

CHARLES CITY HOUSING & REDEVELOPMENT AUTHORITY

AGENDA

March 21, 2013, 7:00 a.m.

at

501 Cedar Terrace South, Charles City, IA 50616

- I. Roll Call – Call Meeting to Order
- II. Public Comment
- III. Amend-Approve Minutes of February 21, 2013 1-2
- IV. Approval of Bills for March 2013 3
- V. Communications 4-15
 - 1. CFP Update
 - 2. Rehab Update
 - 3. Morningside Foundations
 - 4. Minnesota NCRC Conference
 - 5. New Hire Update
 - 6. Monthly Rental Status Update
 - 7. End of Participation Tracker
 - 8. Newsletters
 - 9. Financial Statements
- VI. Old Business
- VII. New Business
 - 1. Approve Resolution 03-13 to Approve Public Housing Budget for FYE 2014 .. 16-25
 - 2. Approve Resolution 04-13 Adopting Section 3 Policy Manual..... 26-55
 - 3. Change Date for April Board Meeting to April 16, 2013..... 56
 - 4. Set Date for Special Meeting to Review Parking Lot Bids..... 57
 - 5. Discuss Purchase of Skid Loader..... 58
 - 6. Approve Repairs to Boilers at SCT..... 59
- VIII. Move to Adjourn

Next regular meeting scheduled for **Tuesday, April 16, 2013**
7:00 a.m., CCHRA Office

Special Meeting scheduled for Thursday, March 28, 2013
7:30 a.m., CCHRA Office

MINUTES
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY
February 21, 2013 7:00 a.m.

Members Present: Sally Jenkins, Trey Becker, Margaret Calvert, Jeremy Heyer, and Jill Streich. Absent: None. Others present: Heidi Nielsen, staff.

Call to Order. Board-Chairperson Calvert called the meeting to order at 7:00 a.m.

Public Comments. None

Amend-Approve Minutes of January 17, 2013. On motion by Streich and a second by Jenkins, the minutes of January 17, 2013 were approved as presented. Ayes: 5, Nays: 0. Motion carried.

Approval of Bills. Becker moved, Jenkins seconded the motion to approve payment of the revised bill listing totaling \$83,859.26. Ayes: 5, Nays: 0. Motion carried.

Communications. Items under Communications were reviewed but no action required.

Old Business. None

New Business.

Approve Resolution 01-13 Civil Rights Certification. Staff explained to staff that HUD requires the Housing Authority to submit this certification annually in lieu of submitting an Annual Plan. Becker made a motion to approve Resolution 01-13. Jenkins seconded the motion. Roll Call: Ayes: Heyer, Calvert, Starkey, Jenkins, and Becker, Nays: 0. Motion carried on roll call vote.

Approve Resolution 02-13 Close Out CFP Grant IA05P00250110. Staff explained HUD requires the Housing Authority to conduct an audit of the grant. Because the City's audit covers the grant, an independent audit is not necessary. However, the Board can choose to have the grant audited. If they choose not to, they must do so by resolution, which then must be submitted to HUD. Streich made a motion to approve Resolution 02-13. Jenkins seconded the motion. Roll Call: Ayes: Heyer, Calvert, Streich, Jenkins, and Becker, Nays: 0. Motion carried on roll call vote.

Board member Heyer left the meeting to attend a previously scheduled meeting.

Approve Purchase of Replacement Fire Extinguishers for the Terraces. Staff explained that the existing extinguishers are going to expire at the end of the month. At that time, they must either be tested or replaced. Since it costs \$49 to test each one, Nielsen requested that they be replaced at \$35 each. The old ones will be donated to the fire department to be used for safety demonstrations. Streich made a motion to purchase

new extinguishers, and Becker seconded the motion. Ayes: 4, Nays: 0. Motion carried.

Consider Approval to Send Staff to Annual NAHRO Conference. Staff requested approval to send staff members to the Annual Iowa NAHRO Conference in West Des Moines. Nielsen stated that even though the new employee hasn't been hired, we want to send in a registration for that person because there is a one-day session on the basics of rent calculation. We would risk losing the registration fee if an employee wasn't hired by the conference date. Streich pointed out that a commissioner could use the registration to attend the conference if that were to happen. Streich made a motion to approve the request, Jenkins seconded the motion. Ayes: 4, Nays: 0. Motion Carried.

Review Plans and Cost Estimate for Parking Lot Improvements and Make Recommendation to Proceed with Project. The board reviewed the proposed plans and cost estimate. All were in agreement with them. Becker made a motion to approve proceeding with the project. Jenkins seconded the motion. Ayes: 4, Nays: 0. Motion Carried.

Election of Officers

Chairperson: Becker moved to nominate Calvert as Chairperson. Jenkins seconded the motion. Jenkins moved that all nominations cease and Streich seconded the motion. Roll call: Ayes: Calvert, Becker, Jenkins, Streich. Nays: None. Motion carried.

Vice-Chairperson: Jenkins moved to nominate Becker as Vice-Chairperson. Streich seconded the motion. Becker moved that all nominations cease and Jenkins seconded the motion. Roll call: Ayes: Calvert, Becker, Jenkins, Streich. Nays: None. Motion carried.

Review of By-Laws for Revision. The by-laws were reviewed and no changes were proposed. Becker made a motion to accept by-laws with no revisions. Jenkins seconded the motion. Ayes: 4, Nay: 0. Motion carried.

Being no further business, Streich made a motion, Jenkins seconded the motion to adjourn. Ayes: 4. Nays: 0. Motion carried.

Charles City Housing and Redevelopment Authority

Margaret Calvert, Chairperson

ATTEST:

Heidi Nielsen, Director

Charles City Housing
Monthly Bill Listing
March 2013

Customer	Description	Amount
Business Card	computer back-up support	14.98
C.Naber & Associates	accounting fees	475.00
Cedar Valley Printing	meter ink/office supplies	172.32
Charles City Press	Morningside/Terraces Apt. Ads	698.88
Cintas	rug service	102.58
City of Charles City	water/sewer/URPS/S8 insp./new fire ext.	7,881.26
Don's Repair	snowblower repairs	127.00
GE Capital	copier lease	516.67
HAPS	March HAPS	49,756.80
Iowa Department of Transportation	fuel	189.48
Iowa NAHRO	2013 annual conference registration fee	750.00
Jendro Sanitation	trash service	556.00
Mehmen's Painting	paint apt. 52	235.00
Mick Gage Plumbing & Heating	drain clean out @ SCT	357.50
Mid American Energy	electric/gas/URPS	8,895.98
Otto's Oasis	2013-2014 Landscaping fees for terraces	488.00
Pitney Bowes	meter lease	47.74
Rent Grow	criminal background checks/credit checks	98.10
Ron's Plumbing	maintenance items	30.23
Schneider Laboratories Inc.	lead testingfor S8	128.00
Schueth Ace Hardware	maintenance items-ice melt	764.88
Sherwin Williams	paint supplies	120.36
T-J Service	washer/dryer repairs	576.93
US Cellular	cell phone service	68.67
Winnebago County Housing	add'l HAP payment due to this HA	56.00
		73,108.36

REQUESTED ACTION: None - for your information only.

1. Capital Fund Update. HUD is still anticipating that the final rule for the Physical Needs Assessment will be published in June 2013. This will make our assessment due around August of 2014. There is still no news regarding the 2013 awards.
2. Rehab Update. We have approval back on four of the five properties from the State Historical Preservation Office. They have a week to respond on the fifth property. If they don't send us approval by March 20th, we can go ahead with the project. The cost estimates and specifications are complete so we can do the financial feasibility analysis and set up the contractor open houses.
3. Morningside Foundations. I am waiting on a response from Ed Wineinger.
4. Minnesota NCRC NAHRO Meeting. I will be attending the Minnesota state NAHRO meeting which is being held in conjunction with the NCRC regional meeting. I will be out the office from May 15 -17. The Iowa NAHRO Chapter will be reimbursing us for the expenses.
5. Staffing Update. We are taking applications through March 29th and as of March 15th we have had eleven applicants. We will be interviewing until the first week of April and if all goes well we will be making an offer by the 8th.
6. **Monthly Rental Status Update.**

Month of February 2013	Total Leased 2/1/13	New Leases	Removed Or Moved	Total Leased 2/28/13	Total On Waiting List	Offered Assistance	Removed
Terraces 132 Units	131	0	0	131	8	2	0
Morningside 15 Units	15	0	2	13	4	1	0
Section 8 197 Units	176	11	9	178	7	18	9

Declined Assistance (2) Over Income () Denied () Insufficient Address (1)
 Did not attend Briefing/Information Not Returned (6) Criminal Background Check ()
 Voucher Expired () Purged ()
 Terminations: PH (2) S8 (5)
 Port Out: (1)

7. End of Participation Tracker. See attachment
8. Newsletters. See attachments
9. Financial Statements. February 2013 statements are attached.

END OF PARTICIPATION
TRACKER
2012-2013

SECT8	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
LEFT IN GOOD STANDING	4	1	2	1	2	1	2	2	2				15
ZERO HAP						1		2					3
MUTUAL RECISION	1								1				2
ANNUAL RE-EXAM SEARCHING		1					1						2
PORT-OUT ABSORBED	2		1	1		4			1				5
PORT-OUT SEARCHING	3		1	1									9
DECEASED								1					1
MOVED IN VIOLATION	3	2				1	1						7
EVICTED													0
UNAUTHORIZED LIVE-IN	1			1					2				4
VIOLATION OF FAMILY OBLIGATION					2				1				
GAVE UP ASSISTANCE BEFORE 1 YEAR													
FAILURE TO RENEW				1			1						2
FAILURE TO REPAY	1								1				2
FAILURE TO PROVIDE INFO	1				1								2
FAILURE TO FOLLOW THROUGH													0
FRAUD									1				1
UNREPORTED INCOME-2ND TIME													0
UTILITIES DISCONNECTED		1											1
CRIMINAL CONVICTION													0
VOUCHER EXPIRED	2	1			2								
VOUCHER REVOKED													0
LEASED W/NEW LANDLORD			1	2	1		1		1				6
TOTALS	18	6	4	7	8	7	6	4	10	0	0	0	62
PUBLIC HOUSING													
LEFT IN GOOD STANDING	2	2			1	1	1	1					8
DECEASED	1	1	2		1	1	1	1					7
MOVED IN VIOLATION													0
TERMINATED FOR LEASE VIOLATIONS						1							0
EVICTED													0
UNAUTHORIZED LIVE-IN					1				1				2
FAILURE TO RENEW													0
FAILURE TO REPAY													0
FAILURE TO PROVIDE INFO													0
FAILURE TO FOLLOW THROUGH													0
CRIMINAL CONVICTION				1									1
OTHER													0
UTILITIES DISCONNECTED										1			0
TOTALS	3	3	2	1	3	3	1	2	2	0	0	0	18



TERRACE NEWS

March 2013 OFFICE HOURS 8 AM-4:30 PM (641)228-6661

Mar. 21st at 7:00 a.m. is the monthly board meeting held at the office. This is open to the public.



LOOK WHO'S CELEBRATING A BIRTHDAY THIS MONTH!

Karen Funte- #67	2
Joan Adams- #71	3
Garry Tibbetts- #57	7
Emma Seckar- #90	7
Nancy Valladares	8
Michael Anderson- #94	12
Ruth Krueger- #99	22

DON'T FORGET!
DAYLIGHT SAVING
TIME IS ON MARCH 10!!



Banned Individuals From Any Public Housing Property:

David "Boone" Mahnesmith, Roy Bode

If any of these individuals are seen on any public housing property, at any time of day, please call the police department. Under no circumstances are they able to be on the properties.

March:

1: Fish Fry @ KC Hall **every Friday** in March, 5:30pm-7:30pm, serving Cod

1: Every Friday in March-Women of the Moose Fish & Chicken Buffet @ VFW, 5pm-7pm. \$8.50 Adults, kids 10 & under \$.50 per year.

2: 2nd Annual Cedar River Shiver: Polar Plunge @ 3pm @ Riverfront Park Boat Ramp

3: Boy Scout Troop 1078 Pancake Breakfast @ KC Hall, 8am-1pm. Tickets \$5, kids under 5 FREE!

6: Trinity UMC hosting Morningside Choir @ 7pm

10: Daylight Saving Time! Spring Ahead!

11-15: CC Schools Spring Break

15: Mr. Potato Head Party & Potato Bar @ Messiah Lutheran Church

16: Freewill donation movie, "Madagascar: Europe's Most Wanted", 2pm @ Charles Theatre. Sponsored by Families Making Connections. All proceeds go to the Exchange Club.

17: Happy St. Patrick's Day!

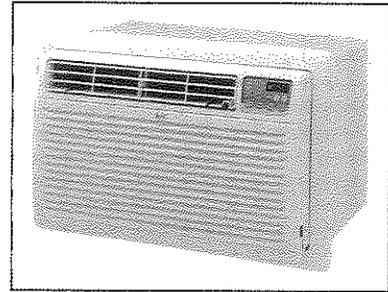
22: CC Community Fund Bowling Tourn.- 9 Pin Bowling Tournament @ Comet Bowl. Contact Kim Carmen @ 641-330-8556 or Lisa McIntire @ 641-228-1726 for details.

30: Watch the paper/shopper for information about Easter Egg hunts in town

31: Happy Easter

AIR CONDITIONERS:

It is that time again to talk air conditioners! Once again there will be a seasonal \$60 fee to run an AC. You may pay \$10 per month, starting in April, with the full amount due by September 5, 2013. You may pay any amounts between April and September, as long as the balance is paid in full by the September 5th date. Charges will be made based on who had AC last summer. If you are not going to have one this year, but did last year, please notify the office. Steve and Joe will not be removing the covers, however, until the weather is much warmer; probably in May. If you have any questions, please contact the office.

**AFTER HOURS NUMBERS:**

Please remember each apartment should have a magnet on their refrigerator that has the list of numbers to contact after hours. The maintenance number should be used for any work-order emergency that cannot wait until the office is open. After hours lock-outs ONLY you can call the non-emergency police number, which is 228-3366. If you do not have a magnet please call the office and we will get you one. Thanks!

AFTER HOURS EMERGENCY MAINTENANCE NUMBER: 641-330-9259

A couple of reminders to pet owners. Don't forget to pick up after them when outside. That includes in your yard area and if you are on a walk. Also, all pets are to be on a leash or chain when outside. For dog owners, please be sure that your dog does not bark excessively.

**WORK ORDERS:**

If you have a maintenance issue please try to call during office hours. Work orders called in after hours will only be addressed if they cannot wait until normal business hours. Thanks!

**ANYTHING CHANGE?:**

Have you gotten a new phone number lately? Have you gotten a different vehicle? If so, be sure to update with the office any changes so we can update our records.

Are you registering all overnight guests 18 yrs. or older? Not doing so is a lease violation, which could result in termination!

A LITTLE HUMOR!



"My memory really sucks Mildred, so I changed my password to "incorrect." That way when I log in with the wrong password, the computer will tell me... "Your password is incorrect"

MOONLOL

CAN YOU UNSCRAMBLE THESE SPRING WORDS?

- | | |
|-----------------------|--------------------|
| 1. Gpsinr _____ | 9. Teiks _____ |
| 2. Mlobo _____ | 10. Flsiebtr _____ |
| 3. Wrefslo _____ | 11. Deses _____ |
| 4. Inar wersohs _____ | 12. Siotued _____ |
| 5. Rgene _____ | 13. Ypal _____ |
| 6. Mbleub eseb _____ | 14. Tgrohw _____ |
| 7. Hiensnsu _____ | 15. Asosen _____ |
| 8. Ipari _____ | |

WAITING LIST:

Currently the waiting list for SCT and NCT apartments is very short. If you know of anyone thinking of moving, now would be a good time to have them inquire. Also, just a reminder that if you refer someone to the Terraces, after their 6th month you will receive \$50! So, spread the word!



MORNINGSIDE NEWS

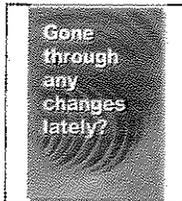
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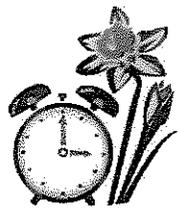
If you pay your rent with cash please have the exact amount. We do not keep change on hand.

ANY CHANGES?

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Have you gotten a different vehicle? If so, be sure to contact the office with any changes so we can update our records.



Time to Spring Ahead

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DAYLIGHT SAVING
TIME IS ON
MARCH 10!!



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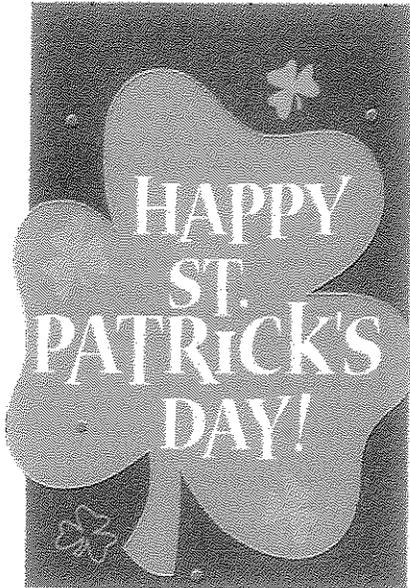
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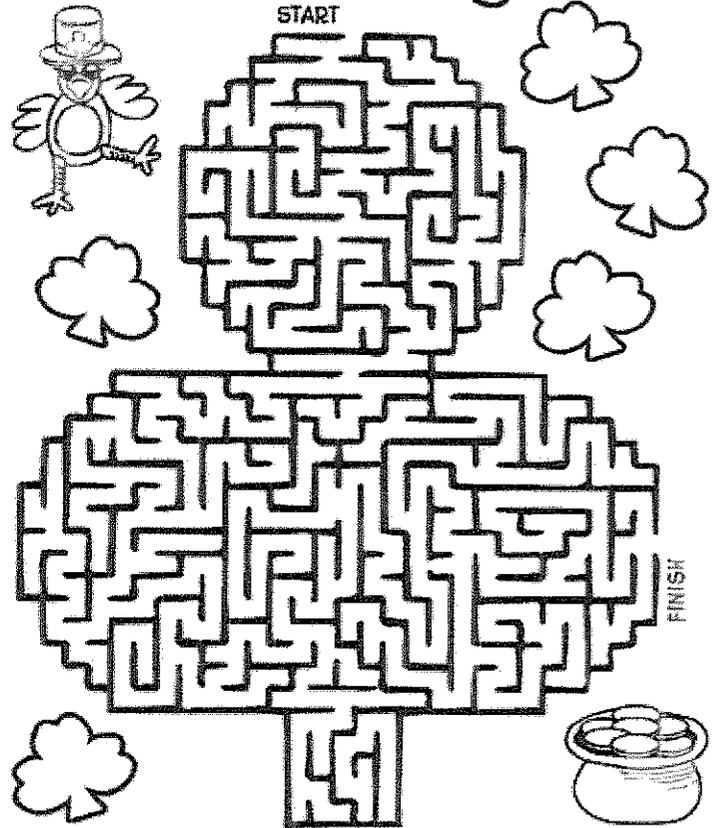
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31: Happy Easter

BANNED FROM ANY PUBLIC HOUSING PROPERTY-CALL POLICE IF SEEN:
DAVID "BOONE"
MAHNESMITH & ROY BODE



St. Patrick's Day Maze



Copyright 2006, theKidspage.com

GREAT
PARENT/
CHILD
EVENTS



FOR YOUR INFORMATION:
 MOPS(Mothers with preschoolers): call St. John Lutheran Church @ 228-3397
 Our Kids Count: call Central Preschool @ 228-6803

Community Nursing Clinic Schedules for March 2013. To make an appointment call: 641-257-6111.

Childhood Immunization Clinics

- Wednesday, Mar. 6th: 1:00 pm-4:00 pm
- Thursday, Mar. 14th: 9:00 am—12:00 pm
- Monday, Mar. 18th: 1:00 pm-4:00 pm
- Tuesday, Mar. 26th: 9:00 am-12:00 pm



WIC CLINICS
 Mar. 26, 27, & 28
 9:00 A.M. to 12:00 P.M.
 and
 12:40 P.M. to 3:00 P.M.
 at :
 1010 South Grand
 1-800-657-5856

HOW ABOUT MAKING THIS FOR EASTER?!

WHAT YOU WILL NEED

- 2 baked 9-inch round cake layers, cooled
- 5lb. large Swiss Meringue Frosting
- 1 1/2 cups (about) Baker's Angel Flake Coconut
- Red food coloring
- 5ml. pastel-colored gumdrops
- Red and black licorice licces

1 Cut one cake layer as shown; leave other cake whole. Tint 1/4 cup of coconut pink with red food coloring.

2 Arrange cake as shown using frosting to hold pieces together.

3 Frost entire cake. Sprinkle with coconut and decorate with licorice and gumdrops as shown.

Here are the directions to make an Easter Bunny cake! If you are not a fan of coconut you could always use colored frosting or other colored candies. Use your imagination! Here is another example:



HOPE YOU HAVE FUN
WITH THIS AND THAT
YOU AND YOUR
FAMILY HAVE A.....
"HOPPY" EASTER!

**DID YOU KNOW THAT YOU
CAN RECEIVE \$50 FOR
REFERRING SOMEONE TO
MORNINGSIDE?**

If the person you refer leases up and is still an active tenant after 6 months, you will receive a check in the mail for \$50! For more specific questions contact the office.



ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
174-533-4300	INTEREST - SECTION 8	2,300.00	103.46	1,074.90	46.73	1,225.10
174-533-4440	STATE GRANT-SEC 8	.00	.00	.00	.00	.00
174-533-4504	FRAUD-SEC 8	4,500.00	589.00	1,159.00	25.76	3,341.00
174-533-4505	HUD CONTRIB-SEC 8	570,000.00	50,628.00	365,303.00	64.09	204,697.00
174-533-4509	ADMIN FEE/HTH-SEC 8	85,000.00	7,080.00	64,551.00	75.94	20,449.00
174-533-4710	REIMBURSED EXP-SEC 8	1,000.00	.00	562.00	56.20	438.00
174-533-4715	REFUNDS-SEC 8	1,000.00	.00	14.00	1.40	986.00
	SECTION 8 VOUCHER TOTAL	663,800.00	58,400.46	432,663.90	65.18	231,136.10
174-910-4830	TRANSFER IN - SECTION 8 VOUCH	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
174-533-6010	SALARY - SEC 8	55,000.00	3,802.57	38,334.78	69.70	16,665.22
174-533-6040	OVERTIME SALARY - SECTION 8	.00	.00	.00	.00	.00
174-533-6110	FICA - SECTION 8	.00	261.14	2,659.95	.00	2,659.95
174-533-6130	IPERS -SECTION 8	.00	329.66	3,323.42	.00	3,323.42
174-533-6150	HEALTH INS - SECTION 8	.00	1,972.54	17,254.63	.00	17,254.63
174-533-6151	LIFE INS - SECTION 8	.00	19.99	179.98	.00	179.98
174-533-6160	WORK COMP - SECTION 8	.00	.00	.00	.00	.00
174-533-6170	UNEMPLOYMENT - SECTION 8	.00	.00	.00	.00	.00
174-533-6199	EMPLOYEE BEN-SEC 8	38,000.00	.00	.00	.00	38,000.00
174-533-6230	STAFF TRAINING - SECTION 8	3,000.00	.00	1,460.00	48.67	1,540.00
174-533-6380	UTILITY ALLOT - SECTION 8	15,000.00	751.00	5,825.00	38.83	9,175.00
174-533-6401	ACCOUNTING FEES - SECTION 8	3,000.00	210.00	1,834.00	61.13	1,166.00
174-533-6420	CONTRACT SERVICES - SECTION 8	11,000.00	578.10	6,535.34	59.41	4,464.66
174-533-6423	SPECIAL SERVICE - SECTION 8	300.00	.00	.00	.00	300.00
174-533-6445	HC VOUCHER PAY-SEC 8	640,000.00	48,257.80	390,618.46	61.03	249,381.54
174-533-6518	SUNDRY-OFF EXP-SEC 8	3,000.00	14.00	646.95	21.57	2,353.05
	SECTION 8 VOUCHER TOTAL	768,300.00	56,196.80	468,672.51	61.00	299,627.49
174-910-6910	TRANSFER OUT - SECTION 8 VOUCH	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
	SECTION 8 VOUCHER TOTAL	104,500.00	2,203.66	36,008.61	34.46	68,491.39

CITY OF CHARLES CITY
REVENUE & EXPENSE REPORT
CALENDAR 2/2013, FISCAL 8/2013

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-536-6130	IPERS - PH MAINT	5,800.00	514.43	4,271.45	73.65	1,528.55
173-536-6150	HEALTH INS - PH MAINT	8,500.00	545.79	4,374.69	51.47	4,125.31
173-536-6151	LIFE INS - PH MAINT	.00	8.37	58.59	.00	58.59-
173-536-6160	WORK COMP - PH MAINT	681.00	.00	.00	.00	681.00
173-536-6170	UNEMPLOYMENT - PH MAINT	1,000.00	.00	87.49	8.75	912.51
173-536-6181	UNIFORM ALLOWANCE - PH MAINT	.00	.00	450.00	.00	450.00-
	PUBLIC HOUSING MAINTENANC TOTA	94,081.00	7,571.41	62,516.45	66.45	31,564.55
173-910-6910	TRANSFER OUT - PUBLIC HOUSING	34,000.00	.00	.00	.00	34,000.00
	TRANSFERS IN/OUT TOTAL	34,000.00	.00	.00	.00	34,000.00
	PUBLIC HOUSING TOTAL	134,059.00-	22,495.20	10,776.08	8.04-	144,835.08-

CITY OF CHARLES CITY
 REVENUE & EXPENSE REPORT
 CALENDAR 2/2013, FISCAL 8/2013

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-532-4300	INTEREST-PUBLIC HOUSING	21,500.00	1,646.58	14,881.23	69.22	6,618.77
173-532-4504	FRAUD-PUBLIC HOUSING	4,000.00	138.00	1,285.36	32.13	2,714.64
173-532-4506	DWELLING RENT-PUBLIC HOUSING	420,000.00	35,240.00	281,584.00	67.04	138,416.00
173-532-4507	EXCESS UTILITY-PUBLIC HOUSING	11,000.00	224.00	4,978.00	45.25	6,022.00
173-532-4508	CONTRIB-OTHER-PUBLIC HOUSING	11,000.00	769.75	8,046.00	73.15	2,954.00
173-532-4710	REIMBURSED EXP-PUBLIC HOUSING	2,000.00	46.26	1,833.55	91.68	166.45
173-532-4781	OPER SUBSIDY-PUBLIC HOUSING	.00	30,000.00	30,000.00	.00	30,000.00
	PUBLIC HOUSING TOTAL	469,500.00	68,064.59	342,608.14	72.97	126,891.86
173-910-4830	TRANSFER IN - PUBLIC HOUSING	182,648.00	.00	.00	.00	182,648.00
	TRANSFERS IN/OUT TOTAL	182,648.00	.00	.00	.00	182,648.00
173-532-6010	SALARY - PUBLIC HOUSING	104,000.00	7,607.69	63,754.92	61.30	40,245.08
173-532-6040	OVERTIME SALARY-PUBLIC HOUSING	1,000.00	.00	.00	.00	1,000.00
173-532-6070	LABOR/MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6110	FICA - PUBLIC HOUSING	.00	514.84	4,385.36	.00	4,385.36
173-532-6130	IPERS - PUBLIC HOUSING	.00	659.62	5,527.78	.00	5,527.78
173-532-6150	HEALTH INS - PUBLIC HOUSING	.00	2,958.81	22,145.95	.00	22,145.95
173-532-6151	LIFE INS - PUBLIC HOUSING	.00	29.98	269.97	.00	269.97
173-532-6160	WORK COMP - PUBLIC HOUSING	.00	.00	830.00	.00	830.00
173-532-6170	UNEMPLOYMENT - PUBLIC HOUSING	.00	.00	392.28	.00	392.28
173-532-6198	EMP BEN MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6199	EMPLOYEE BEN-PUBLIC HOUSING	59,326.00	.00	453.78	.76	58,872.22
173-532-6230	STAFF TRAINING-PUBLIC HOUSING	8,000.00	1,082.45	4,477.71	55.97	3,522.29
173-532-6370	GAS - PUBLIC HOUSING	40,000.00	5,014.05	16,771.12	41.93	23,228.88
173-532-6371	UTILITIES - PUBLIC HOUSING	45,000.00	4,488.89	28,543.28	63.43	16,456.72
173-532-6374	WATER - PUBLIC HOUSING	16,000.00	1,191.81	10,587.91	66.17	5,412.09
173-532-6379	OTH UTIL-PUBLIC HOUSING -SEWER	23,000.00	1,529.83	14,287.64	62.12	8,712.36
173-532-6401	ACCOUNTING FEES-PUBLIC HOUSING	4,000.00	165.00	1,989.00	49.73	2,011.00
173-532-6408	TORT LIABILITY - PUBLIC HOUSING	24,000.00	.00	.00	.00	24,000.00
173-532-6411	LEGAL FEES - PUBLIC HOUSING	2,000.00	39.00	468.00	23.40	1,532.00
173-532-6415	COPIER LEASE - PUBLIC HOUSING	2,800.00	.00	1,033.34	36.91	1,766.66
173-532-6420	CONTRACT SERVICES - PUBLIC HOUSING	14,000.00	428.82	10,590.41	75.65	3,409.59
173-532-6441	TENANT SERVICES-PUBLIC HOUSING	6,000.00	50.00	5,475.25	91.25	524.75
173-532-6442	PILOT-PUBLIC HOUSING	34,000.00	.00	33,434.60	98.34	565.40
173-532-6516	REFUNDS-PUBLIC HOUSING	.00	.00	58.00	.00	58.00
173-532-6518	SUNDRY-OFF EXP-PUBLIC HOUSING	25,000.00	1,478.56	9,137.74	36.55	15,862.26
173-532-6599	MAINT MATERIALS-PUBLIC HOUSING	50,000.00	10,758.63	34,701.57	69.40	15,298.43
173-532-6725	CAP OUTLAY-EQUI-PUBLIC HOUSING	40,000.00	.00	.00	.00	40,000.00
173-532-6750	CAP IMPR BLDG-PUBLIC HOUSING	160,000.00	.00	.00	.00	160,000.00
	PUBLIC HOUSING TOTAL	658,126.00	37,997.98	269,315.61	40.92	388,810.39
173-536-6010	SALARY - PH MAINT	72,000.00	5,501.34	47,442.06	65.89	24,557.94
173-536-6040	OVERTIME SALARY - PH MAINT	.00	549.06	2,122.13	.00	2,122.13
173-536-6110	FICA - PH MAINT	6,100.00	452.42	3,710.04	60.82	2,389.96

MEETING DATE: 3/21/13

RE: Consider Approval of Resolution No. 03-13 to
Approve Public Housing Budget for FYE 6/30/14

REQUESTED ACTION: Approve Resolution No. 03-13 for the Public Housing budget for
FYE 06/30/14.

Comments: HUD requires a board resolution be submitted approving the annual budget.

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 12/31/2012)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Charles City Housing & Redevelopment Authority PHA Code: IA002

PHA Fiscal Year Beginning: 07/01/2013 Board Resolution Number: 03-13

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- Operating Budget approved by Board resolution on: 03/21/2013
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Margaret Calvert	Signature:	Date: 03/21/2013
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Operating Budget

**U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing**

*OMB Approval No. 2577-0026 (exp. 9/30/2006)

See page four for instructions and Public reporting burden statement

a. Type of Submission <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision No.:		b. Fiscal Year Ending 06/30/14	c. No. of months (check one) <input checked="" type="checkbox"/> 12 mo. <input type="checkbox"/> Other (specify)	d. Type of HUD assisted project(s)	
e. Name of Public Housing Agency/Indian Housing Authority (PHA/IHA) CHARLES CITY HOUSING AUTHORITY				01 <input checked="" type="checkbox"/> PHA/IHA-Owned Rental Housing	02 <input type="checkbox"/> IHA Owned Mutual Help Homeownership
f. Address (city, State, zip code) 501 CEDAR TERRACE SOUTH CHARLES CITY, IA 50616				03 <input type="checkbox"/> PHA/IHA Leased Rental Housing	04 <input type="checkbox"/> PHA/IHA Owned Turnkey III Homeownership
g. ACC Number KC-9056		h. PAS/LOCCS Project No. IA00200114J		05 <input type="checkbox"/> PHA/IHA Leased Homeownership	
i. HUD Field Office					
j. No. of Dwelling Units 148	k. No. of Unit Months Available 1776	m. No. of Projects ONE			

Line No.	Acct. No.	Description (1)	Actual	<input checked="" type="checkbox"/> Estimates	Requested Budget Estimates			
			Last Fiscal Yr.	<input type="checkbox"/> or Actual	PHA/IHA Estimates		HUD Modifications	
			06/30/12	Current Budget yr. 06/30/13	PUM (4)	Amount (to nearest \$10) (5)	PUM (6)	Amount (to nearest \$10) (7)
			PUM (2)	PUM (3)				
Homebuyers Monthly Payments for:								
010	7710	Operating Expense			0.00			
020	7712	Earned Home Payments			0.00			
030	7714	Nonroutine Maintenance Reserve			0.00			
Operating Receipts								
070	3110	Dwelling Rental	234.16	236.49	239.30	425,000		
080	3120	Excess Utilities	5.32	6.19	5.91	10,500		
090	3190	Nondwelling Rental			0.00	0		
100	Total	Rental Income (sum of lines 070, 080, and 090)	239.48	242.68	245.21	435,500		
110	3610	Interest on General Fund Investments	12.17	12.11	13.23	23,500		
120	3690	Other Income	11.25	9.57	13.51	24,000		
130	Total	Rental Income (sum of lines 100, 110, and 120)	262.90	264.36	271.96	483,000		
Operating Expenditures - Administration:								
140	4110	Administrative Salaries	53.49	59.12	58.00	103,000		
145	41045	Administrative Benefits	27.15	33.40	31.08	55,203		
150	4130	Legal Expense	0.29	1.13	1.13	2,000		
160	4140	Staff Training	2.87	4.50	4.50	8,000		
170	4150	Travel		0.00	0.00	0		
180	4170	Accounting Fees	1.53	2.25	2.25	4,000		
190	4171	Auditing Fees		0.00	0.00	0		
200	4190	Office Expense	8.67	11.26	12.95	23,000		
200	4192	Advertising & Marketing	0.31	0.00	0.56	1,000		
200	4194	Other Admin Expense	3.05	4.39	1.97	3,500		
	4195	City Management/Accounting	5.07	5.63	5.07	9,000		
210	Total	Administrative Expense (sum of line 140 thru line 200)	102.43	121.68	117.51	208,703		
Tenant Services:								
220	4210	Salaries			0.00	0		
225	421045	Tenant Services Benefits			0.00			
230	4220	Recreation, Publications and Other Services	2.41	3.38	3.38	6,000		
240	4230	Contract Costs, Training and Other			0.00			
250	Total	Tenant Services Expense (sum of lines 220, 230, and 240)	2.41	3.38	3.38	6,000		
Utilities:								
260	4310	Water	7.60	9.01	9.29	16,500		
270	4320	Electricity	20.67	25.34	25.34	45,000		
280	4330	Gas	16.13	22.52	19.71	35,000		
290	4340	Fuel			0.00	0		
300	4390	Other Utilities Expense	6.82	7.32	7.32	13,000		
310	4391	Garbage Removal			0.00	0		
320	Total	Utilities Expense (sum of line 260 thru line 310)	51.22	64.19	61.66	109,500		
					0.00			

Line No.	Acct. No.	Description (1)	Actual	<input checked="" type="checkbox"/> Estimates	HUD Modifications				
			Last Fiscal Yr.	<input type="checkbox"/> or Actual					
			06/30/12	Current Budget Yr. 06/30/13	PUM (4)	Amount (to nearest \$10) (5)	PUM (6)	Amount (to nearest \$10) (7)	
			PUM (2)	PUM (3)					
Ordinary Maintenance and Operation:									
330	4410	Labor	37.96	40.54	41.67		74,000		
335	441045	Maintenance Benefits	10.04	12.43	11.41		20,270		
340	4420	Materials	21.02	28.15	28.15		50,000		
350	4430	Misc contract Costs	2.11	1.97	2.25		4,000		
350	4432	Heating & Cooling Contracts	0.76	0.14	0.56		1,000		
350	4433	Snow Removal Contracts	0.00	0.17	0.17		300		
350	4431	Garbage Contracts	4.43	5.63	5.63		10,000		
350	4435	Landscape & Grounds Contracts	0.00	0.00	0.00		0		
350	4436	Unit Turnaround Contracts	1.74	1.41	1.41		2,500		
350	4437	Electrical Contracts	0.48	0.96	1.69		3,000		
350	4438	Plumbing Contracts	3.21	0.84	0.84		1,500		
350	4439	Extermination Contracts	1.34	1.41	0.28		500		
350	4440	Janitorial Contracts	0.80	0.14	0.14		250		
350	4441	Routine Maintenance Contracts	0.60	0.00	1.66		2,950		
	4480	Security Contract Costs	14.08	0.84	14.08		25,000		
360	Total	Ordinary Maintenance & Operation Expense (lines 330 to 350)	98.57	94.63	109.95		195,270		
General Expense:									
410	4510	Insurance - Property/Liability	8.44	13.51	13.51		24,000		
410	4510	Insurance -			0.00		0		
410	4510	Insurance -			0.00		0		
410	4512	Insurance - Work Comp	2.91		2.43		4,320		
420	4520	Payments in Lieu of Taxes	18.83	19.14	19.14		34,000		
430	4530	Terminal Leave Payments			0.00				
450	4570	Collection Losses	2.24		0.00		0		
460	4590	Other General Expense			0.00				
470	Total	General Expense (sum of lines 410 to 460)	32.42	32.65	35.09		62,320		
480	Total	Routine Expense (sum of lines 210, 250, 320, 360, 400, and 470)	287.05	316.53	327.59		581,793.00		
550	Total	Operating Expenditures (sum of lines 500 and 540)	287.05	316.53	327.59		581,793.00		
Prior Year Adjustments:									
560	6010	Prior Year Adjustments Affecting Residual Receipts			0.00				
Other Expenditures:									
570		Deficiency in Residual Receipts at End of Preceding Fiscal Yr.			0.00				
580	Total	Operating Expenditures, including prior year adjustments and other expenditures (line 550 plus or minus line 560 plus line 570)	287.05	316.53	327.59		581,793		
590		Residual Receipts (or Deficit) before HUD Contributions and provision for operating reserve (line 130 minus line 580)	(24.15)	(52.17)	(55.63)		(98,793)		
HUD Contributions:									
600	8010	Basic Annual Contribution Earned-Leased Projects:Current Year			0.00				
610	8011	Prior Year Adjustments - (Debit) Credit			0.00				
620	Total	Basic Annual Contribution (line 600 plus or minus line 610)	0.00	0.00	0.00		0		
630	8020	Contributions Earned-Op. Subsidy-Cur. Yr.(before year-end adj)	53.74	0.00	122.31		217,226		2013 Estimate
640		Mandatory PFS Adjustments (net):			0.00				
650		Other (specify):			0.00				
660		Other (specify):			0.00				
670		Total Year-End Adjustments/Other (plus or minus lines 640 thru 660)	0.00	0.00	0.00		0		
680	8020	Total Operating Subsidy-current year (line 630 plus or minus line 670)	53.74	0.00	122.31		217,226		
690	Total	HUD Contributions (sum of lines 620 and 680)	53.74	0.00	122.31		217,226		
700		Residual Receipts (or Deficit) (sum of line 590 plus line 690)							
		Enter here and on line 810	29.59	(52.17)	66.69		118,433		

Name of PHA/IHA
CHARLES CITY HOUSING AUTHORITY

Fiscal Year Ending
06/30/14

		Operating Reserve	PHA/IHA Estimates	HUD Modifications
		Part I - Maximum Operating Reserve - End of Current Budget Year		
740	2821	PHA/IHA-Leased Housing - Section 23 or 10(c) 50% of Line 480, column 5, form HUD-52564		

		Part II-Provision for and Estimated or Actual Operating Reserve at Fiscal Year End		
780		Operating Reserve at End of Previous Fiscal Year - Actual for FYE (date):		-
790		Provision for Operating Reserve - Current Budget Year (check one) <input checked="" type="checkbox"/> Estimated for FYE <input type="checkbox"/> Actual for FYE		
800		Operating Reserve at End of Current Budget Year (check one) <input checked="" type="checkbox"/> Estimated for FYE <input type="checkbox"/> Actual for FYE	N/A	
810		Provision for Operating Reserve - Requested Budget Year Estimated for FYE Enter Amount from line 700		0
820		Operating Reserve at End of Requested Budget Year Estimated for FYE (Sum of lines 800 and 810)		0
830		Cash Reserve Requirement- 25 % Of line 480		0

Comments

PHA / IHA Approval

Name _____

Title _____

Signature _____ Date _____

Field Office Approval

Name _____

Title _____

Signature _____ Date _____

Operating Budget
Schedule of Administration
Expense Other Than Salary

U.S. Department of Housing
 and Urban Development
 Office of Public and Indian Housing

OMB Approval No. 2577-0026 (Exp. 9/30/2006)

Public Reporting Burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. This information is required by Section 6 (c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income housing program and provides a summary of proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justifications of certain specific amounts. HUD reviews the information to determine if the operating plan adopted by the PHA and the amounts are reasonable and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

Name of Housing Authority:	Locality:	Fiscal Year End:
CHARLES CITY HOUSING AUTHORITY	CHARLES CITY, IA	06/30/14

(1) Description	(2) Total	(3) Management	(4) Development	(5) Section 8	(6) Other
1 Legal Expense (see Special Note in Instruction)	2,000	2,000			
2 Training (list and provide justification)	8,000	8,000			
3 Travel					
Trips To Conventions and Meetings (list and provide justification)	0				
4 Other Travel:					
Outside Area of Jurisdiction	0				
5 Within Area of jurisdiction	0				
6 Total Travel	0	0	0	0	0
7 Accounting	4,000	4,000			
8 Auditing	0				
9 Sundry					
City Management/Accounting 4195	9,000	9,000			
10 Publications 4194	0				
11 Membership Dues and Fees 4194	2,500	2,500			
12 Collection Agent Fees and Court Costs 4194	0				
13 Administrative Services Contracts 4194	1,000	1,000			
14 Other Sundry Expense (provide breakdown) 4194	0	0			
15 Telephone, Fax, Electronic Communications 4190	11,500	11,500			
16 Forms, Stationary and Office Supplies 4190	11,500	11,500			
17 Advertising & Marketing 4192	1,000	1,000			
18 Total Sundry	36,500	36,500	0	0	0
Total Administrative Expense Other Than Salaries	50,500	50,500	0	0	0

To the best of my knowledge, all of the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of authorized representative & Date:

X

Operating Budget
Summary of Budget Data and Justifications

U.S. Department of Housing
 and Urban Development
 Office of Public and Indian Housing

*OMB Approval No. 2577-0026 (Exp. 9/30/2006)

Public Reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. This information is required by Section 6 (c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income housing program and provides a summary of proposed/budget receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the PHA and the amounts are reasonable and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

Name of Local Housing Authority	Locality	Fiscal Year Ending
CHARLES CITY HOUSING AUTHORITY	CHARLES CITY, IA	06/30/14

Operating Receipts

Dwelling Rental: Explain basis for estimate. For HUD-aided low-rent housing, other than Section 23 Leased housing, state amount of latest available total H/A monthly rent roll, the number of dwelling units available for occupancy and the number accepted for the same month end. Cite HA policy revisions and economic and other factors which may result in a greater or lesser average monthly rent roll during the Requested Budget Year. For Section 23 Leased housing, state the number of units under lease, the PUM lease price, and whether or not the cost of utilities is included. If not included, explain method for payment at utility costs by HA and/or tenant.

TOTAL 425,000.00
425,000.00

TOTAL: 425,000

Excess Utilities: (Not for Section 23 Leased housing.) Check appropriate spaces in item 1, and explain "Other". Under item 2, explain basis for determining excess utility consumption. For example, Gas; individual check meters at OH-100-1, proration of excess over allowances at OH-100-2, etc. Cite effective date of present utility allowances. Explain anticipated changes in allowances or other factors which will cause a significant change in the total amount of excess utility charges during the Requested Budget Year.

1. Utility Services Surcharged: Gas Electricity Other (Specify) _____

2. Comments

10,500

TOTAL: 10,500

Non-dwelling Rent: (Not for Section 23 Leased Housing.) Complete Item 1, specifying each space rented, to whom, and the rental terms. For example: Community Building Space - Nursery School - \$50 per month, etc. Cite changes anticipated during the Requested Budget Year affecting estimated Non-dwelling Rental Income.

1	Space Rented	To Whom	Rental Terms
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

2. Comments

TOTAL: 0

Interest on General Fund Investments: State the amount of present General Fund investment and the percentage of the General Fund it represents. Explain circumstances such as increased or decreased operating reserves, dwelling rent, operating expenditures, etc., which will affect estimated average monthly total investments in the Requested Budget Year. Explain basis for distributions of interest income between housing programs.

ESTIMATED	<u>23,500</u>
	<u> </u>
	<u> </u>
	<u> </u>
TOTAL:	<u>23,500</u>

Other Comments on Estimates of Operating Receipts: Give comments on all other significant sources of income which will present a clear and understanding of the HA's prospective Operating Receipts situation during the Requested Budget Year. For Section 23 Leased housing explain basis for estimate of utility charges to tenants.

FRAUD	<u>4,000</u>
MISC CHARGES	<u>13,000</u>
REIMBURSEMENTS	<u>7,000</u>
	<u> </u>
TOTAL:	<u>24,000</u>

Operating Expenditures

Summary of Staffing and Salary Data

Complete the summary of information below on the basis of information shown on form HUD-52566, Schedule of all Positions and salaries, as follows:

- Column (1)** Enter the total number of positions designated with the corresponding account line symbol as shown in Column (1), form HUD-52566.
- Column (2)** Enter the number of equivalent full-time positions allocable to HUD-aided housing in management. For example: A HA has three "A-NT" positions allocable to such housing at the rate of 80%, 70%, and 50% respectively. Thus, the equivalent full-time position is two. (8/10 + 7/10 + 5/10).
- Column (3)** Enter the portion of total salary expenses shown in Column (5) or Column (6), form HUD-52566, allocable to HUD-aided housing in management, other than Section 23 Leased housing
- Column (4)** Enter the portion of total salary expenses shown in Column (5) or Column (10), form HUD-52566, allocable to Section 23 Leased housing in management.
- Column (5)** Enter the portion of total salary expense shown in Column (5) or Column (7), form HUD-52566, allocable to Modernization programs (Comprehensive Improvement Assistance Program or comprehensive Grant Program).
- Column (6)** Enter the portion of total salary expense shown in Column (5) or Column (9), form HUD-52566, allocable to Section 8 Programs.

Note: The number of equivalent full-time positions and the amount of salary expenses for all positions designated "M" on form HUD-52566 must be equitably distributed to account lines **Ordinary Maintenance and Operation- Labor, Extraordinary Maintenance Work Projects, and Betterments and Additions Work Projects.**

Account Line	Total Number of positions (1)	Equivalent Full-Time Positions (2)	HUD-Aided Management Program			
			Salary Expenses			
			Management (3)	Section 23 leased Housing Only (4)	Modernization Programs (5)	Section 8 Program (6)
Administration--Nontechnical Salaries 1						
Administration--Technical Salaries 1						
Ordinary Maintenance and Operation--Labor 1						
Utilities--Labor 1						
Other (Specify) (Legal, etc.) 1						
Extraordinary Maintenance Work Projects 2						
Betterments and Additions Work Projects 2						

- 1 Carry forward to the appropriate line on HUD-52564, the amount of salary expense shown in column (3) on the corresponding line above. Carry forward to the appropriate line on HUD-52564 (Section 23 Leased Housing Budget), the amount of salary expense shown in column (4) on the corresponding line above.
- 2 The amount of salary expense distributed to Extraordinary Maintenance Work Projects and to Betterments and Additions Work Projects is to be included in the cost of each individual project to be performed by the HA staff, as shown on form HUD-52567.

Specify all proposed new positions and all present positions to be abolished in the Requested Budget Year. Cite prior HUD concurrence in proposed staffing changes or present justification for such changes. Cite prior HUD concurrence in proposed salary increases for Administration Staff or give justification and pertinent comparability information. Cite effective date for current approved wage rate (form HUD-52158) and justify all deviations from these rates.

SEE HUD FORM 52566

Travel, Publication, Membership Dues and Fees, Telephone and Telegraph, and Sundry: In addition to "Justification for Travel to Convection and Meetings" shown on form HUD-52571, give an explanation of substantial Requested Budget Year estimated increase over the PUM rate of expenditures for these accounts in the Current Budget Year. Explain basis for allocation of each element of these expenses.

SEE HUD FORM 52571

Utilities: Give an explanation of substantial Requested Budget Year estimated increase over the PUM rate for each utility service in the Current Budget Year. Describe and state estimated cost of each element of "Other Utility Expense."

Water	<u>16,500</u>
Electricity	<u>45,000</u>
Gas	<u>35,000</u>
Fuel	
Other Utilities	<u>13,000</u>
Garbage	
TOTAL:	<u>109,500</u>

Ordinary Maintenance & Operation—Materials: Give an explanation of substantial Requested Budget Year estimated increase over the PUM rate of expenditures for matters in the Current Budget Year.

GENERAL MAINTENANCE MATERIALS	<u>50,000</u>	
		TOTAL: <u>50,000</u>

Ordinary Maintenance & Operation—Contract Costs: List each ordinary maintenance and operation service contracted for and give the estimated cost for each. Cite and justify new contract services proposed for the Requested Budget Year. Explain substantial Requested Budget Year increases over the PUM rate of expenditure for Contract Services in the current Budget Year. If LHA has contract for maintenance of elevator cabs, give contract cost per cab.

Heating & Cooling	<u>1,000</u>	Miscellaneous Contracts	<u>4,000</u>
Snow Removal	<u>300</u>	Maintenance Travel	
Garbage	<u>10,000</u>	Cable TV	
Landscaping & Grounds			
Unit Turnaround	<u>2,500</u>		
Electrical	<u>3,000</u>		
Plumbing	<u>1,500</u>		
Extermination	<u>500</u>		
Janitorial Contracts	<u>250</u>		
Routine Maintenance Contracts	<u>2,950</u>		
		TOTAL:	<u>26,000</u>

MEETING DATE: 3/21/13

RE: Approve Resolution 4-13 Adopting Section 3 Policy Manual

REQUESTED ACTION: Approve Resolution 4-13 to Adopt the Section 3 Policy Manual.

Comments: HUD requires all organization and projects funded with federal funds give preference to contractors who meet the definition of a Section 3 Business Concern and also to very-low and low-income residents. This policy covers how we plan to meet this requirement and keeps us in compliance with the regulations.

RESOLUTION NO. 4-13

ADOPTION OF SECTION 3 POLICY

Charles City Housing and Redevelopment Authority (CCHRA)

WHEREAS, the Charles City Housing and Redevelopment Authority provides housing for low income families through various programs which are funded primarily through agreements with the United States Department of Housing and Urban Development (HUD); and

WHEREAS, HUD requires all policies to be adopted by resolution and the City of Charles City has delegated the authority to the Housing Board to make decisions necessary for the operation of the organization ; and

WHEREAS, Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1994, requires that, to the greatest extent feasible, employment and other economic opportunities generated by HUD funds be directed to low-and very-low income residents, particularly those who are recipients of government assistance for housing, and business concerns that provide economic opportunities to low-and very-low income persons as defined by 24 CFR 135.1; and

WHEREAS, the CCHRA as a recipient of HUD Public and Indian Housing funding, consistent with 24 CFR 135 requires fulfillment of Section 3 obligations on all contracts that make us of government funding,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Charles City Housing and Redevelopment Authority that the Authority has reviewed the Section 3 Policy Manual and agree to work to ensure the provision of employment, training, contracting, and other economic opportunities to its residents and other low-income persons, where feasible, and authorize their approval for their implementation on March 21, 2013.

PASSED AND APPROVED BY THE CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY ON THIS 21st DAY OF MARCH 2013.

Margaret Calvert, Chairperson

ATTEST:

Heidi Nielsen, Director

Charles City Housing & Redevelopment
Authority

Section 3 Policy Manual

A guide to the Section 3 policies and procedures

March 21, 2013

501 Cedar Terrace South
Charles City, IA 50616

I. Background on the Section 3 Program

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1994, requires that, to the greatest extent feasible, employment and other economic opportunities generated by HUD funds be directed to low-and very-low income residents, particularly those who are recipients of government assistance for housing, and business concerns that provide economic opportunities to low-and very-low income persons as defined in 24 CFR 135.1.

Consistent with 24 CFR Part 135, as a recipient of HUD Public and Indian Housing funding, the Charles City Housing & Redevelopment Authority (CCHRA) requires fulfillment of Section 3 obligations on all contracts that make use of government funding. These policies are implemented regardless of the contract amount or whether it is designated as construction. CCHRA works to ensure the provision of employment, training, contracting, and other economic opportunities to its residents and other low income persons.

II. Statement of Purpose

Section 3 requires CCHRA to ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low and very-low income persons.

III. General Policy Statement

It is the policy of CCHRA to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's 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.

CCHRA implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of CCHRA and other qualified low-and very low-income persons.

The goal is to achieve a reasonable level of success in the recruitment, employment, and utilization of CCHRA residents and other eligible persons and business by CCHRA contractors working on contracts partially or wholly funded with HUD monies. CCHRA shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to CCHRA residents prior to acting on any proposed contract award.

IV. Definitions

CCHRA incorporates into this policy all of the definitions contained in 24 CFR 135.5, with

those most applicable to this policy listed below:

- ♦ Contractor means any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.
- ♦ Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).
- ♦ Section 3 Business Concern means a business concern, defined as a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed:
 - 1) That is 51 percent or more owned by Section 3 residents; or
 - 2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
 - 3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs 1) or 2) in this definition.
- ♦ Section 3 Clause means the contract provisions set forth in 24 CFR 135.38. The Section 3 Clause follows this policy as Attachment 1.
- ♦ Section 3 Covered Assistance means:
 - 1) Public and Indian housing development assistance provided pursuant to Section 5 of the 1937 Act;
 - 2) Public and Indian housing operating assistance provided pursuant to Section 9 of the 1937 Act;
 - 3) Public and Indian housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
 - 4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
 - a) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
 - b) Housing construction; or
 - c) Other public construction project (which includes other buildings or improvements, regardless of ownership).
- ♦ Section 3 Covered Contract means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work

generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. Section 3 covered contracts do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

- ♦ Section 3 Covered Project means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards, other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.
- ♦ Section 3 Resident means:
 - 1) A public housing resident; or
 - 2) A low- or very low-income person who resides in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended. Low-income is defined as households whose income does not exceed 80 per cent of the median income for the area in which they reside. Very low-income is defined as households whose incomes does not exceed 50 percent of the median income for the area in which they reside.
 - 3) A person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.
- ♦ Subcontractor means any entity (other than a person who is an employee of the contractor) which has a contract with the contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

V. Goals of the Section 3 Program

The Section 3 program seeks to aid Section 3 residents to the greatest extent feasible in three ways, listed in order of preference:

A) *Hiring low- and very low-income workers*

Attempt to hire at least 30% of the aggregate number of full-time new hires by contractors who are Section 3 residents, with a preference for residents at the development where the work is being performed.

B) *Awarding contracts to Section 3 business concerns*

Attempt to award at least 10% of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing, or for building trades work arising in connection with housing rehabilitation, housing construction, and other public construction, must be awarded to Section 3 business concerns.

VI. CCHRA Responsibilities

CCHRA, as the recipient of Public and Indian Housing funding, accepts the responsibility of not only enforcing the Section 3 requirements, but also pro-actively facilitating compliance with Section 3. CCHRA fulfills this responsibility in the following ways:

- A) Notifying Section 3 residents of opportunities through posting job openings in the office lobby, on the website, and in local media;
- B) Notifying potential contractors of the objectives of Section 3 and ways in which each contractor can assist CCHRA in meeting its goal;
- C) Documenting the action that the CCHRA takes to comply with the Section 3 requirements, the results of the actions, and impediments, if any.

VII. Contractor Responsibilities

The 30% hiring goal and 10% contracts awarded goal are the only safe harbors whereby a contractor will have complied with Section 3. If the two goals above cannot be met by the contractor, other training and employment opportunities can be provided to substitute for those goals, but documentation should be submitted explaining why those numerical goals could not be met. The acceptability of these efforts will be determined by the CCHRA, or in case of a complaint, by HUD.

Recommended activities to demonstrate these efforts are listed in the appendix to part 135 of the Code of Federal Regulations—24 CFR Part 135 (see Attachment 2). Section I of this document applies to fulfilling the first goal of hiring 30% Section 3 residents, and Section II applies to fulfilling the second goal of awarding 10% of contracts to Section 3 business concerns. Examples include distributing or posting flyers advertising positions to be filled, contacting the CCHRA Resident Advisory Board about open positions, holding job informational meeting for residents, etc. Contractors must submit with any bid or proposal an action plan describing the implementation of Section 3.

VIII. Preferences and Eligibility

- A) Regarding the hiring of Section 3 residents, preference shall be given to those residents who live in the complex where the covered assistance is expended. Next, Section 3 residents from other complexes shall be sought. If no Section

- 3 residents are available from the complexes, CCHRA and the contractors shall give preference to any Section 3 resident.
- B) Regarding the contracting opportunities for Section 3 business concerns, preference shall be given to business concerns owned at least 51% by residents of the complex where the covered assistance is expended. Next, Section 3 business concerns that are owned at least 51% by residents of other complexes shall be sought. If no Section 3 business concern is available from the complexes, CCHRA and the contractors shall give preference to any Section 3 business concern.
- C) Regarding eligibility, a Section 3 resident seeking employment must fulfill the requirements of the sought position and, if asked, must provide evidence of their Section 3 status (e.g., receipt of public assistance, tax return). A Section 3 business concern seeking to win a contract must fulfill the requirements of the contract and, if asked, provide evidence of their Section 3 status.

IX. Complaints and Compliance

Any Section 3 resident or business concern that feels that the Section 3 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following address:

Assistant Secretary for Fair Housing and Equal Opportunity
Department of Housing and Urban Development
Washington, D.C. 20410

The complaint must be in writing and be received within 180 days from the date of the action upon which the complaint is based. It should include the complainant's name and address, CCHRA's or contractor's name and address, and a description of the acts in question. The complainant will receive a response from HUD within 10 days in which further investigation will be explained.

X. Attachments

- 1) Section 3 Contract Clause
- 2) 24 CFR Part 135 – Section 3 Regulations
- 3) HUD Form 60002 – Section 3 Summary Report

Section 3 Clause

All contracts subject to the Section 3 requirements will include the following clause:

- A. 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).

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. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, 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 part 135 of the regulations.
- C. 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 worker's 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.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, 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 135. The contractor will not subcontract with any subcontractor when the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR p Compliance Office of Planning/Program Support

D. art 135.

- E. 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 135 require employment opportunities to be directed were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

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APPENDIX TO PART 135

AUTHORITY: 12 U.S.C. 1701u; 42 U.S.C. 3535(d).

SOURCE: 59 FR 33880, June 30, 1994, unless otherwise noted.

EFFECTIVE DATE NOTE: At 59 FR 33880, June 30, 1994, part 135 was revised effective August 1, 1994 through June 30, 1995. At 60 FR 28325, May 31, 1995, the effective period was extended until the final rule implementing changes made to section 3 of the Housing and Urban Development Act of 1968 by the Housing and Community Development Act of 1992 is published and becomes effective.

Subpart A—General Provisions

§ 135.1 Purpose.

(a) *Section 3.* The purpose of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (section 3) is to 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 low- and very low-income persons.

(b) *Part 135.* The purpose of this part is to establish the standards and procedures to be followed to ensure that the objectives of section 3 are met.

§ 135.2 Effective date of regulation.

The regulations of this part will remain in effect until the date the final rule adopting the regulations of this part with or without changes is published and becomes effective, at which point the final rule will remain in effect.

[60 FR 28326, May 31, 1995]

§ 135.3 Applicability.

(a) *Section 3 covered assistance.* Section 3 applies to the following HUD assistance (section 3 covered assistance):

(1) *Public and Indian housing assistance.* Section 3 applies to training, employment, contracting and other economic opportunities arising from the

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expenditure of the following public and Indian housing assistance:

(i) Development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);

(ii) Operating assistance provided pursuant to section 9 of the 1937 Act; and

(iii) Modernization assistance provided pursuant to section 14 of the 1937 Act;

(2) *Housing and community development assistance.* Section 3 applies to training, employment, contracting and other economic opportunities arising in connection with the expenditure of housing assistance (including section 8 assistance, and including other housing assistance not administered by the Assistant Secretary of Housing) and community development assistance that is used for the following projects;

(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

(ii) Housing construction; and

(iii) Other public construction.

(3) *Thresholds*—(i) *No thresholds for section 3 covered public and Indian housing assistance.* The requirements of this part apply to section 3 covered assistance provided to recipients, notwithstanding the amount of the assistance provided to the recipient. The requirements of this part apply to all contractors and subcontractors performing work in connection with projects and activities funded by public and Indian housing assistance covered by section 3, regardless of the amount of the contract or subcontract.

(ii) *Thresholds for section 3 covered housing and community development assistance*—(A) *Recipient thresholds.* The requirements of this part apply to recipients of other housing and community development program assistance for a section 3 covered project(s) for which the amount of the assistance exceeds \$200,000.

(B) *Contractor and subcontractor thresholds.* The requirements of this part apply to contractors and subcontractors performing work on section 3 covered project(s) for which the amount of the assistance exceeds \$200,000; and the contract or subcontract exceeds \$100,000.

(C) *Threshold met for recipients, but not contractors or subcontractors.* If a recipient receives section 3 covered housing or community development assistance in excess of \$200,000, but no contract exceeds \$100,000, the section 3 preference requirements only apply to the recipient.

(b) *Applicability of section 3 to entire project or activity funded with section 3 assistance.* The requirements of this part apply to the entire project or activity that is funded with section 3 covered assistance, regardless of whether the section 3 activity is fully or partially funded with section 3 covered assistance.

(c) *Applicability to Indian housing authorities and Indian tribes.* Indian housing authorities and tribes that receive HUD assistance described in paragraph (a) of this section shall comply with the procedures and requirements of this part to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)). (See 24 CFR part 905.)

(d) *Other HUD assistance and other Federal assistance.* Recipients, contractors and subcontractors that receive HUD assistance, not listed in paragraph (a) of this section, or other Federal assistance, are encouraged to provide, to the greatest extent feasible, training, employment, and contracting opportunities generated by the expenditure of this assistance to low- and very low-income persons, and business concerns owned by low- and very low-income persons, or which employ low- and very low-income persons.

§ 135.5 Definitions.

The terms *Department*, *HUD*, *Indian housing authority (IHA)*, *Public housing agency (PHA)*, and *Secretary* are defined in 24 CFR part 5.

Annual Contributions Contract (ACC) means the contract under the U.S. Housing Act of 1937 (1937 Act) between HUD and the PHA, or between HUD and the IHA, that contains the terms and conditions under which HUD assists the PHA or the IHA in providing decent, safe, and sanitary housing for low income families. The ACC must be in a form prescribed by HUD under

which HUD agrees to provide assistance in the development, modernization and/or operation of a low income housing project under the 1937 Act, and the PHA or IHA agrees to develop, modernize and operate the project in compliance with all provisions of the ACC and the 1937 Act, and all HUD regulations and implementing requirements and procedures. (The ACC is not a form of procurement contract.)

Applicant means any entity which makes an application for section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident management corporation, resident council, or cooperative association.

Assistant Secretary means the Assistant Secretary for Fair Housing and Equal Opportunity.

Business concern means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Business concern that provides economic opportunities for low- and very low-income persons. See definition of "section 3 business concern" in this section.

Contract. See the definition of "section 3 covered contract" in this section.

Contractor means any entity which contracts to perform work generated by the expenditure of section 3 covered assistance, or for work in connection with a section 3 covered project.

Employment opportunities generated by section 3 covered assistance means all employment opportunities generated by the expenditure of section 3 covered public and Indian housing assistance (i.e., operating assistance, development assistance and modernization assistance, as described in §135.3(a)(1)). With respect to section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection

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with section 3 covered projects (as described in §135.3(a)(2)), including management and administrative jobs connected with the section 3 covered project. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing authority (HA) means, collectively, public housing agency and Indian housing authority.

Housing and community development assistance means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Housing development means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

HUD Youthbuild programs mean programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

Indian tribes shall have the meaning given this term in 24 CFR part 571.

JTPA means the Job Training Partnership Act (29 U.S.C. 1579(a)).

Low-income person. See the definition of "section 3 resident" in this section.

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Metropolitan area means a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

Neighborhood area means:

(1) For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village, or similar geographical designation.

(2) For HUD community development programs, see the definition, if provided, in the regulations for the applicable community development program, or the definition for this term in 24 CFR 570.204(c)(1).

New hires mean full-time employees for permanent, temporary or seasonal employment opportunities.

Nonmetropolitan county means any county outside of a metropolitan area.

Other HUD programs means HUD programs, other than HUD public and Indian housing programs, that provide housing and community development assistance for "section 3 covered projects," as defined in this section.

Public housing resident has the meaning given this term in 24 CFR part 963.

Recipient means any entity which receives section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which section 3 applies and does not include contractors.

Section 3 means section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means a business concern, as defined in this section—

(1) That is 51 percent or more owned by section 3 residents; or

(2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or

(3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."

Section 3 clause means the contract provisions set forth in §135.38.

Section 3 covered activity means any activity which is funded by section 3 covered assistance public and Indian housing assistance.

Section 3 covered assistance means: (1) Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;

(2) Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;

(3) Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act;

(4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:

(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

(ii) Housing construction; or

(iii) Other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 covered contract means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of section 3 covered assistance, or for work arising in connection with a section 3 covered project. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and

materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by section 3.

Section 3 covered project means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 joint venture. See §135.40. *Section 3 resident* means: (1) A public housing resident; or

(2) An individual who resides in the metropolitan area or nonmetropolitan county in which the section 3 covered assistance is expended, and who is:

(i) *A low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or

(ii) *A very low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that

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such variations are necessary because of unusually high or low family incomes.

(3) A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Section 8 assistance means assistance provided under section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

Service area means the geographical area in which the persons benefitting from the section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the section 3 covered assistance is expended. In HUD's Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe's sovereign power, is limited to the area of tribal jurisdiction.

Subcontractor means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of section 3 covered assistance, or arising in connection with a section 3 covered project.

Very low-income person. See the definition of "section 3 resident" in this section.

Youthbuild programs. See the definition of "HUD Youthbuild programs" in this section.

[59 FR 33980, June 30, 1994, as amended at 61 FR 5206, Feb. 9, 1996]

§ 135.7 Delegation of authority.

Except as may be otherwise provided in this part, the functions and responsibilities of the Secretary under section 3, and described in this part, are delegated to the Assistant Secretary for Fair Housing and Equal Opportunity. The Assistant Secretary is further authorized to redelegate functions and responsibilities to other employees of HUD; *provided however*, that the authority to issue rules and regulations under this part, which authority is delegated to the Assistant Secretary, may

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not be redelegated by the Assistant Secretary.

§ 135.9 Requirements applicable to HUD NOFAs for section 3 covered programs.

(a) *Certification of compliance with part 135.* All notices of funding availability (NOFAs) issued by HUD that announce the availability of funding covered by section 3 shall include a provision in the NOFA that notifies applicants that section 3 and the regulations in part 135 are applicable to funding awards made under the NOFA. Additionally the NOFA shall require as an application submission requirement (which may be specified in the NOFA or application kit) a certification by the applicant that the applicant will comply with the regulations in part 135. (For PHAs, this requirement will be met where a PHA Resolution in Support of the Application is submitted.) With respect to application evaluation, HUD will accept an applicant's certification unless there is evidence substantially challenging the certification.

(b) *Statement of purpose in NOFAs.* (1) For competitively awarded assistance in which the grants are for activities administered by an HA, and those activities are anticipated to generate significant training, employment or contracting opportunities, the NOFA must include a statement that one of the purposes of the assistance is to give to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(2) For competitively awarded assistance involving housing rehabilitation, construction or other public construction, where the amount awarded to the applicant may exceed \$200,000, the NOFA must include a statement that one of the purposes of the assistance is to give, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(c) *Section 3 as NOFA evaluation criteria.* Where not otherwise precluded by statute, in the evaluation of applications for the award of assistance, consideration shall be given to the extent to which an applicant has demonstrated that it will train and employ section 3 residents and contract with section 3 business concerns for economic opportunities generated in connection with the assisted project or activity. The evaluation criteria to be utilized, and the rating points to be assigned, will be specified in the NOFA.

§ 135.11 Other laws governing training, employment, and contracting.

Other laws and requirements that are applicable or may be applicable to the economic opportunities generated from the expenditure of section 3 covered assistance include, but are not necessarily limited to those listed in this section.

(a) *Procurement standards for States and local governments (24 CFR 85.36)*—(1) *General.* Nothing in this part 135 prescribes specific methods of procurement. However, neither section 3 nor the requirements of this part 135 supersede the general requirement of 24 CFR 85.36(c) that all procurement transactions be conducted in a competitive manner. Consistent with 24 CFR 85.36(c)(2), section 3 is a Federal statute that expressly encourages, to the maximum extent feasible, a geographic preference in the evaluation of bids or proposals.

(2) *Flexible Subsidy Program.* Multifamily project mortgagors in the Flexible Subsidy Program are not required to utilize the methods of procurement in 24 CFR 85.36(d), and are not permitted to utilize methods of procurement that would result in their award of a contract to a business concern that submits a bid higher than the lowest responsive bid. A multifamily project mortgagor, however, must ensure that, to the greatest extent feasible, the procurement practices it selects provide preference to section 3 business concerns.

(b) *Procurement standards for other recipients (OMB Circular No. A-110).* Nothing in this part prescribes specific methods of procurement for grants and other agreements with institutions of

higher education, hospitals, and other nonprofit organizations. Consistent with the requirements set forth in OMB Circular No. A-110, section 3 is a Federal statute that expressly encourages a geographic preference in the evaluation of bids or proposals.

(c) *Federal labor standards provisions.* Certain construction contracts are subject to compliance with the requirement to pay prevailing wages determined under Davis-Bacon Act (40 U.S.C. 276a-276a-7) and implementing U.S. Department of Labor regulations in 29 CFR part 5. Additionally, certain HUD-assisted rehabilitation and maintenance activities on public and Indian housing developments are subject to compliance with the requirement to pay prevailing wage rates, as determined or adopted by HUD, to laborers and mechanics employed in this work. Apprentices and trainees may be utilized on this work only to the extent permitted under either Department of Labor regulations at 29 CFR part 5 or for work subject to HUD-determined prevailing wage rates, HUD policies and guidelines. These requirements include adherence to the wage rates and ratios of apprentices or trainees to journeymen set out in "approved apprenticeship and training programs," as described in paragraph (d) of this section.

(d) *Approved apprenticeship and trainee programs.* Certain apprenticeship and trainee programs have been approved by various Federal agencies. Approved apprenticeship and trainee programs include: an apprenticeship program approved by the Bureau of Apprenticeship and Training of the Department of Labor, or a State Apprenticeship Agency, or an on-the-job training program approved by the Bureau of Apprenticeship and Training, in accordance with the regulations at 29 CFR part 5; or a training program approved by HUD in accordance with HUD policies and guidelines, as applicable. Participation in an approved apprenticeship program does not, in and of itself, demonstrate compliance with the regulations of this part.

(e) *Compliance with Executive Order 11246.* Certain contractors covered by this part are subject to compliance with Executive Order 11246, as amended

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by Executive Order 12086, and the Department of Labor regulations issued pursuant thereto (41 CFR chapter 60) which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts.

Subpart B—Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

§ 135.30 Numerical goals for meeting the greatest extent feasible requirement.

(a) *General.* (1) Recipients and covered contractors may demonstrate compliance with the "greatest extent feasible" requirement of section 3 by meeting the numerical goals set forth in this section for providing training, employment, and contracting opportunities to section 3 residents and section 3 business concerns.

(2) The goals established in this section apply to the entire amount of section 3 covered assistance awarded to a recipient in any Federal Fiscal Year (FY), commencing with the first FY following the effective date of this rule.

(3) For recipients that do not engage in training, or hiring, but award contracts to contractors that will engage in training, hiring, and subcontracting, recipients must ensure that, to the greatest extent feasible, contractors will provide training, employment, and contracting opportunities to section 3 residents and section 3 business concerns.

(4) The numerical goals established in this section represent minimum numerical targets.

(b) *Training and employment.* The numerical goals set forth in paragraph (b) of this section apply to new hires. The numerical goals reflect the aggregate hires. Efforts to employ section 3 residents, to the greatest extent feasible, should be made at all job levels.

(1) *Numerical goals for section 3 covered public and Indian housing programs.* Recipients of section 3 covered public and Indian housing assistance (as described in §135.5) and their contractors and

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subcontractors may demonstrate compliance with this part by committing to employ section 3 residents as:

(i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(ii) 20 percent of the aggregate number of new hires for the one period beginning in FY 1996;

(iii) 30 percent of the aggregate number of new hires for one year period beginning in FY 1997 and continuing thereafter.

(2) *Numerical goals for other HUD programs covered by section 3.* (i) Recipients of section 3 covered housing assistance provided under other HUD programs, and their contractors and subcontractors (unless the contract or sub-

contract awards do not meet the threshold specified in §135.3(a)(3)) may demonstrate compliance with this part by committing to employ section 3 residents as 10 percent of the aggregate number of new hires for each year over the duration of the section 3 project;

(ii) Where a managing general partner or management agent is affiliated, in a given metropolitan area, with recipients of section 3 covered housing assistance, for an aggregate of 500 or more units in any fiscal year, the managing partner or management agent may demonstrate compliance with this part by committing to employ section 3 residents as:

(A) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(B) 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996;

(C) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997, and continuing thereafter.

(3) Recipients of section 3 covered community development assistance, and their contractors and subcontractors (unless the contract or sub-contract awards do not meet the threshold specified in §135.3(a)(3)) may demonstrate compliance with the requirements of this part by committing to employ section 3 residents as:

(i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(ii) 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996; and

(iii) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997 and continuing thereafter.

(c) *Contracts.* Numerical goals set forth in paragraph (c) of this section apply to contracts awarded in connection with all section 3 covered projects and section 3 covered activities. Each recipient and contractor and subcontractor (unless the contract or subcontract awards do not meet the threshold specified in §135.3(a)(3)) may demonstrate compliance with the requirements of this part by committing to award to section 3 business concerns:

(1) At least 10 percent of the total dollar amount of all section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and

(2) At least three (3) percent of the total dollar amount of all other section 3 covered contracts.

(d) *Safe harbor and compliance determinations.* (1) In the absence of evidence to the contrary, a recipient that meets the minimum numerical goals set forth in this section will be considered to have complied with the section 3 preference requirements.

(2) In evaluating compliance under subpart D of this part, a recipient that has not met the numerical goals set forth in this section has the burden of demonstrating why it was not feasible to meet the numerical goals set forth in this section. Such justification may include impediments encountered despite actions taken. A recipient or contractor also can indicate other economic opportunities, such as those listed in §135.40, which were provided in its efforts to comply with section 3 and the requirements of this part.

§ 135.32 Responsibilities of the recipient.

Each recipient has the responsibility to comply with section 3 in its own operations, and ensure compliance in the

operations of its contractors and subcontractors. This responsibility includes but may not be necessarily limited to:

(a) Implementing procedures designed to notify section 3 residents about training and employment opportunities generated by section 3 covered assistance and section 3 business concerns about contracting opportunities generated by section 3 covered assistance;

(b) Notifying potential contractors for section 3 covered projects of the requirements of this part, and incorporating the section 3 clause set forth in §135.38 in all solicitations and contracts.

(c) Facilitating the training and employment of section 3 residents and the award of contracts to section 3 business concerns by undertaking activities such as described in the Appendix to this part, as appropriate, to reach the goals set forth in §135.30. Recipients, at their own discretion, may establish reasonable numerical goals for the training and employment of section 3 residents and contract award to section 3 business concerns that exceed those specified in § 135.30;

(d) Assisting and actively cooperating with the Assistant Secretary in obtaining the compliance of contractors and subcontractors with the requirements of this part, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR part 135.

(e) Documenting actions taken to comply with the requirements of this part, the results of actions taken and impediments, if any.

(f) A State or county which distributes funds for section 3 covered assistance to units of local governments, to the greatest extent feasible, must attempt to reach the numerical goals set forth in 135.30 regardless of the number of local governments receiving funds from the section 3 covered assistance which meet the thresholds for applicability set forth at 135.3. The State or county must inform units of local government to whom funds are distributed of the requirements of this part; assist

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local governments and their contractors in meeting the requirements and objectives of this part; and monitor the performance of local governments with respect to the objectives and requirements of this part.

§ 135.34 Preference for section 3 residents in training and employment opportunities.

(a) *Order of providing preference.* Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of section 3 covered assistance to section 3 residents in the order of priority provided in paragraph (a) of this section.

(1) *Public and Indian housing programs.* In public and Indian housing programs, efforts shall be directed to provide training and employment opportunities to section 3 residents in the following order of priority:

(i) Residents of the housing development or developments for which the section 3 covered assistance is expended (category 1 residents);

(ii) Residents of other housing developments managed by the HA that is expending the section 3 covered housing assistance (category 2 residents);

(iii) Participants in HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 residents);

(iv) Other section 3 residents.

(2) *Housing and community development programs.* In housing and community development programs, priority consideration shall be given, where feasible, to:

(i) Section 3 residents residing in the service area or neighborhood in which the section 3 covered project is located (collectively, referred to as category 1 residents); and

(ii) Participants in HUD Youthbuild programs (category 2 residents).

(iii) Where the section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the section 3 covered project is

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located shall be given the highest priority;

(iv) Other section 3 residents.

(3) Recipients of housing assistance programs administered by the Assistant Secretary for Housing may, at their own discretion, provide preference to residents of the housing development receiving the section 3 covered assistance within the service area or neighborhood where the section 3 covered project is located.

(4) Recipients of community development programs may, at their own discretion, provide priority to recipients of government assistance for housing, including recipients of certificates or vouchers under the Section 8 housing assistance program, within the service area or neighborhood where the section 3 covered project is located.

(b) *Eligibility for preference.* A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a section 3 resident, as defined in § 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

(c) *Eligibility for employment.* Nothing in this part shall be construed to require the employment of a section 3 resident who does not meet the qualifications of the position to be filled.

§ 135.36 Preference for section 3 business concerns in contracting opportunities.

(a) *Order of providing preference.* Recipients, contractors and subcontractors shall direct their efforts to award section 3 covered contracts, to the greatest extent feasible, to section 3 business concerns in the order of priority provided in paragraph (a) of this section.

(1) *Public and Indian housing programs.* In public and Indian housing programs, efforts shall be directed to award contracts to section 3 business concerns in the following order of priority:

(i) Business concerns that are 51 percent or more owned by residents of the housing development or developments

for which the section 3 covered assistance is expended, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 1 businesses);

(ii) Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the HA that is expending the section 3 covered assistance, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 2 businesses); or

(iii) HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 businesses).

(iv) Business concerns that are 51 percent or more owned by section 3 residents, or whose permanent, full-time workforce includes no less than 30 percent section 3 residents (category 4 businesses), or that subcontract in excess of 25 percent of the total amount of subcontracts to business concerns identified in paragraphs (a)(1)(i) and (a)(1)(ii) of this section.

(2) *Housing and community development programs.* In housing and community development programs, priority consideration shall be given, where feasible, to:

(i) Section 3 business concerns that provide economic opportunities for section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses); and

(ii) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);

(iii) Other section 3 business concerns.

(b) *Eligibility for preference.* A business concern seeking to qualify for a section 3 contracting preference shall certify or submit evidence, if requested, that the business concern is a section 3 business concern as defined in §135.5.

(c) *Ability to complete contract.* A section 3 business concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding

the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36(b)(8)).) This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

§ 135.38 Section 3 clause.

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. 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). 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. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, 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 135 regulations.

C. 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. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR

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part 135, 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 135. 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 135.

E. 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 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. 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 U.S.C. 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).

§ 135.40 Providing other economic opportunities.

(a) *General.* In accordance with the findings of the Congress, as stated in section 3, that other economic opportunities offer an effective means of empowering low-income persons, a recipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards, in connection with section 3 covered assistance.

(b) *Other training and employment related opportunities.* Other economic opportunities to train and employ section 3 residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; hiring section 3 residents in

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management and maintenance positions within other housing developments; and hiring section 3 residents in part-time positions.

(c) *Other business related economic opportunities.* (1) A recipient or contractor may provide economic opportunities to establish, stabilize or expand section 3 business concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from PHA resident-owned businesses and use of procedures under 24 CFR part 963 regarding HA contracts to HA resident-owned businesses. A recipient or contractor may employ these methods directly or may provide incentives to non-section 3 businesses to utilize such methods to provide other economic opportunities to low-income persons.

(2) A *section 3 joint venture* means an association of business concerns, one of which qualifies as a section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the section 3 business concern:

(i) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and

(ii) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

Subpart C [Reserved]

Subpart D—Complaint and Compliance Review

§ 135.70 General.

(a) *Purpose.* The purpose of this subpart is to establish the procedures for handling complaints alleging non-compliance with the regulations of this

part, and the procedures governing the Assistant Secretary's review of a recipient's or contractor's compliance with the regulations in this part.

(b) *Definitions.* For purposes of this subpart:

(1) *Complaint* means an allegation of noncompliance with regulations of this part made in the form described in §135.76(d).

(2) *Complainant* means the party which files a complaint with the Assistant Secretary alleging that a recipient or contractor has failed or refused to comply with the regulations in this part.

(3) *Noncompliance with section 3* means failure by a recipient or contractor to comply with the requirements of this part.

(4) *Respondent* means the recipient or contractor against which a complaint of noncompliance has been filed. The term "recipient" shall have the meaning set forth in §135.7, which includes PHA and IHA.

§ 135.72 Cooperation in achieving compliance.

(a) The Assistant Secretary recognizes that the success of ensuring that section 3 residents and section 3 business concerns have the opportunity to apply for jobs and to bid for contracts generated by covered HUD financial assistance depends upon the cooperation and assistance of HUD recipients and their contractors and subcontractors. All recipients shall cooperate fully and promptly with the Assistant Secretary in section 3 compliance reviews, in investigations of allegations of noncompliance made under §135.76, and with the distribution and collection of data and information that the Assistant Secretary may require in connection with achieving the economic objectives of section 3.

(b) The recipient shall refrain from entering into a contract with any contractor after notification to the recipient by HUD that the contractor has been found in violation of the regulations in this part. The provisions of 24 CFR part 24 apply to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of

debarment, suspension or otherwise ineligible status.

§ 135.74 Section 3 compliance review procedures.

(a) *Compliance reviews by Assistant Secretary.* The Assistant Secretary shall periodically conduct section 3 compliance reviews of selected recipients and contractors to determine whether these recipients are in compliance with the regulations in this part.

(b) *Form of compliance review.* A section 3 compliance review shall consist of a comprehensive analysis and evaluation of the recipient's or contractor's compliance with the requirements and obligations imposed by the regulations of this part, including an analysis of the extent to which section 3 residents have been hired and section 3 business concerns have been awarded contracts as a result of the methods undertaken by the recipient to achieve the employment, contracting and other economic objectives of section 3.

(c) *Where compliance review reveals noncompliance with section 3 by recipient or contractor.* Where the section 3 compliance review reveals that a recipient or contractor has not complied with section 3, the Assistant Secretary shall notify the recipient or contractor of its specific deficiencies in compliance with the regulations of this part, and shall advise the recipient or contractor of the means by which these deficiencies may be corrected. HUD shall conduct a follow-up review with the recipient or contractor to ensure that action is being taken to correct the deficiencies.

(d) *Continuing noncompliance by recipient or contractor.* A continuing failure or refusal by the recipient or contractor to comply with the regulations in this part may result in the application of sanctions specified in the contract through which HUD assistance is provided, or the application of sanctions specified in the regulations governing the HUD program under which HUD financial assistance is provided. HUD will notify the recipient of any continuing failure or refusal by the contractor to comply with the regulations in this part for possible action under any procurement contract between the recipient and the contractor.

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Debarment, suspension and limited denial of participation pursuant to HUD's regulations in 24 CFR part 24, where appropriate, may be applied to the recipient or the contractor.

(e) *Conducting compliance review before the award of assistance.* Section 3 compliance reviews may be conducted before the award of contracts, and especially where the Assistant Secretary has reasonable grounds to believe that the recipient or contractor will be unable or unwilling to comply with the regulations in this part.

(f) *Consideration of complaints during compliance review.* Complaints alleging noncompliance with section 3, as provided in § 135.76, may also be considered during any compliance review conducted to determine the recipient's conformance with regulations in this part.

§ 135.76 Filing and processing complaints.

(a) *Who may file a complaint.* The following individuals and business concerns may, personally or through an authorized representative, file with the Assistant Secretary a complaint alleging noncompliance with section 3:

(1) Any section 3 resident on behalf of himself or herself, or as a representative of persons similarly situated, seeking employment, training or other economic opportunities generated from the expenditure of section 3 covered assistance with a recipient or contractor, or by a representative who is not a section 3 resident but who represents one or more section 3 residents;

(2) Any section 3 business concern on behalf of itself, or as a representative of other section 3 business concerns similarly situated, seeking contract opportunities generated from the expenditure of section 3 covered assistance from a recipient or contractor, or by an individual representative of section 3 business concerns.

(b) *Where to file a complaint.* A complaint must be filed with the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, DC, 20410.

(c) *Time of filing.* (1) A complaint must be received not later than 180 days from the date of the action or

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omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

(2) Where a complaint alleges noncompliance with section 3 and the regulations of this part that is continuing, as manifested in a number of incidents of noncompliance, the complaint will be timely if filed within 180 days of the last alleged occurrence of noncompliance.

(3) Where a complaint contains incomplete information, the Assistant Secretary shall request the needed information from the complainant. In the event this information is not furnished to the Assistant Secretary within sixty (60) days of the date of the request, the complaint may be closed.

(d) *Contents of complaint.*—(1) *Written complaints.* Each complaint must be in writing, signed by the complainant, and include:

(i) The complainant's name and address;

(ii) The name and address of the respondent;

(iii) A description of the acts or omissions by the respondent that is sufficient to inform the Assistant Secretary of the nature and date of the alleged noncompliance.

(iv) A complainant may provide information to be contained in a complaint by telephone to HUD or any HUD Field Office, and HUD will reduce the information provided by telephone to writing on the prescribed complaint form and send the form to the complainant for signature.

(2) *Amendment of complaint.* Complaints may be reasonably and fairly amended at any time. Such amendments may include, but are not limited to, amendments to cure, technical defects or omissions, including failure to sign or affirm a complaint, to clarify or amplify the allegations in a complaint, or to join additional or substitute respondents. Except for the purposes of notifying respondents, amended complaints will be considered as having been made as of the original filing date.

(e) *Resolution of complaint by recipient.* (1) Within ten (10) days of timely filing of a complaint that contains complete

information (in accordance with paragraphs (c) and (d) of this section), the Assistant Secretary shall determine whether the complainant alleges an action or omission by a recipient or the recipient's contractor that if proven qualifies as noncompliance with section 3. If a determination is made that there is an allegation of noncompliance with section 3, the complaint shall be sent to the recipient for resolution.

(2) If the recipient believes that the complaint lacks merit, the recipient must notify the Assistant Secretary in writing of this recommendation with supporting reasons, within 30 days of the date of receipt of the complaint. The determination that a complaint lacks merit is reserved to the Assistant Secretary.

(3) If the recipient determines that there is merit to the complaint, the recipient will have sixty (60) days from the date of receipt of the complaint to resolve the matter with the complainant. At the expiration of the 60-day period, the recipient must notify the Assistant Secretary in writing whether a resolution of the complaint has been reached. If resolution has been reached, the notification must be signed by both the recipient and the complainant, and must summarize the terms of the resolution reached between the two parties.

(4) Any request for an extension of the 60-day period by the recipient must be submitted in writing to the Assistant Secretary, and must include a statement explaining the need for the extension.

(5) If the recipient is unable to resolve the complaint within the 60-day period (or more if extended by the Assistant Secretary), the complaint shall be referred to the Assistant Secretary for handling.

(f) *Informal resolution of complaint by Assistant Secretary*—(1) *Dismissal of complaint*. Upon receipt of the recipient's written recommendation that there is no merit to the complaint, or upon failure of the recipient and complainant to reach resolution, the Assistant Secretary shall review the complaint to determine whether it presents a valid allegation of noncompliance with section 3. The Assistant Secretary may conduct further investigation if deemed necessary. Where the com-

plaint fails to present a valid allegation of noncompliance with section 3, the Assistant Secretary will dismiss the complaint without further action. The Assistant Secretary shall notify the complainant of the dismissal of the complaint and the reasons for the dismissal.

(2) *Informal resolution*. Where the allegations in a complaint on their face, or as amplified by the statements of the complainant, present a valid allegation of noncompliance with section 3, the Assistant Secretary will attempt, through informal methods, to obtain a voluntary and just resolution of the complaint. Where attempts to resolve the complaint informally fail, the Assistant Secretary will impose a resolution on the recipient and complainant. Any resolution imposed by the Assistant Secretary will be in accordance with requirements and procedures concerning the imposition of sanctions or resolutions as set forth in the regulations governing the HUD program under which the section 3 covered assistance was provided.

(3) *Effective date of informal resolution*. The imposed resolution will become effective and binding at the expiration of 15 days following notification to recipient and complainant by certified mail of the imposed resolution, unless either party appeals the resolution before the expiration of the 15 days. Any appeal shall be in writing to the Secretary and shall include the basis for the appeal.

(g) *Sanctions*. Sanctions that may be imposed on recipients that fail to comply with the regulations of this part include debarment, suspension and limited denial of participation in HUD programs.

(h) *Investigation of complaint*. The Assistant Secretary reserves the right to investigate a complaint directly when, in the Assistant Secretary's discretion, the investigation would further the purposes of section 3 and this part.

(i) *Intimidatory or retaliatory acts prohibited*. No recipient or other person shall intimidate, threaten, coerce, or discriminate against any person or business because the person or business has made a complaint, testified, assisted or participated in any manner in an investigation, proceeding, or hearing under this part. The identity of

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complainants shall be kept confidential except to the extent necessary to carry out the purposes of this part, including the conduct of any investigation, hearing or judicial proceeding arising thereunder.

(j) *Judicial relief.* Nothing in this subpart D precludes a section 3 resident or section 3 business concerning from exercising the right, which may otherwise be available, to seek redress directly through judicial procedures.

(Approved by the Office of Management and Budget under control number 2529-0043)

Subpart E—Reporting and Recordkeeping

§ 135.90 Reporting.

Each recipient which receives directly from HUD financial assistance that is subject to the requirements of this part shall submit to the Assistant Secretary an annual report in such form and with such information as the Assistant Secretary may request, for the purpose of determining the effectiveness of section 3. Where the program providing the section 3 covered assistance requires submission of an annual performance report, the section 3 report will be submitted with that annual performance report. If the program providing the section 3 covered assistance does not require an annual performance report, the section 3 report is to be submitted by January 10 of each year or within 10 days of project completion, whichever is earlier. All reports submitted to HUD in accordance with the requirements of this part will be made available to the public.

(Approved by the Office of Management and Budget under control number 2529-0043)

§ 135.92 Recordkeeping and access to records.

HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program under which section 3 covered assistance is provided or otherwise

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made available to the recipient or contractor.

APPENDIX TO PART 135

I. Examples of Efforts To Offer Training and Employment Opportunities to Section 3 Residents

(1) Entering into "first source" hiring agreements with organizations representing Section 3 residents.

(2) Sponsoring a HUD-certified "Step-Up" employment and training program for section 3 residents.

(3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other section 3 residents in the building trades.

(4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments where category 1 or category 2 persons (as these terms are defined in §135.34) reside.

(5) Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAs, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other recipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the section 3 covered project.

(6) Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

(7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the section 3 covered project.

(8) Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments where category 1 or category 2

persons reside and in the neighborhood or service area in which a section 3 project is located.

(9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a recipient or contractor representative or representatives.

(10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the section 3 covered project.

(11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.

(12) Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the HA's or contractor's training and employment positions.

(13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the section 3 business concerns identified in part 135), that will undertake, on behalf of the HA, other recipient or contractor, the efforts to match eligible and qualified section 3 residents with the training and employment positions that the HA or contractor intends to fill.

(15) For an HA, employing section 3 residents directly on either a permanent or a temporary basis to perform work generated by section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and §905.201(a)(6).)

(16) Where there are more qualified section 3 residents than there are positions to be filled, maintaining a file of eligible qualified section 3 residents for future employment positions.

(17) Undertaking job counseling, education and related programs in association with local educational institutions.

(18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of section 3 residents previously hired for employment opportunities.

(19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a spe-

cific number of public housing or other section 3 residents to be trained or employed on the section 3 covered assistance.

(20) Coordinating plans and implementation of economic development (e.g., job training and preparation, business development assistance for residents) with the planning for housing and community development.

II. Examples of Efforts To Award Contracts to Section 3 Business Concerns

(1) Utilizing procurement procedures for section 3 business concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans (see section III of this Appendix).

(2) In determining the responsibility of potential contractors, consider their record of section 3 compliance as evidenced by past actions and their current plans for the pending contract.

(3) Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying section 3 businesses which may solicit bids or proposals for contracts for work in connection with section 3 covered assistance.

(4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.

(5) For HAs, contacting resident councils, resident management corporations, or other resident organizations, where they exist, and requesting their assistance in identifying category 1 and category 2 business concerns.

(6) Providing written notice to all known section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the section 3 business concerns to respond to the bid invitations or request for proposals.

(7) Following up with section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.

(8) Coordinating pre-bid meetings at which section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.

(9) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.

(10) Advising section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.

(11) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of section 3 business concerns.

(12) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by section 3 business concerns.

(13) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.

(14) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(15) Developing a list of eligible section 3 business concerns.

(16) For HAs, participating in the "Contracting with Resident-Owned Businesses" program provided under 24 CFR part 963.

(17) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.

(18) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to section 3 business concerns.

(19) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.

(20) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.

(21) Actively supporting joint ventures with section 3 business concerns.

(22) Actively supporting the development or maintenance of business incubators which assist Section 3 business concerns.

III. Examples of Procurement Procedures That Provide for Preference for Section 3 Business Concerns

This Section III provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

(1) *Small Purchase Procedures.* For section 3 covered contracts aggregating no more than

\$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth in paragraphs (2) and (3) of this Section III may be utilized.

(i) *Solicitation.* (A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of:

- the section 3 covered contract to be awarded with sufficient specificity;
- the time within which quotations must be submitted; and
- the information that must be submitted with each quotation.

(B) If the method described in paragraph (i)(A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.

(ii) *Award.* (A) Where the section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

(B) Where the section 3 covered contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

(2) *Procurement by sealed bids (Invitations for Bids).* Preference in the award of section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

(i) Bids shall be solicited from all businesses (section 3 business concerns, and non-section 3 business concerns). An award shall be made to the qualified section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid—

(A) is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and

(B) is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

	x=lesser of:
When the lowest responsive bid is less than \$100,000	10% of that bid or \$9,000.
When the lowest responsive bid is:	
At least \$100,000, but less than \$200,000	9% of that bid, or \$16,000.
At least \$200,000, but less than \$300,000	8% of that bid, or \$21,000.
At least \$300,000, but less than \$400,000	7% of that bid, or \$24,000.
At least \$400,000, but less than \$500,000	6% of that bid, or \$25,000.
At least \$500,000, but less than \$1 million	5% of that bid, or \$40,000.
At least \$1 million, but less than \$2 million	4% of that bid, or \$60,000.
At least \$2 million, but less than \$4 million	3% of that bid, or \$80,000.
At least \$4 million, but less than \$7 million	2% of that bid, or \$105,000.
\$7 million or more	1½% of the lowest responsive bid, with no dollar limit.

(ii) If no responsive bid by a section 3 business concern meets the requirements of paragraph (2)(i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

(3) *Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)).* (i) For contracts and sub-contracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.

(ii) One of the evaluation factors shall address both the preference for section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (section 3 strategy), as disclosed in proposals submitted by all business concerns (section 3 and non-section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.

(iii) The component of this evaluation factor designed to address the preference for section 3 business concerns must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.

(iv) With respect to the second component (the acceptability of the section 3 strategy), the RFP shall require the disclosure of the contractor's section 3 strategy to comply with the section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility will include the submission of an acceptable section 3 strategy. The contract award shall be made to the responsible firm (either section 3 or non-section 3 business concern) whose proposal is determined most advantageous, considering

price and all other factors specified in the RFP.

PART 146—NONDISCRIMINATION ON THE BASIS OF AGE IN HUD PROGRAMS OR ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE

Subpart A—General

- Sec.
- 146.1 Purpose of the Age Discrimination Act of 1975.
- 146.3 Purpose of HUD's age discrimination regulation.
- 146.5 Applicability of part.
- 146.7 Definitions.

Subpart B—Standards for Determining Age Discrimination

- 146.11 Scope of subpart.
- 146.13 Rules against age discrimination.

Subpart C—Duties of HUD Recipients

- 146.21 General responsibilities.
- 146.23 Notice of subrecipients.
- 146.25 Assurance of compliance and recipient assessment of age distinctions.
- 146.27 Information requirements.

Subpart D—Investigation, Settlement, and Enforcement Procedures

- 146.31 Compliance reviews.
- 146.33 Complaints.
- 146.35 Mediation.
- 146.37 Investigation.
- 146.39 Enforcement procedures.
- 146.41 Prohibition against intimidation or retaliation.

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any **public and Indian housing programs** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to **recipients of housing and community development assistance in excess of \$200,000** expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to **contracts and subcontracts in excess of \$100,000** awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to **employment and training**. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to **contracting**, and Part III summarizes recipients' **efforts** to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. **Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

HUD Field Office: Enter the Field Office name .

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
- 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: (Mandatory Field) Enter the number of Section 3 residents that were trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts – Self-explanatory

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/IHAs are to report all contracts/subcontracts.

* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. **Low-income persons** mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments or smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

MEETING DATE: 3/21/13

RE: Change Date for April Board Meeting to
April 16, 2013

REQUESTED ACTION: Change the date of the April 2013 Board Meeting.

Comments: Because I will be attending the Iowa NAHRO Conference in April, I will not be here for the April Board Meeting. I am requesting that the meeting be moved to Tuesday, April 16, 2013, unless there will not be enough Board members able to attend that day. If that is the case, a different date may be chosen at the March Meeting.

MEETING DATE: 3/21/13

RE: Set Date for Special Meeting to Review
Parking Lot Bids

REQUESTED ACTION: Set special meeting to review bids received for parking lot project and make recommendation to the City Council.

Comments: The bids are not due until March 27, 2013. The public hearing has been scheduled for the first council meeting April. So, it is necessary to schedule a special meeting to review the bids to enable us to have a recommendation for the Council so they can take action on the project at the April 1st meeting.

The tentative date and time for the meeting are March 28, 2013 at 7:30 a.m.

REQUESTED ACTION: Discuss the possibility of purchasing a skid loader.

Comments: With the additional planned parking spaces and the heavy snow that we have had recently, we realized that we are taking away all of the places that we put the snow when it is removed from the parking lot. We have talked to the street department about the problem and one solution would be to purchase a skid loader to make it easier to move the piles of snow. If we don't purchase the equipment, we will have to pay someone to do it for us. To purchase a used skid loader would cost roughly \$15,000. However, in the long run it could cost almost as much to pay someone to move the snow for us.

If we were to purchase the skid loader, it would be used for more than just moving piles of snow. It would also be used to clear ice from the sidewalks, clear snow from the parking lots by the vehicles, and serve as a backup to the snow blowers because there are times when they break down and the sidewalks need to be hand shoveled. There are also times when the pickup truck can't push the snow. Either because it is too wet and heavy or ice has formed on the top and the plow doesn't provide enough leverage because it sits up too high. Steve also has trouble getting the snow up and over the sidewalks at times.

While it would be used more heavily during the winter months, we have used the City's skid loader during the summer to spread mulch at Morningside. It could also be used to pull bushes out, clear dead trees by the river, and move dirt to fill in holes.

Steve has also said that it would be helpful to be able to haul the boxes of floor tiles to the apartments. They are extremely heavy and instead of carrying them one box at a time, they can all be taken to the apartments in one trip, saving time and effort.

MEETING DATE: 3/21/13

RE: Approve Repairs to Boilers at SCT

REQUESTED ACTION: Approve boiler repairs at South Cedar Terrace and accept quote from Linderman Heating & Air.

Comments: Mick Gage serviced and cleaned the boilers earlier this year. They gave us a list of recommended repairs to the boilers and a quote of \$2,096.50 for those repairs. However, there were two boilers that required emergency repairs after they submitted the quote. Two of the repairs that were included in the initial quote were fixed when the emergency repairs were done. I have called Mick Gage three different times to adjust the quote and each time I was told they would look into it and call me back. So far they have not responded to my request. Because of this, I contacted Linderman Heating and they submitted a quote of \$1,821.10.

Due to the non-responsiveness from Mick Gage, we are requesting approval of the work and to accept Linderman Heating & Air's quote for \$1,821.10.