



SECTION 3 PLAN

CDBG-DR

CONTENTS

INTRODUCTION 3

POLICIES AND PROCEDURES 6

SECTION 3 COORDINATOR 8

SECTION 3 PARTICIPATION & OUTREACH 9

SECTION 3 CLAUSE 11

PARTICIPANT CERTIFICATIONS 13

SECTION 3 BUSINESSES AND WORKER APPLICATIONS 13

INCOME VERIFICATION METHOD 13

SERVICE AREA 14

OUTREACH FLYERS 15

LINKS TO SECTION 3 DATABASES 16

APPENDIX A: SECTION 3 BUSINESS AND WORKER APPLICATIONS 18

APPENDIX B: SECTION 3 IMPLEMENTATION PLAN (FORMS 1-8) FOR CONTRACTORS 19

Date of Original Policy Adoption: _____

Amendment Log

Date of Amendment	Parts Amended	Approved by

Introduction

Calhoun-Liberty Hospital is committed to providing critical access healthcare services to the community of Calhoun, Liberty, and neighboring rural counties. In so doing, it has pursued CDBG-DR funding to upgrade the facility at a new location, adding numerous new beds and other capabilities. As part of the suite of services that ensure compliance with CDBG-DR funding, the Hospital will perform Section 3 activities and monitoring that promotes inclusion of Section 3 workers and businesses into the construction process to the maximum extent feasible.

This Section 3 plan covers federal requirements needed to fulfill the Housing and Community Development Act of 1968 (12 USC 1701u), Section 3, which seeks to ensure that employment and other economic opportunities generated by HUD financial assistance shall (to the extent feasible and consistent with existing Federal, State, and local laws and regulations) be directed to low- and very low-income persons, and to business concerns which provide economic opportunities to low- and very low-income persons.

Section 3 planning and implementation begins with education and awareness building. For all hospital CDBG-DR projects in which the total project cost exceeds \$200,000, Section 3 regulations will apply. Furthermore, they apply to the entire project – not simply the CDBG portion. ***As of July 1, 2021, new Section 3 direction came into effect that changed requirements.*** An overview of the changes, from pre-2021 to present, are as follows:

Previous Requirement	New Requirement
30% of new hires be Section 3 residents	25% of total project hours be worked by Section 3 workers; 5% by targeted Section 3 workers
“Section 3 Resident”	“Section 3 Worker”
No preference or definition for targeted Section 3 worker	Added preference & definition for targeted Section 3 worker
Business could be Section 3 if subcontracting 25% of work to other Section 3 firms	Business can be Section 3 if 51% owned by PHA or Section 8 resident or 75% of hours worked are by Section 3 workers or 51% owned by low or very-low income persons
10% of construction costs contracted to Section 3 firms	No numeric benchmark, but contract with Section 3 businesses to the greatest extent feasible
3% of non-construction costs contracted to Section 3 firms	Professional services that require specialized degrees or licensing not subject to Section 3
Program-wide compliance required if >\$200k in HUD funds	Section 3 compliance required on a per-project basis only
Covered project threshold was fixed	Covered project threshold may be updated every 3 years by FR notice

Previous Requirement	New Requirement
Reported in SPEARS	Reported in IDIS or DRGR depending on funding source (grantee, not subrecipients)
Implementing regulation 24 CFR 135	Implementing regulation: 24 CFR 75
Fixed numeric benchmarks and project thresholds	Numeric benchmarks updated every 3 years by FR notice; Project thresholds updated every 5 years by FR notice
Overseen by the Office of Fair Housing and Equal Opportunity	Overseen by Program Offices
Covered project = greater than \$100k in HUD assistance	Covered project = greater than \$200k in CPD assistance or greater than \$100k in Lead and Healthy Homes Funding.

**From "Designing & Implementing Your Section 3 Program" Capital Access*

This plan presents policies for implementing Section 3, performing outreach, logging outreach, provides applicable Section 3 clauses to be included in procurement and contracts, assess the neighborhood service area applicable to "Section 3 workers", and include various other Section 3 resources.

In striving to meet the quantitative goals for Section 3 – that 25% of total project hours be supplied by Section 3 workers, and 5% by targeted Section 3 workers – the hospital will endeavor to raise awareness and monitor compliance to the greatest extent feasible.

Definitions

Section 3 Business: A business that can provide evidence of meeting one of the following criteria:

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

Section 3 Worker: Any employee who meets one of the following categories within the past five years or at the time of a project –

- The worker's income for the previous or annualized calendar year is below 80% of the area median income for the area in which the worker resides. Use the workers annual gross income based on AMI for a single-person household; or
- The worker is employed by a Section 3 business concern; or
- The worker is a YouthBuild participant

Targeted Section 3 Worker: A subset of Section 3 workers, 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:
 - Lives within the service area or neighborhood of the project
 - A YouthBuild participant.

Section 3 Implementation Forms included in this plan, for Section 3 oversight and reporting:

- **Form 1:** Section 3 Assessment and Certifications *(To be submitted with bids)*
- **Form 2:** Subcontractor Information *(To be submitted with bids)*
- **Form 3:** List of Permanent Employees *(To be submitted with bids)*
- **Form 4:** Documentation of Qualitative Efforts *(To be submitted with bids)*
- **Form 5:** Section 3 Contract Clause *(Contractual Language)*
- **Form 6:** Section 3 Project Compliance Report *(For Quarterly and Final Reporting)*
- **Form 7:** Section 3 Business Outreach Form *(For Quarterly and Final Reporting)*
- **Form 8:** Section 3 Worker Outreach Form *(For Quarterly and Final Reporting)*

All above forms are included as Appendix B within this plan.

Policies and Procedures

The Hospital will comply with 24 CFR 75 provisions applicable to CDBG-DR projects, including striving to offer employment and training opportunities to Section 3 workers and Section 3 businesses to the greatest extent feasible on CDBG-DR funded projects.

Requirements

24 CFR 75.19 states the following:

(a) *Employment and training.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

(i) Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) Participants in YouthBuild programs.

(b) *Contracting.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

(i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) YouthBuild programs.

100% of hours worked by employees at Section 3 businesses count toward this percentage, even if the workers at the Section 3 business are not all Section 3 workers.

Form 5 in this plan includes the Section 3 standard Contract Clause to be included in bids and contracts for all covered CDBG projects.

Certifying Section 3 workers

- The hospital will document employee's confirmation that worker's residence is within Section 3 service area with applicable forms and information found in this plan (if needed);
- Employer's certification that the worker is employed by a Section 3 business concern; or
- Worker's self-certification of YouthBuild participation.

- YouthBuild is a national organization with community-based pre-apprenticeship program that provides training and educational opportunities for at-risk youth ages 16-24 who have previously dropped out of high school.
- Administered by US Dept. of Labor
- <https://www.dol.gov/agencies/eta/youth/youthbuild>

Hiring

Section 3 provides that the Hospital, its Prime Contractors, and any Subcontractors demonstrate compliance by allocating 25% of total hours worked – on the entire project (not simply CDBG-funded portions) – to Section 3 workers, and 5% of total hours worked to Targeted Section 3 workers. In pursuit of these goals, the Hospital and its contractors will endeavor to demonstrate best effort to attain these quotas, such as through participation in job fairs, local workforce board activities, public service announcements on the radio, and social media postings.

Prime Contractors will submit two documents to the Hospital. The first will detail its current workforce, including total number of existing Section 3 employees and Targeted Section 3 workers. The second document will provide information regarding proposed Section 3 New Hires for the Prime and Subcontractors.

All non-technical or licensed hires pertaining to the CDBG-DR project should be posted by Hospital staff or Contractors to the HUD Opportunity Portal: <https://hudapps.hud.gov/OpportunityPortal/>

Section 3 workers *will attempt to be qualified* and documented to work on a project.

Certifying Section 3 Businesses

The Hospital will encourage entities that fulfill the requirements of Section 3 Business to self-certify utilizing the forms provided within Appendix A of this plan. Hospital staff may follow up and request additional documentation from businesses that self-certify, including proof of ownership and owners' housing and income status from the past year.

Contracting

Section 3 contracting rules apply to all contracting and subcontracting needs generated by covered activities. The Hospital, Prime Contractors, and any Subcontractors will target the greatest extent feasible to allocate 25% of total hours worked to Section 3 workers and 5% of total work hours to Targeted Section 3 workers. The Hospital and its Prime contractors will seek out Section 3 business contracting opportunities where feasible by utilizing the Section 3 Business Registry provided by HUD and by proactive efforts to find and recruit new Section 3 Businesses.

The Section 3 Business Registry can be found at this link:
<https://portalapps.hud.gov/Sec3BusReg/BRegistry/What>

Proactive hiring efforts include targeting Section 3 workers through methods including, but not limited to:

- Placing signs or posters in prominent places at project site(s). (Document by photographs for compliance reporting)
- Distributing employment flyers to the administrative office of the local Public Housing Authority or Workforce Board.
- Keeping a log of all applicants and indicating reasons why Section 3 Workers who applied were not hired.
- Retaining copies of any employment applications completed by Section 3 Workers.

Contractors will submit Forms 1-4 found within Appendix B of this Plan at the time of bid to make Section 3 assessments and certifications, provide subcontractor information, lists of permanent employees, and document qualitative efforts to recruit Section 3 workers.

If selected to perform work, contractors will endeavor to provide quarterly and final reports on Forms 2-4, and 6-8, which indicate subcontractor information, compliance, employment, and qualitative efforts to recruit further Section 3 workers and businesses to the activity.

Nothing in this policy shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 Coordinator

The CEO of Calhoun Liberty Hospital shall be the Section 3 Coordinator, unless they designate another individual to fulfill the role.

The Section 3 Coordinator will serve as the point of contact for communication between contractors, Section 3 businesses, Section 3 workers, and Section 3 plan collaborators, such as local workforce boards. They may also review bids, monitor contractor performance as needed.

Section 3 Participation & Outreach

A key component of providing opportunity for training and employment of Section 3 workers and businesses to the maximum extent feasible consists of outreach activities. The Hospital and its contractors will exercise diligence in meeting the needs of outreach by coordinating with hiring agencies, the regional workforce board, and other business and workforce messaging avenues to increase likelihood that opportunities for Section 3 workers and businesses translate to jobs and subcontracts.

A full list of potential activities that the Hospital and its contractors may undertake to encourage Section 3 participation is as follows:

- Outreach efforts to generate job applicants who are Targeted Section 3 workers
- Provide training or apprenticeship opportunities
- Provide technical assistance – such as resume building and coaching – to assist Section 3 workers applying for jobs
- Hold regular job fairs
- Provide or refer Section 3 workers to services supporting work readiness and retention
- Provide assistance to apply for or attend community college, four-year education, or vocational/technical training
- Help Section 3 workers to obtain financial literacy training or coaching
- Engage in outreach efforts to identify and secure bids from Section 3 business concerns
- Provide technical assistance to help Section 3 business concerns understand and bid on contracts
- Divide contracts into smaller jobs to facilitate participation by Section 3 business concerns
- Provide bonding assistance, guarantees, or other efforts to support viable bids from Section 3 business concerns
- Promote use of business registries designed to create opportunities for disadvantaged and small businesses
- Outreach, engagement, or referrals with the state's one-stop system

Outreach

The Hospital and its contractors will document outreach to Section 3 businesses and workers. This includes records of the following:

- Radio public service announcements
- Ads in community newsletters
- Social Media postings
- Signage and information intake forms near the project site
- Posting requests for bid on the Section 3 Opportunity Portal
- Advertising in trade publications

A Prime Contractor that demonstrates its unsuccessful attempt, to the maximum extent feasible, to meet Section 3 hiring and contracting goals, may demonstrate Section 3 compliance by providing Other Economic Opportunities. To do so, the Prime Contractor will endeavor to provide to the CHA a plan as to how it will offer Other Economic Opportunities to Section 3 Residents and Business Concerns.

The Other Economic Opportunities plan will strive to include descriptions of activities such as Indirect Participation, Mentorship Program Participation, Training Programs, Internship Programs, or other results-oriented opportunities. The Prime Contractor can provide detailed descriptions of the opportunity, quantifiable goals, and anticipated results.

Technical Assistance

The Hospital, via its Section 3 Coordinator, will undertake to educate contractors and potential Section 3 workers about the opportunities available when Section 3 funding rules apply. It can take steps to disseminate information, raise awareness, and assist low and moderate income workers obtain employment on Section 3 projects, including:

- Radio public service announcements
- Job fair participation
- Workforce Board collaboration
- Other duties as defined by the Section 3 Coordinator

Bid or Proposal Evaluation

Contractors bidding on CDBG funded projects at the Hospital shall certify that they will pursue Section 3 goals to the extent feasible, as described above. Bids or proposals received that do not include this Certification will be disqualified from full consideration.

Complaint Procedure

The Section 3 Coordinator will be available during regular business hours to receive inquiries related to Section 3. Their contact information will be published on a quarterly basis in the local newspaper, or posted to the Hospital's main webpage so that people know who to contact regarding Section 3 questions or to register a complaint.

Log of Outreach

The Hospital's Section 3 Coordinator will oversee contractors and log instances of outreach that contribute to the best effort to provide employment and training opportunities to Section 3 workers and businesses. This will be logged within Form 4 – Documentation of Qualitative Efforts (found in Appendix B).

Section 3 Clause

The Hospital and its contractors will include the following Section 3 clause within invitations to bid, requests for proposal, and all contracts and subcontracts covered by Section 3 regulations:

- I. 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 USC.1701u (Section 3). 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.
- II. 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.
- III. 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; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- IV. 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 actions, 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.
- V. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) 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.
- VI. 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.
- VII. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 USC 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the

greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Participant Certifications

The Section 3 coordinator will certify Section 3 program participants who are seeking to become Section 3 Workers, and who are seeking preference in training and employment by completing and attaching adequate proof of Section 3 eligibility, as required. See Appendix A – which includes certifications by Section 3 workers and businesses.

- All persons living in the project area who meet Section 3 eligibility guidelines can, by appointment, visit with the Section 3 Coordinator to complete a job readiness assessment.
- Once this assessment is complete, the Section 3 Coordinator will determine if the individual meets the eligibility requirements and is job ready.
- If the individual is deemed eligible for Section 3 participation and deemed not ready for employment, a referral will be made to other agencies that are better equipped to address the individual's needs, i.e., substance abuse providers, etc.
- The Section 3 job readiness component is a part of the Hospital's commitment to provide economic opportunities and training to residents/eligible participants to become gainfully employed.

Section 3 Businesses and Worker Applications

The Hospital will maintain an application for businesses and workers to apply for certification as Section 3 eligible. Pertinent information, per 24 CFR 75, will be collected by each form, with additional verifications possible. For all qualified applicants, the Hospital will provide information to all bidding contractors and subcontractors as part of its qualitative actions to promote Section 3 compliance.

The Business and Worker Applications may be found within Appendix A of this plan.

Income Verification Method

Applicants to become Section 3 Workers or Targeted Workers of Hospital CDBG-DR projects will enter information on the "Section 3 Worker and Targeted Worker Application", found in Appendix A. This form includes pertinent applicant information as well as an attestation of the qualifying criterion for their Section 3 status (e.g. YouthBuild participation, income below 80% of AMI, etc.).

For those Section 3 Worker applicants selecting the income method of eligibility, the Hospital will utilize HUD income limit charts for the most current year and applicable geography to cross check applicant's eligibility. Calculations will be based on household size of 1 person for the worker's address. The HUD website with income calculations can be found here: <https://www.huduser.gov/portal/datasets/il.html>

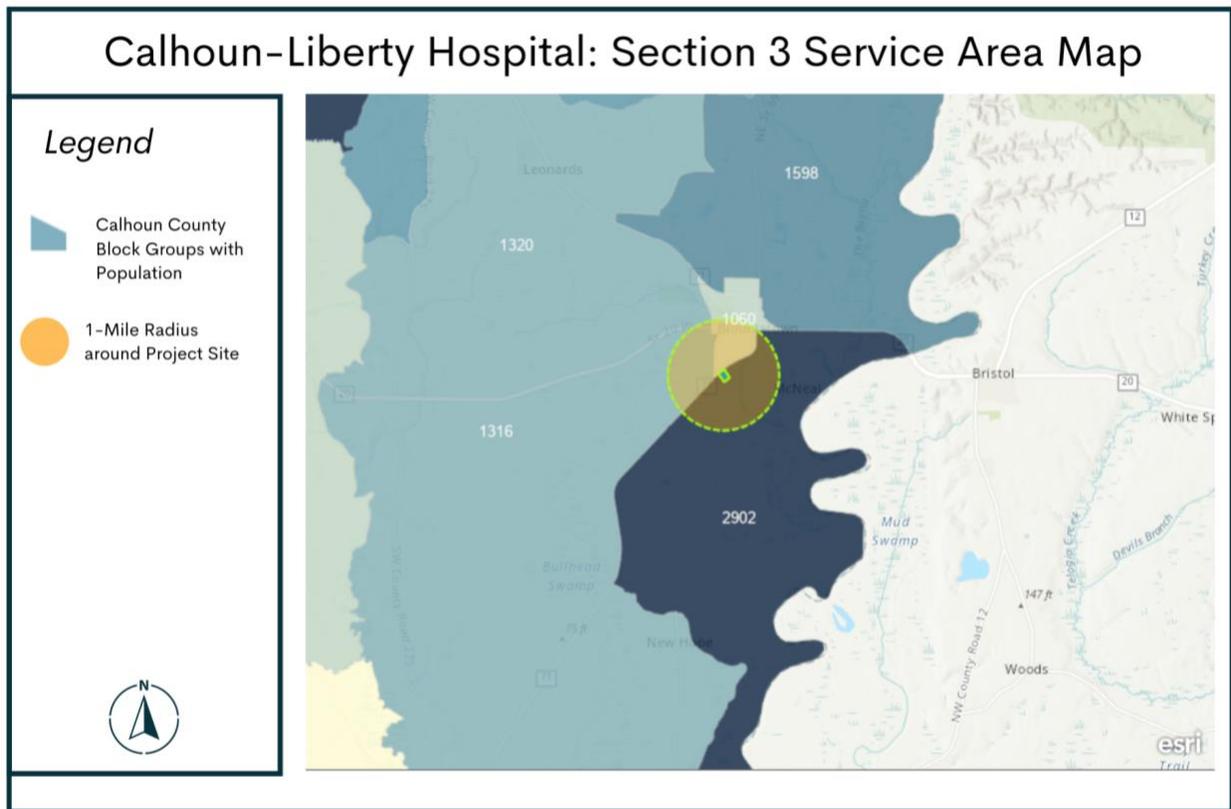
Part of the "Section 3 Worker and Targeted Worker Application" includes an attachment such as a W-2, recent paystubs, or proof of public assistance. Applicants will be asked to sign an attestation regarding their income, as shown in Appendix A.

Service Area

Living with the service area or neighborhood of the project

- Service area or neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to most recent US Census.
- Residing in the Section 3 service area is one of the criteria for Section 3 targeted worker
- Section 3 service area is not the same as a low-mod area.
 - Can be determined by a straight-line distance from worker's residence to project site.
 - Printouts of map and google earth need to be stored in project file.

In Calhoun County, 1 mile from the project site is unlikely to contain 5,000 persons; hence, a map of Census Block Groups intersecting within Calhoun County, and those intersecting the 1-mile radius of the site, was created to conceptualize the project service area.



Based on the above map findings, Block Groups BG0103001, BG0103002, BG0103004, and BG0103005 overlap with the project site and 1-mile radius, containing a population of approximately 6,598 persons. Furthermore, areas of BG0103003 (population 1,598) lie close to the 1-mile project radius. If a person originates from within one of these block groups and could qualify as a Section 3 worker, they can be considered for Hospital CDBG-DR project certification. If an excess of candidates emerges, those living closest to the 1-mile radius may be prioritized for inclusion.

Outreach Flyers

The hospital will use Section 3 outreach materials to disseminate information, such as the following:

Section 3

AN OPPORTUNITY FOR ALL

Calhoun-Liberty Hospital welcomes qualified local workers and businesses to participate and earn money bringing Community Development Block Grant construction projects to life.

What's a Section 3 Worker?

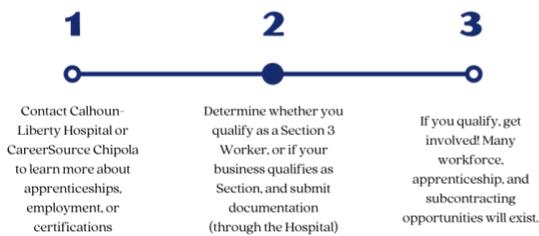
A Section 3 worker is a person who:

- Earned 80% of the local median income last year, (or)
- Is employed by a Section 3 business, (or)
- Has been a YouthBuild participant, (or)
- Lives within the project service area.

What's a Section 3 Business?

A Section 3 business:

- Is 51% or more owned by low or very-low income persons, (or)
- Is 51% or more owned by current public housing or Section 8 residents, (or)
- 75% or more labor hours in the previous three months worked by Section 3 workers



Contact:
Calhoun-Liberty Hospital
(850) 674-5411
CareerSource Chipola
(850) 633-4419

Flyer graphic: "Section 3: An Opportunity for all"

Links to Section 3 databases

The Hospital promotes full access to Section 3 information on behalf of Workers, Businesses, and the community surrounding all CDBG-DR projects. To that effect, Section 3 databases and informational websites wherein job-seekers, businesses, and the public may find additional information are as follows:

- ***What is Section 3?***

- https://floridajobs.org/docs/default-source/2015-community-development/community-revitalization/cdbg/section3/whatissection3business.pdf?sfvrsn=644e66b0_2

- ***Section 3 Jobs / Training / Contracting Opportunities***

- <https://hudapps.hud.gov/OpportunityPortal/>

- ***Section 3 Business Registry***

- <https://portalapps.hud.gov/Sec3BusReg/BRegistry/What>

- ***HUD Regional Offices of Fair Housing and Equal Opportunity***

- <https://www.hud.gov/localoffices/regions>

- ***Department of Labor, YouthBuild***

- <https://www.dol.gov/agencies/eta/youth/youthbuild>

Appendix A: Section 3 Business and Worker Applications

See following pages for Section 3 Business and Worker Applications

- Section 3 Business Application (11 pages)
- Section 3 Worker (6 pages)

Appendix B: Section 3 Implementation Plan (Forms 1-8) for Contractors

See following pages for Forms 1-8

- Form 1: Section 3 Assessment and Certifications
- Form 2: Subcontractor Information
- Form 3: List of Permanent Employees
- Form 4: Documentation of Qualitative Efforts
- Form 5: Section 3 Contract Clause
- Form 6: Section 3 Project Compliance Report
- Form 7: Section 3 Business Outreach Form
- Form 8: Section 3 Worker Outreach Form