



Governor's Office of Storm Recovery



Andrew M. Cuomo
Governor

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Executive Director

GOSR SECTION 3 GREATEST EXTENT FEASIBLE GUIDELINES

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.

Recipients of covered funding are in compliance with Section 3 if they meet the minimum numerical goals set forth at 24 CFR Part 135.30. Specifically: (i) 30% of the aggregate number of new hires shall be Section 3 residents; (ii) 10% of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and; (iii) 3% of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.

Enforcement

Failure to comply with the requirement to make Greatest Extent Feasible Efforts may include but are not limited to the following consequences:

1. An onsite integrity monitor may be assigned to evaluate and document subrecipients and their contractors Greatest Extent Feasible Efforts and any deficiencies in implementation.
2. Some or all costs for the integrity monitor may be withdrawn from the grant award.
3. A monetary penalty may be imposed in an amount between the legally applicable Section 3 goals and the actual achieved Section 3 participation.
4. Future payments/awards may be tolled until compliance is achieved.
5. Future projects may be fully or partially defunded depending on the magnitude of non-compliance.

Vendors and subrecipients will receive written notice prior to the issuance of any of the above-stated consequences, and will receive a reasonable period to make corrective actions.

Documenting Greatest Extent Feasible Efforts

Recipients that fail to meet the minimum numerical goals, bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the “*efforts*” that were taken, barriers encountered, and other relevant information that will enable making a compliance determination. Recipients that submit Section 3 reports containing all zeroes, without a sufficient explanation to justify their submission, are in noncompliance with the requirements of Section 3. The *comprehensive list below describes the “efforts”* that should be made by recipients in order to meet their Section 3 goals.

GREATEST EXTENT FEASIBLE EFFORTS LIST

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

1. Entering into “First Source” hiring agreements with Section 3 residents

**[First source agreement entails that if a contractor or subcontractor that works on a Section 3 covered project has a job opening during the time of construction, they must notify the Section 3 coordinator prior to interviewing or hiring. The Section 3 coordinator will find possible workers



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residing in that neighborhood/target project area for this open position and the contractor will be obligated to interview these candidates and document these conversations]

Strategies for “First Source” hiring agreements-

- i. Sponsor or establish training and employment programs for Section 3 residents.
- ii. Advertise employment and training positions in the project service area or neighborhood by distributing flyers (positions to be filled/qualifications/resource for information about the application process)
 - a) to every occupied dwelling unit in the housing development or developments
 - b) in the common areas or other prominent areas of the housing development
- iii. Contact resident councils, community organizations, state-local agencies, probation-parole agencies, unemployment compensation programs, and other applicable officials or organizations to assist with recruiting Section 3 residents.
- iv. Sponsor a job fair or informational meeting for residents.

2. Provide assistance in job-seeking skills to Section 3 residents

- i. Provide on-site applications and interviews; arrange assistance in conducting job interviews and completing job applications for residents.
- ii. Contacting resident councils/management corporations, or other resident organizations, in the housing development, and/or community organizations in HUD-assisted neighborhoods - to request their assistance in notifying residents of the positions to be filled.
- iii. Consult with local employment service providers.
- iv. 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.
 - v. Employ section 3 residents directly on either a permanent or a temporary basis to perform work generated by section 3 assistance.
 - vi. Employ a job coordinator or contract with a licensed job placement agency that will undertake, on your behalf, the efforts to match eligible and qualified section 3 residents with the positions that you intend to fill.
 - vii. Coordinate activities with local educational institutions.
 - viii. Maintain file of eligible, interested applicants.

II. Efforts to Award Contracts to Section 3 Businesses Concerns

1. Contact business assistance agencies, minority contracting associations and community organizations to inform them of opportunities and seek assistance in identifying eligible businesses.
2. Bid and solicitations
 - i. Provide bid notices to all known Section 3 businesses.
 - ii. Develop a Section 3 business communication network.
 - iii. Emphasize Section 3 at pre-bid conferences.
 - iv. Coordinate pre-bid meetings at which section 3 business concerns can be informed of upcoming contracting and subcontracting opportunities.
3. Conduct contractor workshops, informing section 3 business concerns of upcoming contracting opportunities, make information available in languages other than English where appropriate.



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4. Provide small business technical assistance.
 - i. Provide section 3 business concerns with resources for seeking assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
5. 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.
6. Notify Youthbuild agencies of contracting opportunities.
7. Establish numerical goals for award of contracts to Section 3 businesses.
8. Encourage financial institutions to comply with their CRA requirements by making loans to Section 3 businesses.
9. Actively support joint ventures with Section 3 businesses.
10. Support business incubators which assist Section 3 businesses.
11. In determining the responsibility of potential contractors, consider their past record of section 3 compliance and their current plans for the pending contract.
12. Providing written notice to all known section 3 business concerns of the contracting opportunities.
 - i. Following up with section 3 business concerns that have expressed interest in the contracting opportunities.
13. Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by section 3 business concerns.
14. 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.