

CRP CONTRACT WORKSHOP

Public Facilities

Community
Resiliency Program (CRP)

July 21, 2022



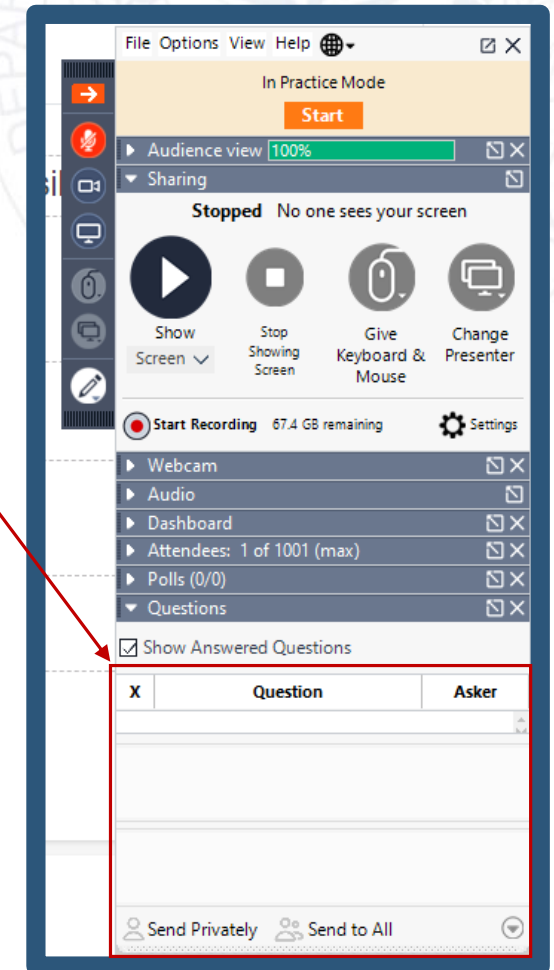
HOUSEKEEPING

During the Webinar, submit questions via the Question function

- Questions will be answered during Q&A Session
- Q&A Session at the end of the Webinar

Presentation and Forms will be available at the TDHCA website:

www.tdhca.state.tx.us/CDBG-CARES.htm



WORKSHOP OUTLINE

☐ CRP Contract Overview

Subrecipient Action Items

1. Environmental Review – Phase 1
2. Section 3 Requirements
3. Procurement and Bids
4. Construction Contract
5. Davis-Bacon (Labor Standards)



CRP CONTRACT OVERVIEW

- ❑ **Submitted Application Terms → CRP Contract Terms**
 - ❑ 20-months → 24-months
 - ❑ 24-months → 28-months
- ❑ **Exhibit A – Contract Milestones**
- ❑ **Exhibit B – Performance Statement**
- ❑ **Budget Exhibits**
 - ❑ **Exhibit C – Project and Admin Budget**
 - ❑ **Exhibit D – Final Construction Budget**
- ❑ **Exhibit E – Special Conditions**



CRP CONTRACT OVERVIEW

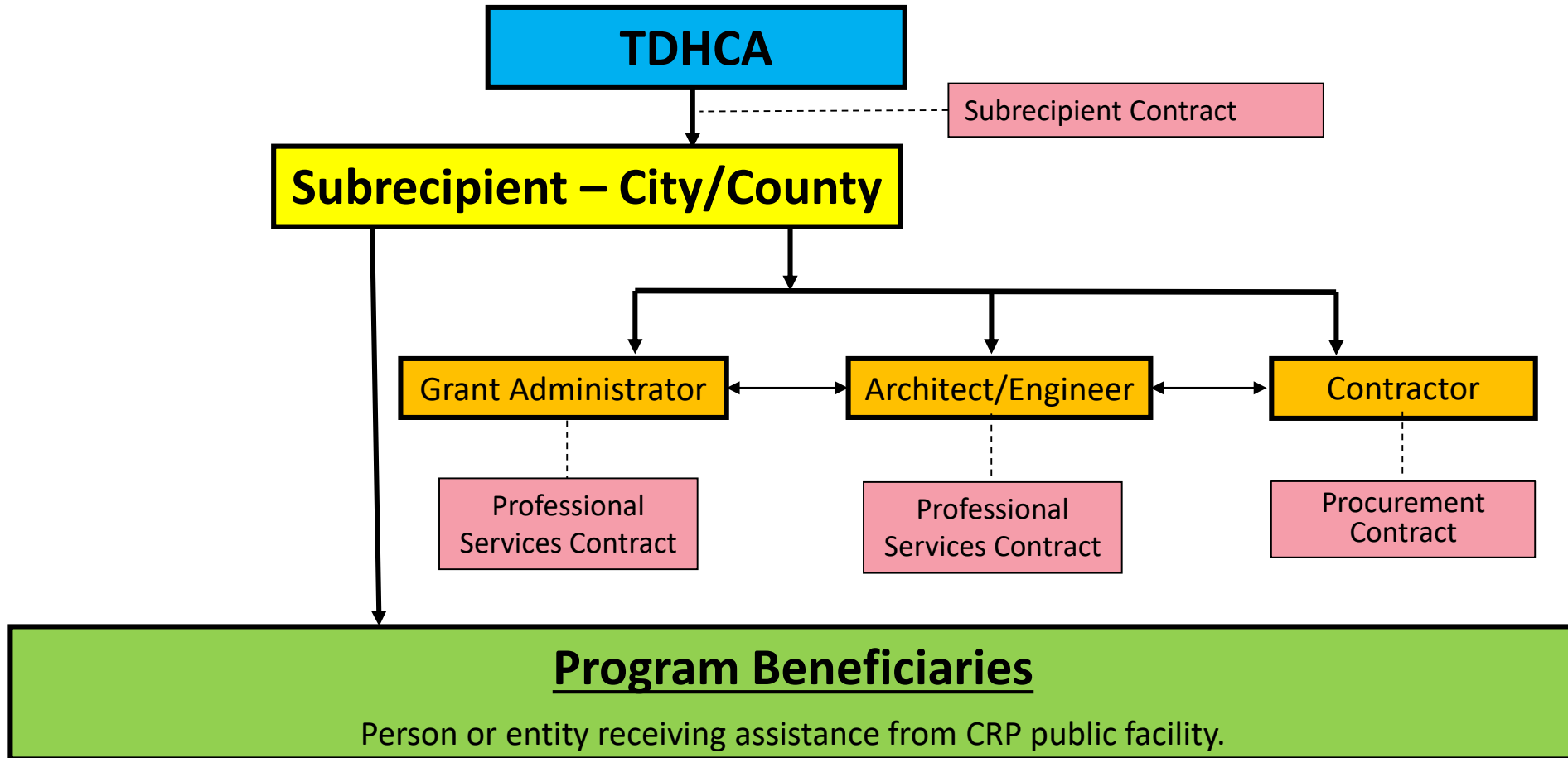
- ❑ **Addendum A** – Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements
- ❑ **Addendum B** – Certification Regarding Drug-Free Workplace Requirements
- ❑ **Addendum C** – Certification Regarding Debarment, Suspension, and other Responsibility Matters
- ❑ **Addendum D** – Certification Regarding Duplication of Benefits*
- ❑ **Land Use Restriction Agreement (LURA)**
 - ❑ Aligns with 5-year CDBG Use Requirement
 - ❑ Provide TDHCA with a recorded copy



SUBRECIPIENT “KEY” RESPONSIBILITIES

- Compliance with requirements as set forth in the Contract
- Compliance with record keeping of pertinent data related to project and allow access to TDHCA staff and HUD representatives as requested
- Timely completion of project as per Contract
- Submit data for reports as requested
- Maintain and operate facility as required per National Objective.
- Compliance with Labor Standards
- Compliance with Section 3

SUBRECIPIENT CONTRACT CHART



SUBRECIPIENT CONTRACT

USE OF FUNDS:

- The Subrecipient shall not start using CDBG-CV funds before execution date of the Contract.
- Eligible costs and expenses incurred prior to Contract period will be reimbursed.
- HUD funds will only reimburse expenditures for eligible activities.

ELIGIBLE COSTS

ELIGIBLE

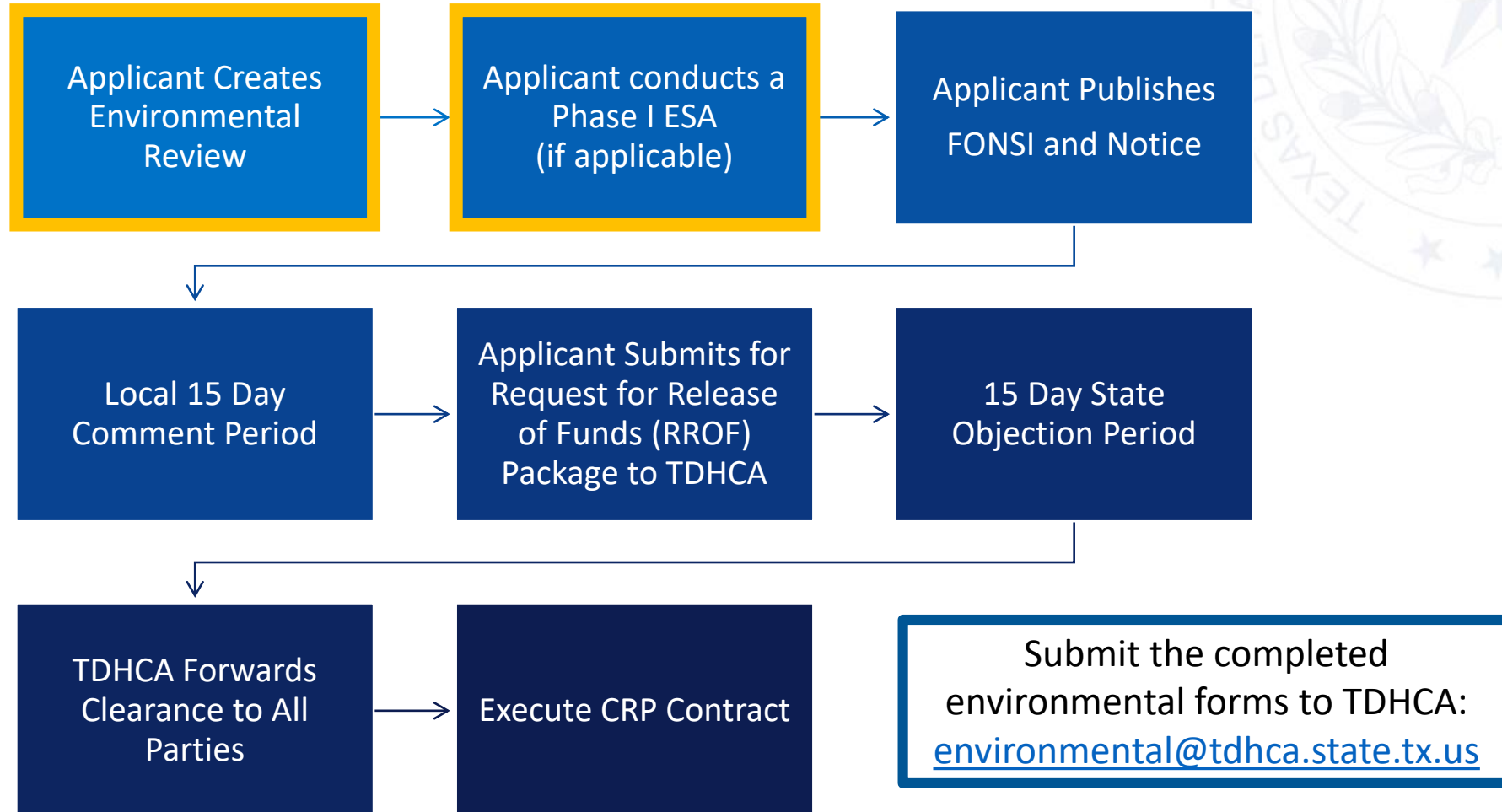
- Preparation of CRP Application
- Itemized Budget Preparation
- Environmental Review (Including Phase I ESA)
- Title Report with Legal Description
- Program Income Plan
- Preliminary Architectural Plans
- Acquisition
- Design Costs
- Construction or Rehab of Public Facilities
- Administration

INELIGIBLE

- Office space for the general conduct of government
- Operating and maintenance expenses of public facilities improvements and services
- Equipment not permanently installed and furnishings
- Commercial advertising and public relations costs such as the replacement or addition of a logo
- Software, unless it is integral to the function of an improvement and other Operation and Maintenance (O&M) purpose

Action Item #1

Environmental Review



Action Item #2

Section 3 Requirements

Section 3 requires that, to the greatest extent feasible, economic opportunity generated by CDBG-CV funds and other HUD assistance, most importantly employment, is directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, as well as residents of the community in which the federal funds are spent.

- Benchmarks for Section 3 goals and the CDBG-CV program to **cumulatively report** the following:
 - 25% of the total labor hours for grant-assisted projects each year as performed by eligible Section 3 workers; and
 - 5% of total labor hours worked will be performed by **targeted** Section 3 workers.
 - Failure to achieve these benchmarks requires additional justification by the state, which may necessitate additional information from Grant Recipients.
- HUD's regulations for implementing Section 3 mandates can be found at 24 CFR Part 75.



Action Item #2

Section 3 Subrecipient Compliance Requirements

SUBRECIPIENT RESPONSIBILITIES

All Subrecipients awarded CDBG-CV construction and administrative services contracts are subject to Section 3 Final Rule:

CDBG-CV Section 3 Reports at project completion (100% complete).

- Form S301:** Section 3 Contractor Report – complete for local file for each contractor/subcontractor
- Form S302:** Section 3 Completion Report (Cumulative) – complete and submit to TDHCA at project completion
 - Receipt and approval of this Report is tied to release of last project draw.

Complete the following steps to be compliant with new Section 3 requirements:

- Service Area Map – Submit a copy of the service area map to TDHCA that adheres to guidelines described 24 CFR Part 7;
- All procurement and bidding documents must comply with and reference Section 3;
- Prior to Contract Procurement and Selection of Contractor – Document bidding outreach efforts were made to employ eligible Section 3 low-income Contractors prior to bid opening;
- Open Public Meetings – Document Section 3 goals and present employment opportunities to eligible low-income residents or individuals in the service area (e.g., Agenda, Minutes);
- Texas or Local Workforce Offices – Document outreach to workforce offices announcing Section 3 job opportunities to eligible low income individuals in service area;
- Contractor Compliance – Include Section 3 compliance provisions in all contractor contracts (regardless of contractor tier level)



Action Item #2

Section 3 Subrecipient Additional Efforts

SUBRECIPIENT RESPONSIBILITIES

- ❑ Examples of Additional Outreach Efforts:
 - Advertisement or documentation that supports outreach to the Local Texas Workforce Office
 - Training or apprenticeship opportunities – Apprentice Program must be approved by the **DOL Employment Training Administrative Office**
 - Technical assistance to Section 3 Workers (multiple types)
 - Technical assistance to Section 3 Business concerns
 - Job fairs
 - Divide contracts into smaller jobs
 - Provide guidance for Bonding/Insurance needs



Action Item #2

Section 3 Contractor Compliance during Construction

CONTRACTOR RESPONSIBILITIES

All hired contractors must document the labor hours performed by each eligible Section 3 employee and low-income status.

- Required documentation includes, but is not limited to the following:
 - Payroll to Document Work Hours
 - Section 3 Certification for Businesses and Workers
 - (Section 3 Worker Forms)

Income Limits:

https://www.huduser.gov/portal/datasets/homedatasets/files/HOME_IncomeLmts_State_TX_2022.pdf



Action Item #2

Section 3 Business Concerns

Section 3 Definitions

Section 3 Business Qualifications – must meet at least one of the following:

- it is owned by low-income persons (at least 51% owned and controlled); or
- Owned by Public Housing or Section 8-Assisted residents (at least 51% owned and controlled); or
- 75% of all labor hours for the business over the prior 3-month period are performed by Section 3 Workers

Businesses Can Register At:

HUD's Section 3 website: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness>



What is a Section 3 Worker?

Section 3 Definitions

The Section 3 Final Rule defines two subsets of workers for Section 3 projects:

- **Section 3 Worker** is any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented:
 - The worker is employed by a Section 3 business;
 - The income limit established by HUD (the worker is either low- or very-low income);
 - The worker is a YouthBuild participant.
- **Targeted Section 3 Worker** is any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented:
 - The worker is employed by a Section 3 business; or
 - Low- or very low-income workers residing within the Service Area (one-mile radius of the Section 3 project).
 - If fewer than 5,000 people live within that one-mile radius, the circle may be expanded outward until that population is reached or the neighborhood of the project, as defined; or
 - The worker is a YouthBuild participant.



Section 3 Service Area Map

SUBRECIPIENT RESPONSIBILITIES

The Subrecipient must first confirm the Section 3 Service Area with a Map.

- Identify the project site. The project site is the area included in the Environmental Review project description. The center point of this project site is the basis for the Section 3 Service Area.

Service Area Map

1. Identify a circle around the center of the project site with a radius of 1 mile

—NEXT—

- 2a. Population greater than 5,000 people and within one-mile

—OR—

- 2b. Population with less than 5,000 within one-mile radius (Aggregate census block group)

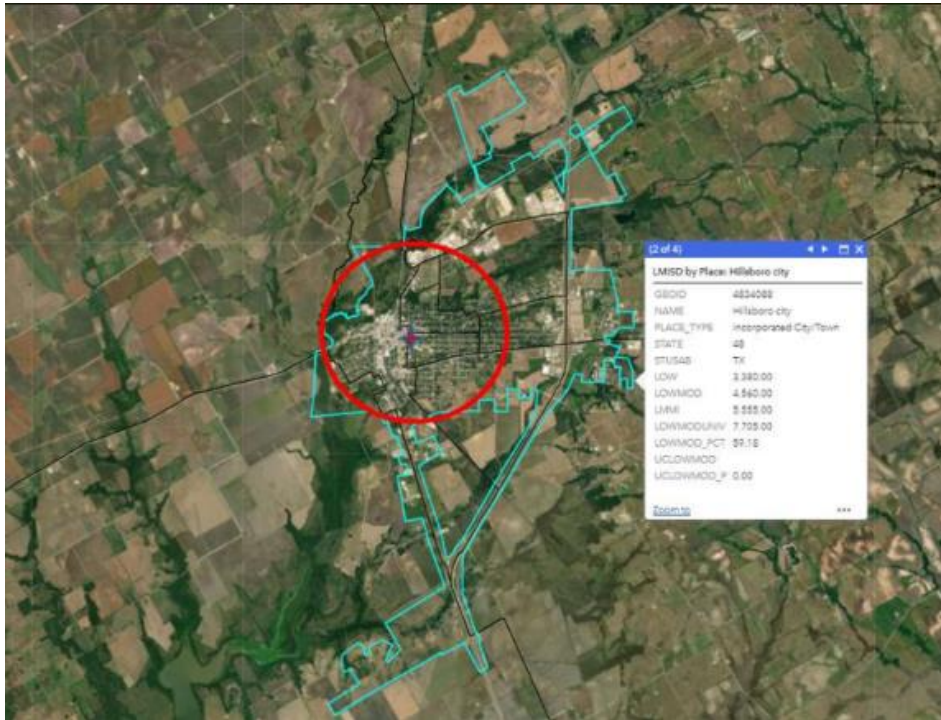
[Low- and Moderate-Income Summary Data, based on 2011-2015 ACS - Overview \(arcgis.com\)](#)



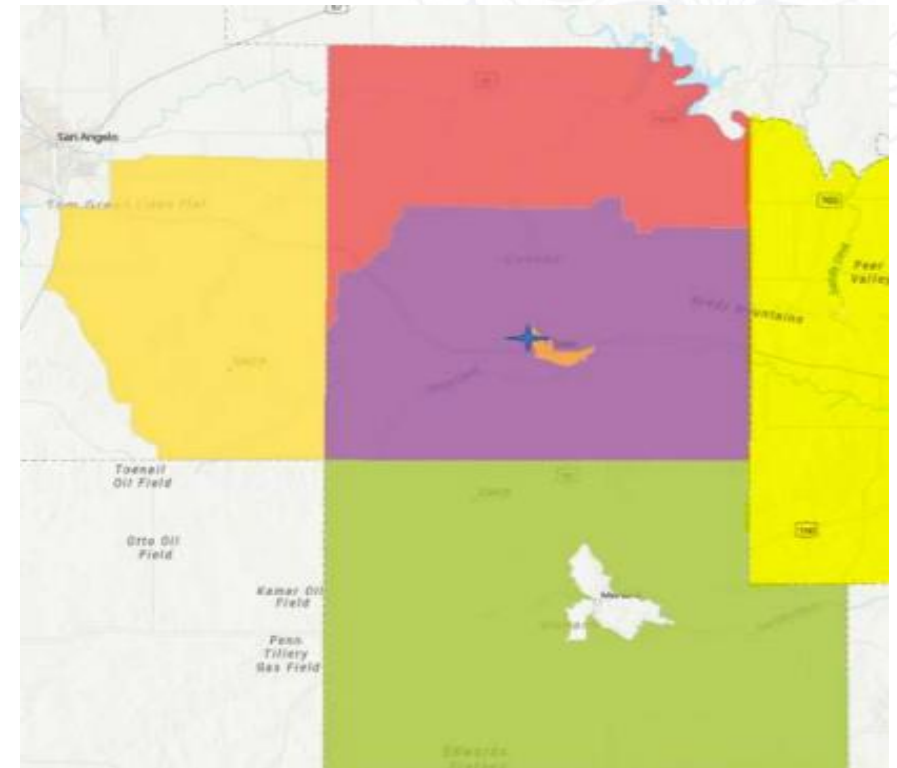
Section 3 Service Area Map

SUBRECIPIENT RESPONSIBILITIES

2a. Population greater than 5,000 people and within one-mile



2b. Population with less than 5,000 people and within one-mile

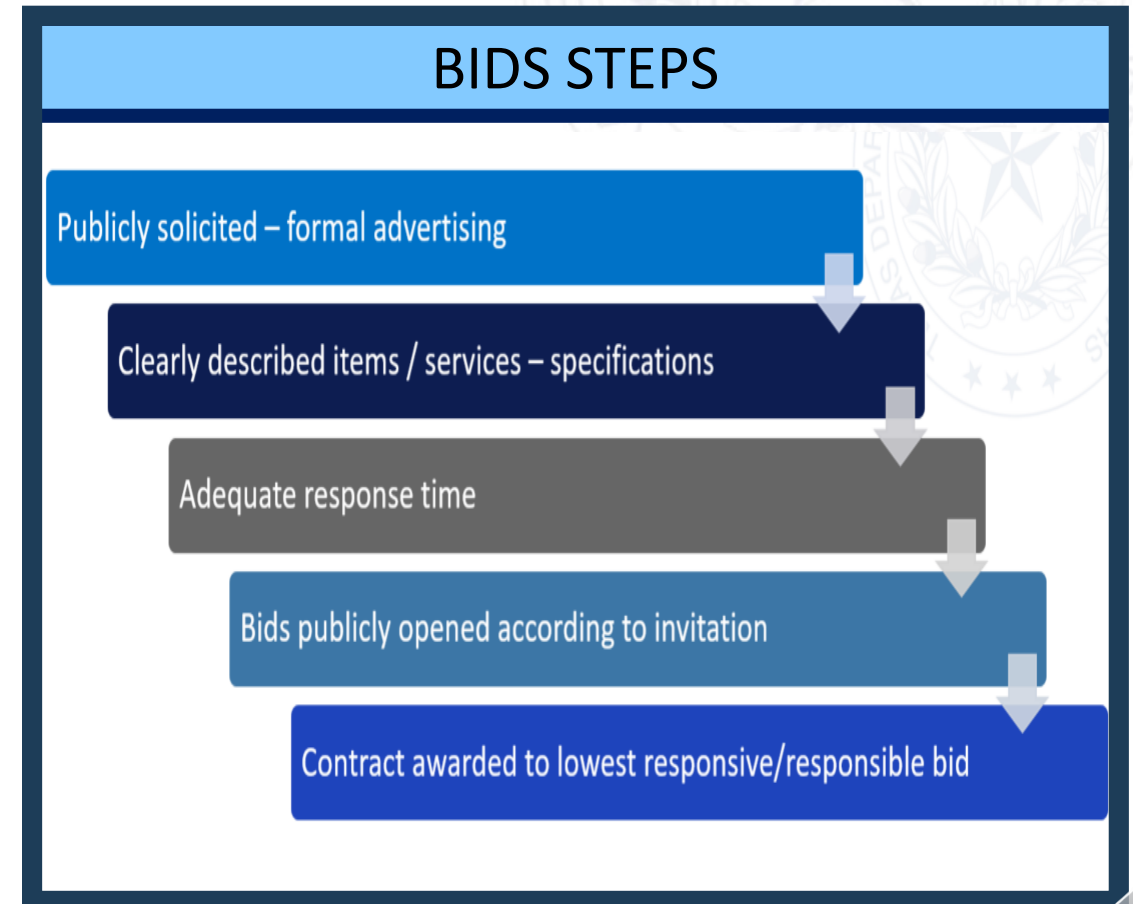


Action Item #3

Procurement and Bids

SUBRECIPIENT RESPONSIBILITIES

- Comply with procurement process for selection of Architect/Engineer professional services.
- Comply with procurement procedures for solicitation for Bids or construction request for proposals (i.e., RFP, RFQ).
- Include other HUD Federal Requirements for CDBG in your Construction Bid Publication
 - Section 3
 - Davis-Bacon Related Acts
 - Applicable DOL Wage Determination



Action Item #4

Execute Construction Contract

SUBRECIPIENT RESPONSIBILITIES

- All improvements must be constructed in accordance with Plans and Specifications prepared by the Subrecipient's registered Architect or licensed professional Engineer.
- Abide all local and State laws and Federal regulations.
- All Contractors and Subcontractors shall have required insurance
 - Worker's Compensation, Liability Insurance, Vehicle Insurance, and Performance/Payment Bonds, as applicable.

Action Item #5

Davis-Bacon (Labor Standards)

SUBRECIPIENT RESPONSIBILITIES

- All hired contractors must comply with Davis-Bacon worker wage and payroll mandates applicable to the project including requirement to pay workers weekly (every seven days)

- Submit Form DB03: TDHCA 10-Day Call (prior to Bid Open Date)
 - TDHCA approves DOL General Wage Determination in bid package
 - Official bid open date locks-in DOL Wage Rates
 - Construction Contract must be awarded within 90-days of Bid Opening

- Participation in the TDHCA sponsored Pre-Construction Conference is required.
 - Attendees must include:
 - ✓ Subrecipient
 - ✓ Labor Standards Officer (LSO)
 - ✓ Prime contractor

- All executed construction contracts must incorporate HUD Federal Labors Standards Provisions (HUD 4010) and TDHCA approved DOL General Wage Determination

Davis-Bacon (Labor Standards)

SUBRECIPIENT RESPONSIBILITIES

- **First Admin Draw**
 - Submit Form DB01: Appointment of Labor Standards Officer (LSO)
 - Appointed LSO must NOT be an employee of the construction company
- **First Project/Construction Draw**
- Release of TDHCA Notice to Proceed is required
 - TDHCA issues Notice to Proceed
 - Authorizes project start of construction
 - Receipt prior to start of construction

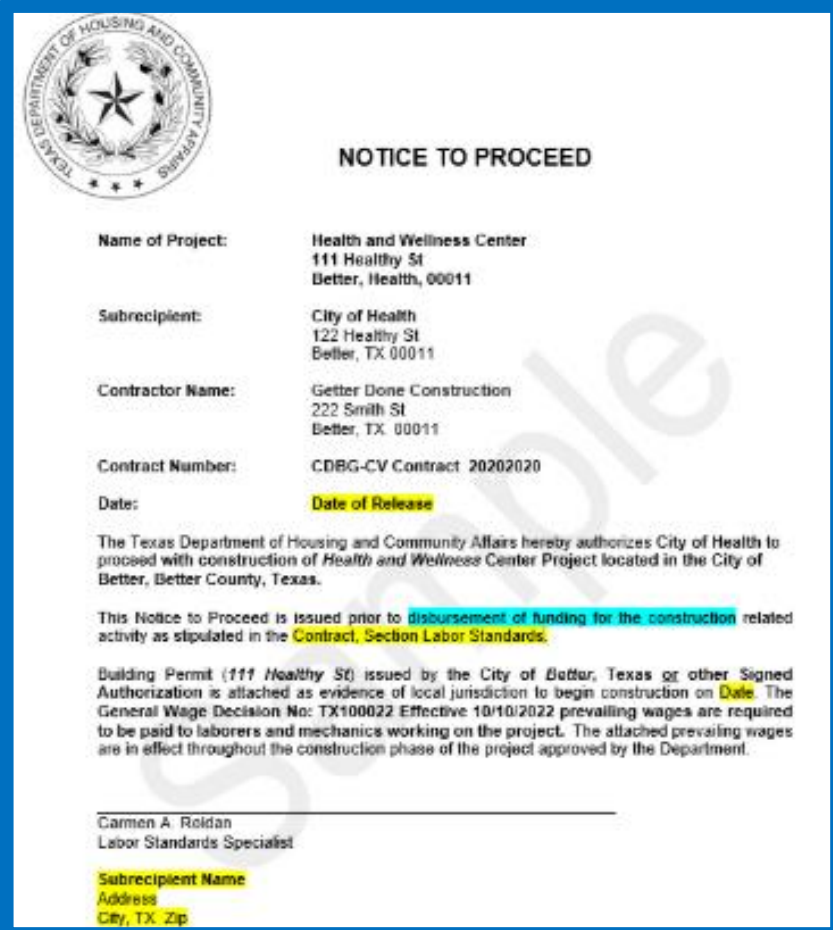
Action Item #5

Davis-Bacon (Labor Standards)

TDHCA RESPONSIBILITIES

TDHCA will issue a Notice to Proceed

- Reaffirms project applicable worker wages
- Provide copy to Prime contractor prior to project construction



The image shows a 'NOTICE TO PROCEED' form from the Texas Department of Housing and Community Affairs. The form includes a header with the department's seal and title. It lists project details such as 'Name of Project', 'Subrecipient', 'Contractor Name', 'Contract Number', and 'Date'. The 'Date' field is highlighted in yellow and contains the text 'Date of Release'. Below the header, there is a paragraph authorizing the City of Health to proceed with construction. Another paragraph explains that the notice is issued prior to the disbursement of funding and references the contract's labor standards section. A third paragraph mentions a building permit and a signed authorization. At the bottom, there is a signature line for Carmen A. Roldan, Labor Standards Specialist, and a section for the subrecipient's name, address, and city/zip, with the first three fields highlighted in yellow.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

NOTICE TO PROCEED

Name of Project: Health and Wellness Center
111 Healthy St
Better, Health, 00011

Subrecipient: City of Health
122 Healthy St
Better, TX 00011

Contractor Name: Getter Done Construction
222 Smith St
Better, TX 00011

Contract Number: CDBG-CV Contract 20202020

Date: **Date of Release**

The Texas Department of Housing and Community Affairs hereby authorizes City of Health to proceed with construction of *Health and Wellness Center* Project located in the City of Better, Better County, Texas.

This Notice to Proceed is issued prior to **disbursement of funding for the construction** related activity as stipulated in the **Contract, Section Labor Standards**.

Building Permit (*111 Healthy St*) issued by the City of *Better, Texas* or other Signed Authorization is attached as evidence of local jurisdiction to begin construction on **Date**. The General Wage Decision No: TX100022 Effective 10/10/2022 prevailing wages are required to be paid to laborers and mechanics working on the project. The attached prevailing wages are in effect throughout the construction phase of the project approved by the Department.

Carmen A. Roldan
Labor Standards Specialist

Subrecipient Name
Address
City, TX Zip

RECAP OF ACTION ITEMS

SUBRECIPIENT RESPONSIBILITIES

Administrative Requirements Prior to First Admin Draw:

- ✓ Housing Contract System (HCS) Setup
- Environmental Clearance
- Section 3 Requirements
 - Submit Service Area Map
- Labor Standards (Davis-Bacon)
 - Appoint Labor Standards Officer (LSO)



CRP Project Teams

Erica Garza

CDBG-CARES Manager

Katie Wilkison

CDBG-CARES Program Coordinator

Lauren Rabe

CDBG-CARES Program Coordinator

Raul Salazar

CDBG-CARES Manager

Allison Shurr

CDBG-CARES Program Administrator

Kendall Kauten

CDBG-CARES Program Coordinator

Fatima Andrade

CDBG-CARES Program Coordinator



Q&A Session

