



Klamath County Section 3 Plan

Policy Statement

Klamath County supports the Department of Housing and Urban Development's (HUD) legislative efforts to provide preference to low- and very- low residents of the local community, regardless of race and gender, and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. To further HUD's efforts, it is the policy of the County to require its Contractors and subcontractors to make good-faith efforts to ensure the goals of Section 3 are furthered, where possible, in projects that are paid for in part or in full with funds from HUD. The goals of Section 3 include, but are not limited to, providing equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veterans' 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 County (hereinafter "COUNTY") implements this policy through the awarding of contracts to Contractors, vendors, professional service providers, consultants, and suppliers (hereinafter "CONTRACTOR") to create employment and business opportunities for residents of the COUNTY and other qualified low- and very low-income persons.

This Policy will ensure that, in good faith, the COUNTY will have a reasonable level of success in the recruitment, employment, and utilization of Section 3 residents, other eligible persons, and Section 3 business concerns working on contracts partially or wholly funded with monies from the United States Department of Housing and Urban Development (HUD). The COUNTY shall examine and consider a CONTRACTOR'S potential for success in providing employment or business opportunities to Section 3 residents and business concerns prior to acting on any proposed contract award.

Background

Section 3 of the Housing and Urban Development act of 1968, as amended (12 USC 1701u) (Section 3) requires that recipients of HUD-funding exceeding \$200,000 ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and Local laws and regulations, be directed to 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 such persons.

Section 3 is applicable when the normal completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities. If the expenditure of covered funding does not result in new employment, contracting, or training opportunities, the requirements of Section 3 are not applicable.



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As a recipient of HUD Community Development Block Grant (CDBG) funds through the Oregon Business Development Department (OBDD), the COUNTY certifies that it will make good faith efforts, including the preference to contract with businesses that employ Section 3 residents from the local community, to comply with the requirements of Section 3. These same requirements apply to all Contractors or subcontractors that receive contracts in excess of \$100,000 for Section 3 eligible projects.

HUD's Section 3 regulations can be found at 24 CFR 135.

Eligible Projects

All projects and activities involving housing construction, demolition, rehabilitation, or other public construction, such as roads, sewers, community centers, et cetera, that are completed with HUD Community Planning and Development funding are subject to the requirements of Section 3.

Section 3 Residents

1. Are residents of public or Indian housing; or
2. Are individuals that reside in the metropolitan area in which the Section 3 applicable 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

To be considered a Section 3 Business Concern; at least one of the following must apply:

1. Business is 51% or more owned by Section 3 residents; or
2. At least 30% of the business's permanent, full-time employees are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
3. Business provides evidence of a commitment to subcontract in excess of 25% of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

In accordance with the regulation, residents and business concerns seeking Section 3 preference shall certify, and/or submit evidence to the COUNTY, CONTRACTOR, or subcontractor, verifying that they meet the definitions provided above.



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Implementing Procedures to Ensure Section 3 Requirements

The following Bid Specifications and Contract clause shall be included in all COUNTY bid solicitations and requests for proposals for projects whose funding is derived from HUD and involves housing construction, demolition, rehabilitation, or other public construction:

'The work to be performed under this bid specification/contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very-low income persons, particularly persons who are recipients of HUD assistance for housing.'

Section 3 businesses must meet minimum qualifications, including prequalification with the COUNTY, and have the ability 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 COUNTY, 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 COUNTY will incorporate Section 3 requirements into all solicitations for project proposals that are funded in part or in whole with HUD monies. Section 3 residents must meet the minimum qualifications of the position to be filled and a Section 3 business concern must have the ability to perform successfully under the terms and conditions of the proposed contract.

The COUNTY will, to the greatest extent possible, offer contracting opportunities to Section 3 business concerns. However, in the event that no Section 3 businesses bid on the contract, or bids but is not able to demonstrate to the COUNTY 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. That business concern must meet the general conditions of compliance with Section 3.

All Contractors or businesses seeking Section 3 preference, before submitting bids or proposals to the COUNTY will be required to complete certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions required by this section. Such certifications shall be adequately supported with appropriate documentation as referenced on the form.



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Compliance with Section 3 (Good Faith Effort)

At a minimum, the following tasks will be completed to demonstrate a good faith effort with the requirements of Section 3. To ensure compliance with Section 3 requirements, the COUNTY will document actions taken to comply, including but not limited to:

1. Advertise contracting opportunities via newspaper, mailings, and posting notices about the work to be contracted and where to obtain additional information.
2. Provide written notice of contracting opportunities to all known Section 3 business concerns within the COUNTY. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
3. Include in all solicitations a statement to encourage eligible Section 3 businesses to apply;
4. Assisting and actively cooperating with OBDD in ensuring Contractors and subcontractors comply with Section 3;
5. Refraining from entering into contracts with Contractors or subcontractors that are in violation of Section 3 regulations; and
6. Documenting actions taken to comply with Section 3 and submitting necessary documentation to OBDD.

CONTRACTOR's Requirements

In preparation for the award of contracts, the CONTRACTOR will supply the following to the COUNTY:

1. A list of all positions necessary to complete the contract, the names of employees who will fill those positions, and the names of all other employees,
2. Posting notices of any vacant positions, including training and/or apprenticeship positions, qualifications for positions, in a location(s) accessible to Section 3 person(s) where applications will be received, and starting date of employment,
3. To the greatest extent possible, making available vacant positions, including training and/or apprenticeship positions, to Section 3 residents,
4. If a position necessary to complete contractual task is vacated during the contract period, CONTRACTOR's certification that, to the greatest extent possible, that vacancies will be filled pursuant to items 2 and 3 above,
5. Submitting compliance reports as required,
6. If notified of non-compliance, correcting non-compliance issues within the allowable time period.

Evidence of Section 3 Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the COUNTY shall complete the Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability form, obtained from the County's Section 3 Coordinator. The business seeking Section 3



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preference must provide adequate documentation as evidence of eligibility for preference under the Section 3 Program.

Certifications for Section 3 preference for business concerns must be submitted to the County's Section 3 Coordinator prior to the submission of bids for consideration. If the COUNTY has previously approved the certification for the business concern, then the certification may be submitted along with the bid.

Contractor's Requirements in Employing Section 3 Residents

After a contract is awarded, the CONTRACTOR will provide the following:

1. Names of Section 3 business concerns to be utilized;
2. Estimate of the number of employees to be utilized for contract;
3. Projected number of available positions, including job descriptions and wage rates (construction wages must be consistent with Davis-Bacon Act or Oregon BOLI rates, whichever is higher); and
4. Efforts that will be utilized to seek Section 3 participants.

Monitoring and Enforcement

The function of monitoring and enforcing these provisions will be carried out by the County's project manager for each HUD-funded construction project. During the pre-bid or pre-construction meetings between the COUNTY and CONTRACTOR, the County's Section 3 Policy will be provided again to the CONTRACTOR for inclusion in contract documents. The following contract requirements will be discussed in detail:

- Prevailing wage rates (Davis-Bacon or BOLI, whichever is higher)
- Minority and woman-owned businesses
- Section 3 hiring requirements

Each representative will define specific functional requirements and require the CONTRACTOR to certify its understanding of the terms and conditions of the contract as it applies to the aforementioned requirements.

Section 3 Complaint Procedure

The COUNTY will make every effort to resolve complaints generated from alleged non-compliance through an internal process. The COUNTY encourages submittal of non-compliance complaints to its Section 3 Coordinator as follows:

1. Submit to:
Klamath County
Attn: Section 3 Coordinator
305 Main Street
Klamath Falls, OR 97601
2. Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135.



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3. Complaints must be filed within thirty calendar days after the complainant becomes aware of the alleged violation.
4. An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator will conduct an informal but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
5. The Section 3 Coordinator will provide written documentation detailing the findings of the investigation to the County Attorney. The County Attorney will review the findings for accuracy and completeness before it is released to the complainants. The findings will be made available no more than thirty days after the complaint is filed with the COUNTY.

If complainants wish to have their concerns considered outside the County's internal procedure, a complaint may be filed with

Assistant Secretary for Fair Housing and Equal Opportunity United States
Department of Housing and Urban Development 451 Seventh Street Northwest
Washington, District of Columbia, 20410

The complaint must be received no later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

Adopted this 19 day of May, 2020

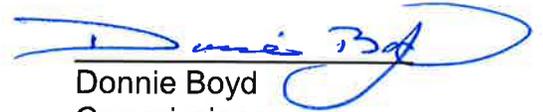
Board of County Commissioners,



Kelley Minty Morris
Chair

Out of Office Today

Derrick DeGroot
Vice-Chair



Donnie Boyd
Commissioner



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RESOLUTION

A RESOLUTION TO ADOPT 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, Klamath County 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; and

WHEREAS, the Section 3 Plan has been reviewed and approved by the Klamath County Commissioners.

NOW, THEREFORE, BE IT RESOLVED THAT Klamath County Commissioners hereby adopt and implement the Section 3 Plan to ensure compliance with Federal Law and to designate the Administrative Manager as the Section 3 Coordinator for the County.

Adopted this 19 day of May, 2020

Board of County Commissioners,

Kelley Minty Morris
Chair

Out of Office Today

Derrick DeGroot
Vice-Chair

Donnie Boyd
Commissioner