

COUNCIL COMMUNICATION

From: The City Manager

Subject: U. S Department of Housing and Urban Development Voluntary Compliance Agreement

Manager's Recommendation:

I recommend that the Voluntary Compliance Agreement ("Agreement") between the U. S. Department of Housing and Urban Development ("HUD") and Community Housing Resource Board ("CHRB") be approved. The term of the Agreement is for three years. The Agreement has been approved by me as to substance and the City Attorney as to form. It is further recommended that City Council authorize the Director of Development to sign the Agreement.

Justification:

CHRB filed a complaint with HUD alleging that the City was not in compliance with Section 3 business concerns for contracting opportunities in compliance with 24 CFR §135.30. The City responded to the said complaint appropriately and included various proactive initiatives in regard to Section 3 and other compliance requirements. Specifically, Section 3 requires that all contracts funded in whole or in part with HUD financial assistance, in excess of \$200,000.00, include numerical goals for the employment of Section 3 residents. Section 3 residents are defined as those individuals as low to moderate income residents. While the City has not been involved in single construction or demolition contracts in excess of \$200,000, it may have such contracts in the future under the NSP2 Grant. This Voluntary Compliance Agreement confirms our intent to be proactive meeting expectations under Section 3.

Pursuant to the terms of the Agreement, the City is required to do the following:

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1. Within one hundred and eighty (180) days, develop or revise its Section 3 Plan and submit a copy to HUD;
2. Within one hundred and twenty (120) days, amend the current procurement procedures to clearly and adequately reflect Section 3 requirements and submit a copy to HUD; and
3. Within one hundred and twenty (120) days, to the extent feasible, develop and maintain a list of qualified, skilled and unskilled Section 3 residents and Section 3 business concerns. The City must submit a copy of the lists to HUD. In addition, the City will provide the lists to all successful bidders to facilitate the employment of Section 3 residents and award sub-contracts to Section 3 business concerns.

Failure to comply with the terms of the Agreement, can lead to program suspension and various other penalties.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.