

State of Utah

Community Development Block Grant

Section 3 Plan

This plan covers Section 3 for the Small Cities Community Development Block Grant Program for the State of Utah.

For the purposes of this plan:

- (a) Grantee refers to the State of Utah,
 - (b) Recipient refers to the entity designated as a recipient of grant assistance from the State Small Cities CDBG program.
 - (c) Contractor refers to any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, for work in connection with a Section 3 covered activity.
 - (d) Section 3 Covered Activity refers to any activity that is funded by Section 3 covered assistance;
 - (e) Section 3 Covered Assistance is defined by all applicable activities as defined in 24 CFR Part 135 Section 135.3.
 - (f) Section 3 business concern refers to a business licensed in the county in which the covered activity is carried out.
 - (g) Section 3 resident refers to a resident who lives in the county in which the covered activity is carried out.
- I. The State of Utah shall ensure compliance with the statutory and regulatory requirements of Section 3 in its own operations, and those of covered contractors. These responsibilities include:
- 1. Informing recipients to whom funds are distributed of the requirements;
 - 2. Assisting recipients and their contractors in meeting the requirements and objectives;
 - 3. Monitoring the performance of recipients with respect to the requirements and objectives; and
 - 4. Submitting annual summary reports in accordance with 24 CFR Part 135.90

A grantee's combined investment in excess of \$200,000 of CDBG funding into projects arising in connection with *housing construction, demolition, rehabilitation, or other public construction* makes the requirements of section 3 applicable.

If covered contractors receive awards that exceed \$100,000 for the construction and rehabilitation activities listed above, responsibility for Section 3 compliance is shared with that firm (with the exception of the submission of the Section 3 Annual report, HUD Form 60002), which must be submitted by the grantee.

If no contractor receives an award exceeding \$100,000, responsibility for complying with the requirements of Section 3 stays with the recipient.

II. To ensure that, to the greatest extent possible, contracts for work are awarded to business concerns located or owned in substantial part by persons residing in the Section 3 covered area, as required by Section 3 of the Housing and Development Act of 1968, as applicable to the Community Development Block Grant program, the State of Utah has developed and hereby adopts the following plan:

1. The Section 3 plan shall apply to housing rehabilitation, housing construction, and other public construction, for which the amount of the assistance exceeds \$200,000.
2. The Section 3 covered activity area for the purpose of this grant shall include all CDBG recipients.
3. When in need of service, the recipient will advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
4. The recipient shall include the Section 3 construction clause in all contracts executed under the CDBG Program.
5. Should a need exist to hire any additional personnel, the prime contractor selected will make reasonable efforts to hire low and moderate income persons, qualified for the needed trade, from the project area.

III. Each recipient of Section 3 covered financial assistance (and their contractors or subcontractors) are required to comply with the requirements of Section 3 for **NEW** employment or contracting opportunities that are created during the expenditure of covered assistance. This responsibility includes:

1. Implementing procedures to notify Section 3 residents about employment opportunities and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance;
2. Notifying potential contractors for Section 3 covered activities of the requirements and incorporating the Section 3 clause set forth in 24 CFR Part 135.38 into covered solicitations and contracts;

3. Facilitating the employment of Section 3 residents and the award of contracts to Section 3 business concerns;
4. Assisting and actively cooperating with the Division of Housing & Community Development in obtaining the compliance of contractors and subcontractors; and
5. Documenting actions taken to comply with Section 3.