
Information

Subject:

Approve revised Section 3 Plan incorporating New Housing and Urban Development (HUD) Section 3 Final Rule Regulations. (Marcia Sayles, Human Resources Specialist)

From:

Marcia Sayles

Recommended Action

- a) Review and approve the adoption of the revised Section 3 Plan that incorporates the new HUD Section 3 final rule, regulations and benchmarks; and
- b) Authorize staff to incorporate the plan requirements in procurement procedures.

Reason for Recommended Action/Background

Yolo County Housing (YCH) is required to have an adopted Section 3 Plan that outlines the policies and procedures to create and promote economic opportunities generated by certain Department of Housing and Urban Development (HUD) funding including public housing programs. YCH is committed to helping the residents of its communities achieve their individual goal of self-sufficiency and to the greatest extent feasible, assures that opportunities created by HUD financial assistance be given to low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide opportunities to these persons. The current YCH Section 3 Policy and Procedure Manual was adopted by the Housing Commission on March 11, 2010. Over the years, YCH has consistently met or exceeded the goal that 30% of all new hires meet the definition of Section 3 low-income worker. Staff have conducted extensive outreach to contractors to promote Section 3 in their procurement and contract activities to expand opportunities to low-income households.

On November 30, 2020, the HUD final rule took effect which updates the Section 3 regulations to create more effective incentives for employers to retain and invest in their low and very low-income workers, streamline reporting requirements, provide for program-specific oversight and clarify the obligations of entities covered by Section 3. The main differences affecting YCH policy are outlined in the Attachment B, "Key Changes of Section 3 Final Rules Summary Chart". The revised YCH Section 3 Plan incorporates these changes and provides contractors with a better understanding of their roles and responsibilities to expand economic opportunities in the local community. It also provides revised forms for documentation for Section 3 business concerns and the preference afforded these businesses in the bid ranking process.

Through outreach and education, the revised Section 3 Plan strives to connect low-income persons in the County of Yolo with self-certifying as an eligible Section 3 worker to assist them with identifying and pursuing sustainable employment. YCH will continue to incorporate Section 3 preferences in its hiring processes.

One of the major changes in the revised policy is the reporting benchmarks with focus on tracking labor hours vs. new hires. Similar to tracking that must be completed for other government funding (such as Davis-Bacon) this will require a change in compliance oversight. Staff will maintain relevant documentation and records, assure accuracy and monitor contract compliance, complete and submit required annual report to HUD. Through the use of the revised Section 3 Plan, it is the goal to enhance and increase economic opportunities for low and very low-income persons that reside in the County of Yolo.

Fiscal Impact

Cost of Recommended Action: N/A

Amount Budgeted: N/A

Additional Expenditure Authority needed?: N/A

Comments: There is no financial impact at this time. Non-compliance with Section 3 could result in sanctions

Attachments

- A. Revised Section 3 Plan
- B. Key Changes Summary

Form Review

Form Started By: Mindi Nunes
Final Approval Date: 07/19/2022

Started On: 07/18/2022 10:30 AM