

Gulf Coast Community Protection and Recovery District, Inc.

**Section 3 Plan**

**TABLE OF CONTENTS**

General Policy Statement..... 2

Section 3 Purpose..... 3

Section 3 Contracting Policy and Procedures..... 3

Section 3 Plan ..... 4

Section 3 Advisory Committee..... 4

Section 3 Coordinator Responsibilities..... 4

Applicability and Procurement ..... 6

Section 3 Business, Employment Training and Contracting Goals ..... 8

Section 3 Residents/Individuals..... 9

Section 3 Procedure for Reporting Non-Compliance ..... 11

Definitions..... 11

Executive Summary

Gulf Coast Community Protection and Recovery District, Inc. (District) was selected by the Texas General Land Office (GLO) for U. S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery program (Federal Award No. B-08-DI-48-0001). The primary focus of this program is to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively facilitate fair housing, in accordance with Executive Order 12892, in areas affected by Hurricanes Dully and Ike, which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*). The District will conduct planning activities related to the effects of Hurricane Ike and the subsequent storm surge and develop long-term plans and strategies to protect coastal communities from storm surge, flood and wind damage caused by natural disasters as authorized by GLO for and in Brazoria County, Chambers County, Galveston County, Harris County, Jefferson County and Orange County. The following Section 3 Plan was developed by the District to satisfy the Section 3 requirements of the U.S. Department of Housing and Urban Development Act of 1968.

**General Policy Statement**

The District has developed this Section 3 Plan and Policies in compliance with Title 24 CFR Part 135 – Economic Opportunities for Low- and Very Low-Income Persons. Such plan is intended to ensure that employment and other economic opportunities generated by qualifying

HUD financial assistance shall, to the greatest extent feasible, benefit persons and business identified in the regulation. This document is applicable to contractors, subcontractors, vendors, and suppliers when threshold amounts meet or exceed \$100,000 expended for (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards), (2) housing construction, and (3) other public construction.

Additional provisions have been made for contracts that do not meet the above threshold, but are for building trades work arising in connection with a Section 3 covered contract and for non-construction contracts associated with Section 3 covered activities as detailed in Section IV.

The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of eligible persons and business on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies.

### **Section 3 Purpose**

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701 u) requires the District to ensure, to the greatest extent feasible, that employment and other economic and business opportunities generated by the HUD financial assistance 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.

### **Section 3 Contracting Policy and Procedures**

It is the policy of the District 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, handicap, and familial status. Further, it is the policy of the District to create employment and business opportunities for residents of projects that occur in their respective communities and for other qualified low- and very low-income persons residing in low-moderate income areas.

The District will incorporate Section 3 language in all applicable procurement documents generated in conjunction with the use of HUD funding. Goal requirements are set forth in 24 CFR Part 135 for awarding contracts to Section 3 Business Concerns and are delineated in Section IV. Section 3 Business, Employment Training, and Contracting Goals.

All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals to the District, complete certifications, as appropriate, to acknowledge the Section 3 contracting and employment provisions required by this section.

The Section 3 Coordinator shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to low-moderate income residents prior to acting on any proposed award.

To the greatest extent feasible, information will be made available to persons with Limited-English Proficiency (LEP) in compliance with E.O. 13166.

## **Section 3 Plan**

The District has developed this Section 3 Plan to create consistency in applying the provisions of 24 CFR Part 135 objectives, and to guide the action steps that will be implemented to ensure compliance with the requirements of Section 3. The Plan covers HUD-funded programs including but not limited to CDBG, CDBG-DR, HOME, ESG, HPRP, housing construction, housing rehabilitation, and public improvements construction projects.

Major components of the Plan include creation of a Section 3 Advisory Committee (SAC), Section 3 Coordinator's Responsibilities, Section 3 Training, Employment and Contracting Opportunity Goals, Section 3 Business Qualifications, Section 3 Resident Initiatives, Plan Implementation, Procurement, Compliance/Monitoring and Reporting.

### **I. Section 3 Advisory Committee**

The District will establish a Section 3 Advisory Committee for the following purposes:

- to review the progress of the Section 3 program,
- suggest program improvements,
- suggest community outreach and training opportunities, and
- disseminate program and Section 3 requirements throughout the community.

The Section 3 Advisory Committee will be comprised of at least (3) three members appointed by the President of the District. All meetings shall be open to the public, and all reports from contractors shall be available to the committee (with any personal information redacted).

### **II. Section 3 Coordinator Responsibilities**

#### **A. Identification of Resources**

The President of the District will designate a person who will coordinate Section 3 Advisory Committee meetings, along with all other Section 3 responsibilities, herein called "Section 3 Coordinator". In particular, the Section 3 Coordinator will identify programs, projects and activities which may trigger Section 3 compliance. It is expected that the Section 3 Coordinator will prioritize programs, projects and activities based on anticipated procurement dates.

#### **B. Outreach for Section 3 Businesses**

The Section 3 Coordinator will be responsible for soliciting qualified known Section 3 business concerns and creating an electronically available list of such businesses and their trades/profession as well as assisting such Section 3 Businesses in obtaining contracts or subcontracts.

#### **C. Outreach for Section 3 Individuals**

The Section 3 Coordinator shall provide ongoing outreach, identification, and certification to the Section 3 eligible community about the Section 3 program and its ongoing employment

opportunities and of potential training available to qualify for such opportunities. The purpose of this task is to coordinate with the Texas Workforce Boards in an effort to create a funded “pipeline” to accomplish the following:

- To help Section 3 eligible residents learn about Section 3 employment opportunities, register as Section 3 workers, and receive the job training they need to be successful as workers on projects under Section 3;
- To coordinate with contractors to hire trained workers;
- To monitor the success of the pipeline program in placing Section 3 eligible workers in jobs; and
- To recommend program adjustments to achieve Section 3 employment goals and keep the training pipeline effective and efficient.

Outreach will be conducted, depending on funding availability, to encourage individuals to enter the pipeline to meet the needs of the contractors and achieve the Section 3 employment goals. Such activities may include, but are not limited to:

- Actively market the Section 3 program to likely Section 3 eligible residents, potential contractors, and the general public using all appropriate means including, but not limited to advertisement of contracting and employment opportunities via newspaper, mailings, and/or posting notices that provide general information about the availability of work and where to obtain additional information.
- Extend outreach to Public Housing Agencies, Texas Workforce Boards, community organizations, Small Business Administration (SBA), Minority and Women’s Business Enterprise M/WBE association, and Community Development Corporations;
- Distributing outreach flyers in program targeted neighborhoods of Section 3 eligible activities; and
- Updating the District website with information about the process for obtaining employment as a Section 3 qualified worker.

#### D. Orientation/Education

Through the District, the Section 3 Coordinator will, at minimum, host/co-host workshops for potential Section 3 business concerns as new projects start. The workshop agenda shall include (1) applicability, (2) listing of potential projects, (3) training and employment goals, (4) general contractor requirements, (5) review, execution and submittal of certification forms, (6) and procurement information/solicitation of subcontractors.

#### E. Compliance

The Section 3 Coordinator will be responsible for assuring the Section 3 Compliance.

The Section 3 Coordinator must annually update Section 3 compliance documents with HUD Section 8 income limits.

The Section 3 Coordinator must provide current policies or changes to existing policies.

The Section 3 Coordinator will be the public point of contact for information regarding Section 3 compliance, reporting, business certification process and all other related matters.

Further, the Section 3 Coordinator is responsible for obtaining information necessary to remit Section 3 annual reports to the funding agency as required by HUD. Currently, the report is submitted electronically and is due no later than with the Consolidated Annual Performance and Evaluation Report (CAPER).

#### F. Section 3 Reporting

##### 1. Annual Reporting

The District will report to HUD/GLO annual accomplishments regarding employment and other economic opportunities provided to low and very low income person under Section 3. Form HUD-60002 is currently being utilized for reporting accomplishments. This form may be changed and updated from time to time as required by HUD and 24 CFR 135.

##### 2. Contractor Reporting

Contractors are required to submit to the District a Monthly Compliance Form (Exhibit H), Monthly Employee Utilization Report (Exhibit I), and an Employee Data and Certification form for all new hires (Exhibit J or K).

Contractors are required to submit a Monthly Employee Utilization Report (Exhibit I), and an Employee

Data and Certification form for all new hires for each of their subcontractors (Exhibit J or K).

Notice of termination and job problems related to Section 3 eligible workers should be provided immediately to the Section 3 Coordinator.

Contractor payment requests may not be processed until all reporting requirements have been met.

#### G. Procurement

Section 3 Coordinator will, when feasible, attend scheduled pre-bid, pre-construction, bid opening and construction meetings or will be available should additional information be requested. Section 3 Coordinator will also provide guidance on procurement preference provisions as outlined in Part 135.36 of the Section 3 Regulation.

### III. Applicability and Procurement

#### A. Bidding and Negotiation Requirements

Section 3 requirements are triggered when an anticipated contract award meets or exceeds \$100,000 for (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards), (2) housing construction, and (3) other public construction.

When recipient solicits proposals on a Section 3 covered activity, local procurement standards will apply. However, in compliance with the Section 3 Plan for the District, non-Section 3 Businesses will be utilized in a strictly competitive manner during the procurement process.

The District will require the contractor/subcontractor to prepare and submit a Contractors Section 3 Plan (Exhibit D) with their contract documents prior to the commencement of any work under the contract. This plan must be approved in writing by the District prior to the commencement of any work under the contract. For all new hires the contractor/subcontractor must contact their respective Workforce Board and access the WorkInTexas Site. The contractor/subcontractor will prove that it was done by submitting (Exhibit G) which provides the current work force of the contractor along with workforce projections identifying projected number of new hires by job category for each contractor/subcontractor.

Notwithstanding Section 3 noted preferences, Section 3 businesses must have the capacity to perform successfully under the terms and conditions of the proposed project contract. Under 24 CFR 85.36(b) (8), consideration, among other factors, is the potential contractor's record of complying with public policy, including Section 3 requirements.

The District shall require prospective contractors for work in connection with Section 3 covered projects to provide, prior to the signing of the contract, a preliminary statement of work force needs (skilled, semi-skilled, unskilled labor and trainees by category). Such information shall be supplied prior to any signing of any contract between contractors and their subcontractors. Consideration should be given to those contractors who will have training and employment opportunities for project area residents.

Applicants, recipients and contractors will ensure that the attached Section 3 Clause (Exhibit E) and Assurance of Compliance (Exhibit B) are made a part of all contracts.

Because goals for contracting opportunities apply to any applicant, when said applicants other than the recipient are soliciting contracts or subcontracts in conjunction with a Section 3 covered activity, they must, to the greatest extent possible, make every effort to publicize and maximize contracting opportunities in order to ensure participation by Section 3 businesses.

In implementing its affirmative action plan, each applicant, recipient, contractor, or subcontractor shall make a good faith effort to achieve its goal or target number and estimated dollar amount of contracts to be awarded to the eligible businesses and entrepreneurs within each category over the duration of the Section 3 covered project.

#### B. Preference for Contracting with Section 3 Business Concerns

The District, in compliance with Section 3 regulations, will require contractors and subcontractors to direct their efforts towards contracts to Section 3 business concerns in the following order of priority (24 CFR 135.36):

- Category 1: Certified Section 3 business providing economic opportunities for Section 3 residents. Preferences are listed in order of priority:
  - Project area or neighborhood

- Public Housing Residents
  - Metropolitan Statistical Area
  - County in which recipient is located
- Category 2: HUD Youthbuild programs being carried out in the District in which Section 3 covered assistance is expended.

Contractor and subcontractors that can clearly demonstrate how they will meet the requirements in this section will be given a contracting preference.

#### IV. Section 3 Business, Employment Training and Contracting Goals

##### A. Employment Goals; Compliance Review

It is the policy of the District to utilize Section 3 residents and other eligible persons and businesses in contracts partially or wholly funded with monies from the U.S. Department of Housing and Urban Development (HUD). The District has established minimum employment and training goals that contractors and subcontractors, including those providing low to moderate income employment opportunities through economic development activities, should meet in order to comply with Section 3 requirements.

The numerical goals established in this section represent minimum numerical targets (reference 24 CFR 135.30 – Numerical goal for meeting the greatest extent feasible requirement).

- 30 percent of the aggregate number of new hires/training opportunities annually;
- 10 percent of the total dollar amount of all Section 3 covered construction contracts annually
  - Building trades work arising in connection with housing rehabilitation, housing construction and other public construction (ex. Demolition, street repair and other infrastructure projects) ; and
- 3 percent of the total dollar amount of covered non-construction (ex. professional services) contracts annually
  - Section 3 covered non-construction projects include professional service contracts associated with construction (ex.: architectural, engineering, legal services, accounting, marketing, etc)

It is the responsibility of contractors to implement efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting such goals was not feasible. Those contractors that demonstrate exceeding minimum Section 3 goals and/or provide internal training/apprenticeship opportunities shall receive preference for additional projects. (See Exhibit L).

Should the contractor fail to meet the Section 3 reporting requirements, the following actions may be taken:



- Written warning notice of non-compliance and remedial actions needed; and
- Failure to meet the reporting requirements may result in termination of the contract for default, suspension and jeopardize future HUD funded projects.

## B. Section 3 Businesses

A Section 3 Business Concern is defined as a business concern (1) that is 51 percent or more owned by Section 3 resident; 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 subcontractors to be awarded to business concerns that meet the qualifications. Designations will be made or verified by the Section 3 Coordinator upon receipt of signed self-certification form (Exhibit A).

The District has opted to accept any other HUD recipient certifications of Section 3 Business compliance. Such certification must be obtained from the Department that oversees the Community Development Block Grant funds. Further, certification will be valid for three years from the date of execution.

## C. Evidence of Section 3 Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements must be able to provide a copy of the Section 3 certification form received and acknowledged by the District as evidence of eligibility for preference under the Section 3 Program. The certification shall be submitted along with bid packages and must be received prior to bid opening.

Each applicant, recipient, contractor, and subcontractor on a Section 3 covered project shall sign the attached Section 3 Assurance of Compliance (Exhibit B).

## V. Section 3 Residents/Individuals

Persons seeking work on projects funded in part or in whole with U.S. Department of Housing and Urban Development grants must provide their names, contact information, job skills and certifications (if any) to the Texas Workforce Commission.

### A. Resident Hiring Requirements

The District has adopted a 30% goal for Section 3 resident hiring that is to be used on construction contracts (24 CFR 135.30). A prime contractor may satisfy resident hiring requirements through its subcontractors. A Section 3 Employee Data and Certification form shall be utilized in documenting eligibility for participation in the program (Exhibit J or K).

It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 program participants before any other person, when hiring additional employees needed to complete proposed work on Section 3 covered activities.

## B. Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals

The District will assist contractors, through the Section 3 Coordinator, in achieving Section 3 hiring and contracting goals by:

- Requiring the contractor to present a list to the Section 3 Coordinator of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- Referring the contractor to the Texas WorkForce Commission for a listing of Section 3 residents for construction projects.
- Providing contractor with a list of Section 3 business concerns interested and qualified for construction projects (if available).
- Informing prime contractors and subcontractors of the Section 3 Clause requirement and, when requested, will serve to clarify the intent.
- Giving notice of specific openings to all parties listed in Section II.

## C. Contractor's Requirements in Employing Section 3 Residents

Under the District Section 3 Program, contractors and subcontractors are required to:

- Provide employment opportunities to Section 3 residents/participants in the priority order listed below in accordance with 24 CFR 135.34(a)(2):
  - 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 Youthbuild program
  - Where the Section 3 project is assisted under the Steward B. McKinney Homeless Act (ESGP, SHDP, etc. as per 42 U.S.C. 11301 et seq.), 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
    - Recipients of housing assistance programs administered by the Assistant Secretary for
    - Housing herein provide a 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
    - Recipients of community development programs herein 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

- After the award of contract but prior to beginning work, the contractor must, in a visible location within the project, complete and post (Exhibit F) which will provide the following information:
  - District Section 3 Plan and preferences
  - Set forth number of jobs and titles for hire
  - Availability of apprenticeships and training positions, if any
  - Contact information for person(s) taking applications or providing information on qualifications for
  - new hires apprenticeships and training positions
  - Anticipated date the work shall begin

If a Section 3 eligible worker is removed from a position, the employer must first seek to again fill the job with a Section 3 eligible worker.

Contractors shall contain a statement that the hiring of a Section 3 eligible resident is a commitment to the career development of that employee and that the hiring thresholds will not be met simply by temporarily hiring a resident. Contractors are encouraged to offer on-the-job or continuing training to Section 3 hires that is comparable to, or exceeds, the training provided to non-Section 3 eligible employees throughout the life of the contract/project.

#### **VI. Section 3 Procedure for Reporting Non-Compliance**

In an effort to resolve Section 3 concerns due to non-compliance, District encourages written submittal to its Section 3 Coordinator. Concerns should contain the name of the complainant and brief description of the alleged violation. An investigation will be conducted which may include testimony and/or evidence pertinent to the complaint.

In the event the Section 3 resident or Section 3 business does not feel the District satisfactorily resolved the concern, complainants should file the concern using form HUD 958 and submit to:

FORT WORTH REGIONAL OFFICE  
 U.S. Department of Housing and Urban Development  
 Southwest Office  
 801 Cherry St., Unit 45, Suite 2500  
 Fort Worth, TX 76102

A complete complaint must be received no later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for the filing is extended by the Assistant Secretary for good cause shown. Submission must include name and address of complainant, name and address of party against whom the complaint is remitted (Respondent), description of acts or omissions by Respondent.

#### **Definitions**

**Applicant**- 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 or other public body, public or private nonprofit organization, private agency or institution,

mortgagor, developer, limited divided sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.

**Business Concern**- 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.

**Contractor**- any entity which contracts to perform work generating 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**- all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

**Housing Authority** (HA) - Public Housing Agency or Authority

**Housing Development**- low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.

**HUD Youthbuild Programs**- 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 for low- and very low-income families.

**Low-income person**- families (including single persons) whose combined 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.

**Metropolitan Area**- a metropolitan statistical area (MSA), as establish by the Office of Management and Budget.

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

**Recipient**- any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but not limited to, any State unit of local government, PHA, 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 HUD program to which Section 3 applies and does not include contractors.

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

**Section 3 Advisory Committee** – A committee whose membership consists of individuals that represent the interests of Section 3 Businesses and Section 3 Residents. The Section 3 Advisory Committee will be comprised of at least (3) three members appointed by the President of the District.

**Section 3 Business Concern-** a business concern,

1. That is 51 percent or more owned by Section 3 resident: 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;
3. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above; or
4. Has been certified and received “certification” as a Section 3 business.

**Section 3 Covered Assistance-**

1. public housing development assistance provided pursuant to Section 5 of the 1937 Act;
2. public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
3. public 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 housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership)

**Section 3 Clause**- the contract provisions set forth in Section 135.38.

**Section 3 Covered Contracts**- 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 (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract includes the installation of materials, the contract constitutes a Section 3 covered contract.

**Section 3 Covered Project**- 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 Covered non-construction project**- is a project associated with the Section 3 Covered Project such as maintenance contracts, re-painting, routine maintenance, HVAC servicing, and professional services (architectural, engineering, legal services, accounting, marketing, etc.)

**Section 3 Resident**- a public housing resident or an individual who resides in the metropolitan area or non- metropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low-to very low-income person.

**Subcontractor**- 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**- families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller 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 such variations are necessary because of unusually high or low family incomes.

## EXHIBITS

Exhibits referenced herein are available at the GLO's website:

<http://www.glo.texas.gov/GLO/disaster-recovery/forms/housing-forms-special.html>