

STAFF REPORT

To: Housing and Community Development Committee
From: Heather Dillashaw, Community Development Director
Date: August 15, 2017
Subject: Section 3 Policy

Summary: Section 3 is a provision of Housing and Urban Development Act of 1968 that helps foster local economic development, neighborhood improvement, and individual self-sufficiency. The Section 3 program requires that programs of financial assistance administered by HUD provide, to the greatest extent feasible, job training, employment, and contracting opportunities generated because of Community Development Block Grant (CDBG) and HOME Investment Partnerships grant covered projects given to low and very low-income residents in connection with projects and activities in their neighborhoods. The Community and Economic Development Department implements this policy through the awarding of contracts to contractors, vendors and suppliers, to create employment and business opportunities for Section 3 residents and other qualified low and very low-income persons. These regulations can be found in 24 CFR, part 135.

The City of Asheville underwent a HUD monitoring July 11-13, 2017. Included in that monitoring was a review of Section 3 plans and activities. Section 3 is currently referenced in Asheville's CDBG and HOME policy manuals, and we require Section 3 plans for all relevant projects managed by subrecipients of CDBG and HOME funds. HUD determined through the monitoring visit that this was not sufficient for Section 3 policy, and is requiring a separate, more detailed Section 3 policy for the City to be in compliance with HUD's Section 3 requirements. Attached to this staff report is a Section 3 Policy for the City of Asheville that meets HUD's request.

Action: Staff recommends the HCD review and recommend the Section 3 Policy for adoption by the Asheville City Council.