

**RESOLUTION NO. 97-006**

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

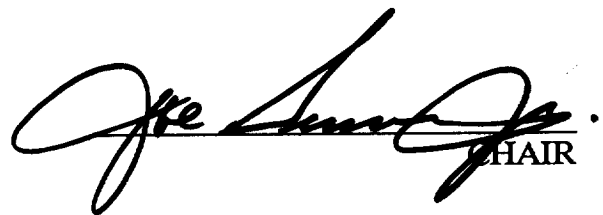
ON DATE OF JUL 22 1997

**SECTION 3 POLICY CONCERNING EMPLOYMENT AND ECONOMIC OPPORTUNITIES FOR LOW- AND VERY LOW-INCOME PERSONS**

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1. The Sacramento Housing and Redevelopment Agency (SHRA) Section 3 Policy set forth in Attachment I hereto is adopted.

Section 2. The Executive Director is directed to report back within 90 days with a detailed plan for implementation of the SHRA Section 3 Policy.

  
CHAIR

ATTEST

  
SECRETARY

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Policy and general procedures for the Sacramento Housing and Redevelopment Agency (SHRA or Agency) compliance with requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1710u)(Section 3), and as it may be further amended from time to time and all rules and regulations promulgated therein. This policy shall be enforced under federal and applicable State laws and regulations.

#### Purpose

The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, be directed to Agency residents and other low-and very low-income persons, particularly those who are recipients of government housing assistance and to business concerns which provide economic opportunities to Agency residents and other low-and very low-income persons.

#### General Policy Statement

It is the declared policy of the Agency that equal employment opportunities shall be provided for every employee and applicant for employment regardless of race, color, religion, sex, national origin, handicap, or economic status; and, that through the award of contracts to contractors, vendors, and suppliers, that employment and business opportunities be created for residents of Agency properties and other qualified low-and very low-income persons residing within the City and County of Sacramento. This policy does not end with the prohibition of discrimination practices by programs receiving HUD financial assistance or contractors, subcontractors, and vendors contracting with the Agency. The Agency recognizes its obligation as well as the obligation of potential contractors, subcontractors, and vendors, to develop practical steps to achieve the goal of providing meaningful, full-time permanent employment opportunities, as well as business opportunities to Agency residents and other Section 3 eligible persons.

Such obligations shall be demonstrated not only through inclusion of positive or "best effort" steps, but also shall result in a reasonable level of success in the recruitment, employment, and utilization of Agency residents and other Section 3 eligible persons and businesses in the workforce and subcontracting of work resulting out of the expenditure of HUD funding. The Agency shall examine and consider a contractor's/vendor's success in providing employment and business opportunities to Agency residents prior to acting on any proposed contract award.

#### Definitions

The following definitions are offered to help understand and implement the section 3 policy and program. Codification and clarifications are available from the Agency's Section 3 Program Manager.

*Applicant* means any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, 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.

*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.

*Department or HUD* means the Department of Housing and Urban Development, including its Field Offices to which authority has been delegated to perform functions under this part.

*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.

*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.

*Metropolitan area* means a metropolitan statistical area (MSA), as established by the Office of Management and Budget. The Agency service area is within the Sacramento Metropolitan Statistical Area (SMSA).

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

*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 Authority (PHA)* means the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento.

*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,

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community housing development organization, resident management corporation, resident council, or cooperative association.

**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 covered contract** means a contract or subcontract (including a professional 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 (see 48 CFR, Chapter 1). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and materials unless the contract includes the installation of the supplies and materials.

**Section 3 covered project** means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-base 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) An individual who resides in the metropolitan area or non-metropolitan county in which Section 3 covered assistance is expended, and who is:
  - (I) A low-income person which is defined to 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; or

(ii) A very low-income person which is defined to mean families (including single persons) whose incomes do not exceed 50 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 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..

- (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.

**Service area** means the geographical area in which the persons benefiting from Section 3 covered projects reside. Agency service area is within Sacramento County.

**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.

**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:

- (1) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- (2) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

**Applicability:**

Section 3 applies to the following HUD assistance:

A. Agency public housing assistance:

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Applies to training, employment, contracting and other economic opportunities arising from the expenditure of the following public housing assistance:

- Development assistance,
- Operating assistance,
- Modernization assistance.

**B. Agency housing and community development assistance:**

Applies to training, employment, contracting and other economic opportunities arising from the expenditure of housing assistance (including Section 8, and including other housing assistance not administered by the Assistant Secretary of Housing) and community development assistance that is used for the following projects:

- Housing rehabilitation (including reduction and abatement of lead-based paint hazards but excluding routine maintenance, repair and replacement),
- Housing construction, and
- Other public construction (which includes other buildings or improvements, regardless of ownership)

**THRESHOLD REQUIREMENTS FOR SECTION 3**

Type of Assistance	Recipient	Contractor/ Sub-Contractor
Public Housing	\$0 - All programs, all dollars are subject to Section 3	\$0
Housing and Community Development	If amount of assistance is over \$200,000	Over \$100,000
Housing and Community Development	If amount of assistance is \$200,000 or less, Section 3 applies to recipient only	Does not Apply

Other HUD programs not listed above and other federal programs do not have a Section 3 requirement.

**Numerical Goals for Section 3 Compliance:**

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. To that end, the Agency has adopted the following numerical goals for meeting the "greatest extent feasible" requirement to provide economic opportunities to Section 3 residents and Section 3 business concerns in the procurement and awarding of federally-funded construction and professional service contracts:

**NUMERICAL GOALS FOR SECTION 3 COMPLIANCE**

Areas of Focus (Applies to all Section 3 contracts)	Numerical Goals
Contractor and Subcontractor new hires (full-time permanent, temporary, or seasonal ) at all job levels.	30%
Contract Awards to Section 3 business concerns (applies to construction, repair, maintenance, etc. contracts).	10%
All Other Section 3 Contract Awards (i.e., service, professional services, etc.).	3%

Recipients and contractors may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth in this Section 3 Program for providing training, employment, and contracting opportunities to Section 3 residents and Section 3 business concerns. Efforts to employ Section 3 residents to the greatest extent feasible should be made at all job levels.

The Agency, in its own operations, shall endeavor to achieve the goals of Section 3 and shall provide equal responsibility to its contractors, vendors, and suppliers to implement progressive efforts to also attain compliance. In doing so, the Agency shall evaluate contractor's compliance toward achieving the goals of Section 3 and ensure a system of leveling sanctions against contractor, vendor, or supplier for non-compliance and endeavor to take appropriate steps to ensure any such concern is not permitted to participate in future Agency procurement activities.

The numerical goals established above represent minimum targets

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and all prospective contractors shall be advised and encouraged to seek Section 3 participation to the greatest extent feasible. Any contractor that meets the minimum numerical goals set forth above will be considered to have complied with the Section 3 requirements. Any contractor that does not meet the numerical goals set forth above has the burden of demonstrating why it was not feasible to meet the numerical goals. In the event no competing contractors were successful in meeting the minimum goals set forth above, the Agency shall consider documentation provided by the contractor evidencing impediments encountered despite actions taken to comply with Section 3 requirements. Such evidence shall be subject to the satisfaction of the Agency. Any contractor found to be in non-compliance with Section 3 shall be considered ineligible for award.

All contractors submitting bids/proposals to the Agency shall be required to complete certifications, as appropriate, as acknowledgment of the Section 3 contracting and employment provisions as required by this section. Such certifications shall be supported with adequate evidence to support representations made. The certification required to be submitted with the bid/proposal consist of the following:

- Certification for business concerns seeking Section 3 preference.
- Contractor certification of efforts to fully comply with Section 3 employment and training provisions.

Prior to award of any contract the contractor shall enter into negotiations with the Agency for the purpose of incorporating into the contract a provision for a specific number of public housing residents or other Section 3 residents to be trained or employed on the contract. Such resulting provision shall obligate the contractor toward achieving not less than the numerical goals listed above and shall be based on a detailed workforce analysis to be compiled by the contractor and submitted to the Agency prior to contract award.

**Preference for Section 3 Business Concerns (Contracting):**

The Agency in accordance with Section 3, requires contractors (including professional service contracts) and requires their subcontractors to direct their efforts towards awarding contracts to Section 3 business concerns in the following order of priority and expend efforts, to the greatest extent feasible, to achieve, at minimum, the numerical goals established in this section:

A. Agency public housing programs:

- 1st Priority - Category 1 Section 3 Businesses  
Business concerns that are 51 percent or more owned by residents of the housing development(s) for which work is performed or whose full-time, permanent workforce includes 30 percent of these persons as employees,

- 2nd Priority - Category 2 Section 3 Businesses  
Business concerns that are 51 percent or more owned by residents of other Housing Authority Public Housing developments other than the development(s) where the work is performed or whose full-time permanent workforce includes 30 percent of these persons as employees,
- 3rd Priority - Category 3 Section 3 Businesses  
HUD Youthbuild programs being carried out in the City or County of Sacramento,
- 4th Priority - Category 4 Section 3 Businesses  
Business concerns that are 51 percent or more owned by a Section 3 resident(s), 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 Section 3 business concerns.

B. Agency housing and community development programs:

Priority consideration shall be given, where feasible, to:

- Category 1 Section 3 Businesses  
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 2 Section 3 Businesses  
Applicants selected to carry out HUD Youthbuild programs,
- Other Section 3 business concerns.

A Section 3 business concern seeking a contract or a subcontract shall submit evidence to the Agency, if requested, sufficient to demonstrate to the satisfaction of the Contracting Officer of the issuing department that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. Federal Regulations at 24 CFR 85.36, concerning the ability of the contractor to perform successfully, require consideration of the contractor's record in complying with public policy requirements, technical capacity, financial capacity and integrity. Section 3 compliance is a matter properly considered as a part of this determination.

**Preference for Section 3 Residents in Employment and Training:**

The Agency, in accordance with Section 3, requires contractors (including professional services contracts) and require their subcontractors to direct their efforts toward providing training and

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employment opportunities to Section 3 residents in the following order of priority and expend greatest extent feasible efforts to achieve, at a minimum, the numerical goals established in this section:

**A. Agency public housing programs:**

- **1st Priority - Category 1 Section 3 Residents**  
Residents of the development for which work is performed,
- **2nd Priority - Category 2 Section 3 Residents**  
Residents of other Housing Authority Public Housing developments outside of the development(s) where the work is performed,
- **3rd Priority - Category 3 Section 3 Residents**  
Residents of the City or County of Sacramento who are participants in HUD Youthbuild programs being carried out by those jurisdictions,
- **4th Priority - Category 4 Section 3 Residents**  
Other Section 3 residents in the City or County of Sacramento.

**B. Agency housing and community development programs:**

Priority consideration shall be given, where feasible, to:

- **Category 1 Residents**  
Section 3 residents residing in the service area or neighborhood in which the Section 3 covered project is located,
- **Category 2 Residents**  
Participants in HUD's Youthbuild programs,
- Where the Section 3 project is assisted under McKinney Homeless Act (42 U.S.C. 11301), homeless persons residing in the service area or neighborhood in which the Section 3 project is located shall be given the highest priority,
- Other Section 3 residents in the City or County of Sacramento.

**Certification Procedure:**

The Agency has a program of certification for individuals and business concerns seeking recognition as a Section 3 resident or Section 3 business concern as defined in this Section 3 program. The Agency's Section 3 Program Manager is charged with administering the Agency's Section 3 certification program. Any individual or business concern seeking Section 3 preferences in the

awarding of contracts or purchase agreements shall complete appropriate certification forms and provide adequate documentation as evidence of eligibility for preference under the Section 3 program..

An individual or business concern may apply for certification as a Section 3 resident or Section 3 business concern anytime. To receive recognition and preference as a Section 3 individual or business concern, certification must be obtained prior to bid opening. A business concern that submits certification for preference after Agency receipt of bid will not be considered eligible for Section 3 preference in the evaluation of that specific bid award. Certification as a Section 3 resident may be made at any time. Individuals or business concerns seeking to file for Section 3 preference shall contact:

Section 3 Program Manager  
Economic Development Department  
Sacramento Housing and Redevelopment Agency  
630 I Street  
Sacramento, CA 95814  
(916) 440-1325

**Protest Procedure:**

The Agency desires to offer to residents, business concerns, and other bidders a procedure whereby complaints alleging non-compliance with the Section 3 requirements can receive prompt and equitable hearing and resolution. Protests surrounding the Agency's Section 3 program may be submitted in writing to the Director of Economic Development:

Director of Economic Development  
Economic Development Department  
Sacramento Housing and Redevelopment Agency  
630 I Street  
Sacramento, CA 95814

All complaints of non-conformance with the Section 3 program shall meet the following requirements:

- Complaints shall be filed in writing and shall contain the name, address, and phone number of the person filing the complaint, and a brief description of the alleged violation of the regulations;
- Complaints shall be filed within fourteen (14) calendar days following the bid opening;
- An investigation, as may be appropriate, will follow the filing of a complaint. The investigation will be conducted by the Agency's Director of Economic Development or

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designated individual. These rules contemplate informal, but thorough investigations, affording all interested persons and their representatives, if any, an opportunity to submit testimony and/or evidence as may be available and relevant to the complaint,

- Written documentation as to the validity of the complaint and a description of the findings or resolution, if any, will be issued by the Director of Economic Development or designated individual no later than thirty (30) working days after the filing of a complaint;
- Personnel action complaints are discussed under Agency Personnel Action section.
- **SHRA Commission:** The findings by the Director of Economic Development may be contested to the SHRA Commission or subcommittee of the Commission or individual hearing officer at the sole discretion of the SHRA Executive Director by requesting a hearing by writing to the Agency Clerk within fourteen (14) calendar days after the findings are presented. The Agency Clerk will advise the complainant of a hearing date before the Commission or Subcommittee of the Commission or individual hearing officer within seven (7) calendar days. Commission action is the final step in resolving Section 3 complaints.

In cases where concerned parties wish to have their complaint considered outside the Agency, a complaint may be filed with the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, D.C. 20410. A complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

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 under Section 3. The identity of complainants shall be kept confidential except to the extent necessary for the conduct of investigations, hearings or judicial proceedings arising thereunder.

#### Agency Personnel Action

The Agency shall endeavor to expand the training and employment opportunities for Section 3 residents by undertaking positive, affirmative measures designed to accomplish this.

A record of the selection process shall be made available to the Section 3 Program Manager for every hire describing efforts

undertaken to hire Section 3 residents.

Complaints regarding the Agency personnel actions shall:

- be filed in writing within fourteen (14) calendar days with the Human Resources Director following the written notification that the candidate was not selected for the position or from the date of the alleged violation of the regulations.
- the complaint shall contain the name, addresses and telephone number of the person filing the complaint, and a brief description of the alleged violation of the regulations.
- Alleged violations shall be reviewed and investigated by the Human Resources Director in consultation with the Section 3 Program Manager within thirty (30) working days after receipt of the complaint. The Human Resources Director shall render a written decision as to the disposition of the complaint within the thirty (30) day period.

The findings of the Human Resources Director may be contested to the SHRA Commission or subcommittee of the Commission or individual hearing officer at the sole discretion of the SHRA Executive Director within (14) calendar days after the findings are presented by requesting a hearing by writing to the Agency Clerk who will advise the complainant of a hearing date before the Commission or Subcommittee of the Commission or individual hearing officer. Commission action is the final step in resolving Section 3 complaints unless otherwise described in these policies.

#### Monitoring and Enforcement

For Section 3 to be a successful program, the Agency shall undertake monitoring activities to make certain contracting departments and contractors and their subcontractors follow the agreed plan and other assurances made prior to contract award. To this end, the Section 3 Program Manager, in conjunction with compliance services staff, will monitor every applicable contract.

Monitoring may include the following:

- review of certified payroll reports identifying Section 3 employees and the number of hours worked which should correspond with the percentage of the workforce they represent;
- submission of a monthly utilization report for contractors or subcontractors who are not required to submit certified payroll reports or who are under some degree of sanction for prior underutilization or other reasons. The utilization report shall identify every Section 3 employee, the total

number of employees, the number of hours worked by a Section 3 employee, and the number of hours worked by non-Section 3 employees. A form for this reporting purpose shall be available to a contractor or subcontractor;

- site monitoring and interviewing to ascertain that Section 3 employees are working in the classification and rate of pay for which they were employed and are being treated no differently than other employees;
- site monitoring of Section 3 business concerns to ascertain that contracted work is being performed by the Section 3 business concern and it's employees;
- making sure that Section 3 business concerns are not substituted, terminated, or contracts canceled without written authorization from the Section 3 Program Manager, and, where feasible, replacement is by another Section 3 business concern.

The Section 3 Program Manager may undertake other reasonable steps, as deemed necessary, to make certain that the Agency's Section 3 policy is carried out. Some of these steps may include:

- conducting investigation of perceived noncompliance or resulting from a complaint;
- providing a forum of mediation between an aggrieved Section 3 employee and their employer or Section 3 business concern and prime contractor; and
- providing recommendations and suggestions to a contractor to further compliance.

The Section 3 Program Manager may impose progressive sanctions up to debarment of a contractor or subcontractor who has failed to take recommended remedial action or to a contractor who willfully disregards the program requirements.

Any level of sanctions imposed by the Section 3 Program Manager may be protested as outlined in these policies and procedures.

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## Section 3 Specification 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 of 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. 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 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 opportunity 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).
- H. Pursuant to 24 CFR 905.170(b), compliance with Section 3 requirements shall be to the maximum extent consistent with, but not in derogation of compliance with Section 7(b) of the Indian Self-Determination and Education Assistance, 25 U.S.C. section 450e(b) when this law is applicable.

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