

## PRESENTATION SUMMARY

The City of Breckenridge received Grant Contract CDV25-0207 the amount of \$750,000, 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 improvements.

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, the presentation details new reporting requirements and other efforts to increase Section 3 participation in the CDBG program.

HUD instituted new Section 3 policy requirements (24 CFR 75), effective November 30, 2020.

In July 1, 2021, TDA implemented the final rule for all existing and future construction 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, WSC Operators, etc)
  - Construction contractor's laborers and staff
  - Grant administration employees.
  - \*Engineers, surveyors, and other professionals are exempt for hourly reporting requirements

There is no action required tonight. This presentation is simply required in order to meet the documentation required for the TDA grant. 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 Grant Contract CDV25-0207 for the amount of \$750,000, funded through the Community Development Block Grant, via the U.S. Department of Housing and Urban Development and Texas Department of Agriculture, for street improvements.

### **SECTION 3 CONCEPTS**

As a condition of funding, the City 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](http://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:

- Any Local/Regional registry for disadvantaged businesses [if applicable]

This project is expected to include the following contracting opportunities:

- Grant Administration services (previously selected)
- Engineering Services (previously selected)
- Prime Contractor for construction Improvements (previously selected)
- Subcontractors for construction Improvements (previously selected)

### **SECTION 3 WORKERS**

You may qualify as a Section 3 Worker if:

- Annual income is below the LMI county threshold for a family size of 1
- Is currently or recent (within 5 years) Youthbuild participant

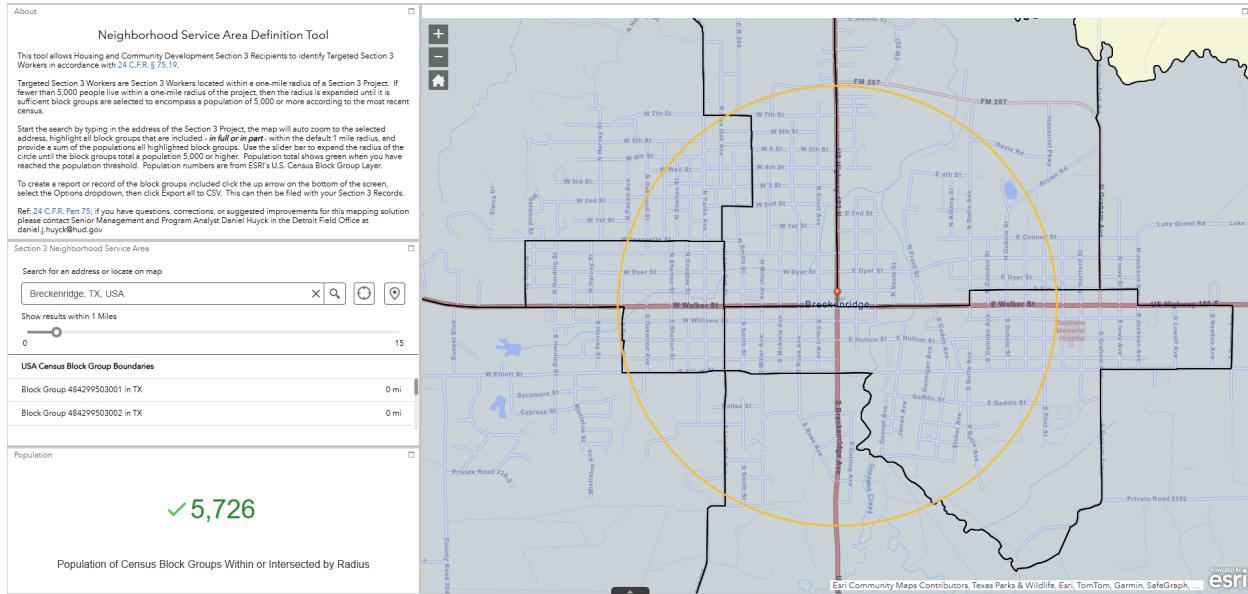
Register your information and search for opportunities at:

- [WorkInTexas.gov](http://WorkInTexas.gov)
- [local/regional job board if applicable.]

### **TARGETED SECTION 3 WORKERS**

Section 3 Workers who reside near the project location may also qualify as Targeted Section 3 Workers.

For this project, that ***service area*** is defined by the circled area in the map below:



## RECORDKEEPING

The city 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 staff that works on this grant, including the contracted grant administrator, and all employees of the prime and subcontractors. This will require collection of certain income information.

*\*Engineers, surveyors, and similar professions are exempt from this time tracking requirement.*



For More Info...

## TxCDBG Policy Issuance 20-01 REVISED Policy Issuance 20-01

24 CFR Part 75

Electronic Code of Federal Regulations (eCFR)

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