



## COLUMBUS METROPOLITAN HOUSING AUTHORITY SECTION 3 PLAN

The Columbus Metropolitan Housing Authority (CMHA) helps people access affordable housing through collaborative partnerships to develop, renovate, and maintain housing; promote neighborhood revitalization; and assist residents in accessing needed social services. The vision of CMHA is to serve as a national leader in opening doors to innovative housing for diverse communities, empowering residents, and improving neighborhoods. We endeavor to serve the Columbus community with commitment, integrity, and confidence to meet the challenges of change with a spirit of revitalization in all areas of our work.

In keeping with our mission and commitment to the community, CMHA works to provide opportunities for public housing residents. This is consistent with our requirements to comply with Section 3 of the U.S. Department of Housing and Urban Development (HUD) Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires recipients of certain HUD funds to make economic opportunities, to the greatest extent feasible, available for low- to very low-income persons.

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*Section 3 contributes to the establishment of stronger, more sustainable communities by ensuring that employment and economic opportunities generated by Federal financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low- and very low-income persons, particularly those who receive government assistance for housing.*

*-U.S. Department of Housing and Urban Development*

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The CMHA Section 3 Plan sets forth policies and procedures to implement the provisions of Section 3 according to the requirements codified at 24 CFR Part 75. This Plan applies to organizations, developers, contractors, subcontractors, and others engaged on projects awarded by CMHA and governed by the requirements of Section 3.

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## SECTION 3 PURPOSE

The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- to very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

## SECTION 3 APPLICABILITY

The Columbus Metropolitan Housing Authority (CMHA) is a recipient of HUD public housing financial assistance for which Section 3 requirements apply. All projects receiving public housing financial assistance, regardless of the amount of assistance, must comply with Section 3. There are no funding thresholds for public housing programs.

Public Housing Financial Assistance means:

- Development assistance provided pursuant to Section 5 of the United States Housing Act of 1937 (the 1937 Act)
- Operations and management assistance provided pursuant to Section 9(e) of the 1937 Act
- Development, modernization, and management assistance provided pursuant to Section 9(d) of the 1937 Act
- The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in subsections (i) through (iii)

Section 3 applicability for public housing funding includes operation, maintenance and development construction, and rehabilitation. Maintenance activities include re-painting, pest control, landscaping, HVAC repair, etc.

Other HUD funding for public housing includes:

- Capital Fund Program
- Resident Opportunity and Self-Sufficiency grants
- Family Self-Sufficiency grants
- Choice Neighborhoods grants
- Rental Assistance Demonstration (RAD) Program

Projects that are financed with state, local, or private matching or leveraged funds used in conjunction with HUD funds are covered by Section 3 if the amount of HUD funding for the project exceeds the funding threshold requirements.

Section 3 does not apply to:

Professional Services

- Contracts for, including but not limited to, legal services, accounting services, financial consulting, environmental assessment, architectural services, and civil engineering services
- Services that require an advanced degree or professional licensing and considered non-construction services

Material Supply Contracts

- Contracts for material supplies: commercially available materials and products (ex. lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpet, office supplies)
- If delivery not included for material supplies, the contract for delivery is subject to Section 3 requirements

### SECTION 3 REQUIREMENTS

#### *Employment and Training*

Section 3 requires that best efforts must be made to provide employment and training opportunities generated by the project to Section 3 Workers. Bidders are required to provide a list of employment and training opportunities anticipated for the project's scope of work. Contract award recipients are required to communicate opportunities as they become available through the life of the project.

Bidders (and contract award recipients) shall not fill new opportunities immediately before undertaking work to circumvent Section 3 requirements. **First consideration for employment or training opportunities shall be granted to Section 3 Workers in the following order of priority:**

1. CMHA residents of the public housing property for which the public housing financial assistance is expended
2. Residents of other CMHA properties or residents of Section 8-assisted housing managed by the CMHA
3. Participants in a YouthBuild program
4. Low- and very low-income persons residing in Columbus, OH or Franklin County, OH

In all cases, a Section 3 Worker must meet the minimum qualifications for any new opportunity. In no instance shall it be construed that preference is given to a Section 3 Worker who does not meet the minimum qualifications.

Contract award recipients may be required to report on the number of new hires for the project. Details pertaining to reporting requirements and activities will be provided at the project's pre-construction meeting.

To receive assistance with identifying and hiring Section 3 Workers, please contact:

Andrea Quinichett, Purchasing Manager  
Columbus Metropolitan Housing Authority  
880 East 11<sup>th</sup> Avenue  
Columbus, Ohio 43211-2771  
Phone: (614) 421-4434  
Fax: (614) 421-6271  
Email: aquinichett@cmhanet.com

### *Contracting*

Section 3 requires that best efforts must be made to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 Workers (Section 3 businesses). **Section 3 businesses shall be extended preference in contracting, purchasing, and servicing activities in the following order of priority:**

1. Section 3 business concerns that provide economic opportunities for CMHA residents of the public housing property for which the assistance is provided
2. Section 3 business concerns that provide economic opportunities for other CMHA residents or residents of Section 8-assisted housing managed by CMHA
3. YouthBuild programs
4. Section 3 business concerns that provide economic opportunities to Section 3 Workers residing in Columbus, OH or Franklin County, OH

Contractors must be certified as a Section 3 business to meet the contracting requirements. To receive a list of Section 3 businesses or to be certified as a Section 3 business, please contact:

Andrea Quinichett, Purchasing Manager  
Columbus Metropolitan Housing Authority  
880 East 11<sup>th</sup> Avenue  
Columbus, Ohio 43211-2771  
Phone: (614) 421-4434  
Fax: (614) 421-6271  
Email: aquinichett@cmhanet.com

### *Goals*

CMHA projects have the following Section 3 goals:

- **25 percent or more of the total number of labor hours worked by all workers are worked by Section 3 Workers**

- **5 percent or more of the total number of labor hours worked by all workers are worked by Targeted Section 3 Workers**

All workers will be asked to provide information that determines status as a Section 3 Worker and a Targeted Section 3 Worker. The information obtained will be used to document compliance performance against the Section 3 goals.

### *Section 3 Clause*

All contracts awarded for projects governed by Section 3 requirements must include the CMHA Section 3 Clause (page 11) and be among all binding contracts signed by award recipients, contractors, subcontractors, and all contractors engaged on the project regardless of tier status.

## **SECTION 3 DEFINITIONS**

### **Who is a Section 3 Worker?**

Any worker who currently fits or when hired within the past five years\* fit at least one of the following categories:

- Income for the previous or annualized calendar year is below the income limit established by HUD
- Employed by a Section 3 business concern
- A YouthBuild participant

### **Who is a Targeted Section 3 Worker?**

A Targeted Section 3 worker is a Section 3 Worker who is:

- Employed by a Section 3 business concern; or
- Currently fits or when hired fit at least one of the following categories, as documented within the past five years\*:
  - Resident of CMHA public housing or CMHA Section 8-assisted housing for which the public housing financial assistance is expended; or
  - Resident of other CMHA public housing properties or Section 8-assisted housing managed by CMHA; or
  - A YouthBuild participant

\*HUD Section 3 implementing regulations found at 24 CFR Part 75 became effective November 30, 2020; as such, the five-year look-back period begins on this date and not before.

### **What is a Section 3 business?**

A business concern meeting at least one of the following criteria, documented within the last six-month period:

- Is at least 51 percent owned and controlled by low- or very low-income persons; or
- Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 Workers; or
- Is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing

## BID REQUIREMENTS

Organizations, developers, contractors, and subcontractors bidding on projects must demonstrate efforts to meet the Section 3 requirements by submitting the required bid documents found in RFP packages. Failure to submit the required documents may constitute a non-responsive bid.

It is the responsibility of contract award recipients to implement proactive and ongoing efforts to meet or exceed the Section 3 requirements and goals throughout the life of the project. Efforts that may be taken to engage Section 3 businesses and workers can be found under Supporting Documents and Forms.

Section 3 requirements apply to contractors, subcontractors, and all contractors engaged on the project regardless of tier status.

## SECTION 3 CERTIFICATIONS

### Section 3 Business

Businesses and non-profit organizations are eligible to seek Section 3 business certification. Entities certified as Section 3 will be extended preference in contracting, purchasing, and servicing activities. For details on how a business may become certified as Section 3, contact:

Andrea Quinichett, Purchasing Manager  
Columbus Metropolitan Housing Authority  
880 East 11<sup>th</sup> Avenue  
Columbus, Ohio 43211-2771  
Phone: (614) 421-4434  
Fax: (614) 421-6271  
Email: [aquinichett@cmhanet.com](mailto:aquinichett@cmhanet.com)

### Section 3 Worker

Residents seeking status as a Section 3 Worker must submit the applicable Section 3 certification form found on the CMHA website at:

<https://cmhanet.com/Business/Section3>

Additional information may be requested to confirm an individual’s qualification as Section 3. Information requested may include documents that prove yearly income, public assistance, etc.

Residents certified as Section 3 will be granted priority consideration for employment and training opportunities. For questions, contact:

Andrea Quinichett, Purchasing Manager  
Columbus Metropolitan Housing Authority  
880 East 11<sup>th</sup> Avenue  
Columbus, Ohio 43211-2771  
Phone: (614) 421-4434  
Fax: (614) 421-6271  
Email: [aquinichett@cmhanet.com](mailto:aquinichett@cmhanet.com)

### MONTHLY REPORTING

All contract award recipients will be required to submit monthly reports documenting performance toward meeting the Section 3 goals. Reports, instruction details, and due dates will be provided during the project’s pre-construction meeting. Failure to comply with the monthly reporting requirements may result in a delay of contract draw payments.

### FILING A COMPLAINT

Complaints of non-compliance with Section 3 requirements must be submitted in writing and must contain the complainant’s name and a brief description of the alleged violation of 24 CFR Part 75. Complaints must be filed within 60 calendar days after the complainant becomes aware of the suspected violation. Written complaints should be sent to:

#### *For Development Projects*

Margaret Welch, Construction Administrator – Design and Construction  
Columbus Metropolitan Housing Authority  
880 East 11<sup>th</sup> Avenue  
Columbus, Ohio 43211-2771  
Email: [mwelch@cmhanet.com](mailto:mwelch@cmhanet.com)

#### *For All Other Section 3 Activities/Projects*

Andrea Quinichett, Purchasing Manager  
Columbus Metropolitan Housing Authority  
880 East 11<sup>th</sup> Avenue  
Columbus, Ohio 43211-2771  
Email: [aquinichett@cmhanet.com](mailto:aquinichett@cmhanet.com)

An investigation will be conducted if the complaint is found to be valid. CMHA will conduct an investigation affording all interested parties, if any, an opportunity to submit evidence pertinent to the complaint.

If it is determined that a project award recipient has functioned in such a manner as to breach the Section 3 obligations, the appropriate party will be notified of such findings and of the corrective measures required. A letter of findings will be offered in response to the complainant.

Complaints of non-compliance may be submitted directly to the HUD Region V program office. For more information, visit <https://www.hud.gov/states/ohio/offices>

# SUPPORTING DOCUMENTS

## CMHA SECTION 3 CLAUSE

All Section 3 covered contracts shall include the following clause to comply with Section 3 requirements.

- A. Authority. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3) and 24 CFR Part 75. 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.
- B. Contracting, Contract Certification and Compliance. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 75, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 75 regulations. Specifically, contracts:
1. Consistent with existing Federal, state, and local laws and regulations, PHAs and other recipients of public housing financial assistance, and their contractors and subcontractors, must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers.
  2. PHAs and other recipients, and their contractors and subcontractors, must make their best efforts in the following order of priority:
    - a) To Section 3 business concerns that provide economic opportunities for residents of the public housing projects for which the assistance is provided;
    - b) To Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by the PHA that is providing the assistance;
    - c) To YouthBuild programs; and
    - d) To Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.
- C. Notice. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 Clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. Subcontracts. The contractor agrees to include this *Section 3 Clause* in every subcontract subject to compliance with regulations in 24 CFR Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this *Section 3 Clause* upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract

with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.

- E. Employment and Training Opportunities. The contractor will certify that any vacant employment positions, including training positions, that are filled: after the contractor is selected but before the contract is executed, and with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.

Specifically, the contract shall be consistent with existing Federal, State, and local laws and regulations. PHAs or other recipients receiving public housing financial assistance, as well as their contractors and subcontractors, must make their best efforts to provide employment and training opportunities generated by the public housing financial assistance to Section 3 workers. These best efforts must apply to the Section 3 workers in the following order of priority:

1. To residents of the public housing projects for which the public housing financial assistance is expended;
  2. To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;
  3. To participants in YouthBuild programs; and
  4. To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.
- F. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

### Examples of Best Efforts to Award Contracts to Section 3 Businesses

Bidders and contract award recipients should consider engaging in the following activities as a demonstration of best efforts to meet the Section 3 requirements.

- Advertise contracting opportunities via newspaper, mailings, social media sites, and posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide written notice of contracting opportunities to all known Section 3 businesses. The written notice should be provided in enough time to enable businesses the opportunity to respond to the bid invitation.
- Reduce building trades to smaller segments of work to gain greater interest and ability to bid/perform among Section 3 businesses.
- Ensure current CMHA certified Section 3 business list is received for outreach and engagement.

### Examples of Best Efforts to Offer Employment and Training to Section 3 Workers

Bidders and contract award recipients should consider engaging in the following activities to achieve the CMHA Section 3 requirements.

- Advertise employment and training opportunities by distributing flyers to CMHA housing developments and community groups and organizations that service and support low- to very low-income residents.
- Post notice of the employment or training opportunities on social media sites and at the Section 3 covered construction site.
- Advertise employment and training opportunities seeking low- to very low-income residents in local neighborhood, community, and trade publications.
- Work with CMHA to conduct outreach to public housing residents, resident councils, resident management corporations, as well as neighborhood community organizations to gain assistance with notifying residents of the available employment and training opportunities.