following contracting opportunities:

- Grant Administration services (previously selected)
- Engineering Services (previously selected)
- Prime Contractor for street improvements
  - Subcontractors

### **SECTION 3 WORKERS**

You may qualify as a Section 3 Worker if:

- Your annual income is below the county threshold for your family size:
- You are a current or recent Youthbuild participant

Register your information and search for opportunities at:

- WorkInTexas.gov
- HUD's Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>

- Local/regional job board

### **TARGETED SECTION 3 WORKERS**

Section 3 Workers that reside near the project location also qualify as Targeted Section 3 Workers. For this project, that service area is defined by the attached map:

[Service Area Map attached]

### **RECORDKEEPING**

The City of Breckenridge is required to track ALL hours worked on the project based on the three categories of workers (All, Section, 3 and Targeted Section 3). This requirement applies to all City of Breckenridge staff that works on this grant, including the contracted grant administrator, and all employees of the prime and subcontractors. Engineers, surveyors, and similar professions are exempt from this time tracking requirement.

This will require collection of certain income information.



For More Info...

[TxCDBG Policy Issuance 20-01](#)

[REVISED Policy Issuance 20-01 Section 3 v1.pdf \(texasagriculture.gov\)](#)

[24 CFR Part 75](#)

[Electronic Code of Federal Regulations \(eCFR\)](#)

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### Neighborhood Service Area Definition Tool

This tool allows Housing and Community Development Section 3 Recipients to identify Targeted Section 3 Workers in accordance with [24 C.F.R. § 75.19](#).

Targeted Section 3 Workers are Section 3 Workers located within a one-mile radius of a Section 3 Project. If fewer than 5,000 people live within a one-mile radius of the project, then the radius is expanded until it is sufficient to encompass a population of 5,000 people according to the most recent census.

To use the tool type in the address of the Section 3 Project and it will provide a sum of the populations of each census tract that are included - in full or in part - within the default 1 mile radius. Use the slider bar to expand the radius of the circle until a population greater than 5,000 is reached. Population numbers are from ESRI's U.S. Census Tract Area Layer and are based on 2020 estimates. New U.S. Census data will be uploaded as soon as it is available.

If you would like a report of the census tracts shown on the map click the up arrow on the bottom of the screen, select the Options dropdown, then click Export all to CSV.

Ref: [24 C.F.R. Part 75](#)

#### Section 3 Neighborhood Service Area

Search for an address or locate on map

Show results within 1 Miles

0  15

Select filters to apply

USA Census Tract Areas	
USA Census Tract Area	0 mi
USA Census Tract Area	0.09 mi

#### Population

✓ 6,561

Population of Selected Area

