

CHAPTER VIII

CIVIL RIGHTS

Introduction:

State of Missouri CDBG program grantees and those firms contracted by the grantees to be paid with CDBG funds will certify compliance with a broad range of State and Federal regulations relating to Civil Rights and Equal Opportunity. The certifications are contained in the funding approval/grant agreement between DED and the grantee. Civil rights, labor, environmental, and other compliance certifications and provisions are also contained in DED's model construction and professional services contracts for a grantee to use with contractors and subgrantees.

These various statutes and regulations are intended to protect the rights of all persons, and to prohibit discrimination against persons on the basis of race, national origin, color, religion, sex, age (only for employment discrimination), disability, or familial status. In 2012, HUD issued a rule to provide equal access to HUD programs for LGBT individuals. The Missouri Department of Economic Development is committed to the CDBG Program's civil rights objectives of fair housing, equal opportunity, and non-discrimination. Each project is monitored for compliance with the HUD/CDBG civil rights requirements. Under state law, fair housing and employment rights are protected from discrimination under Chapter 213 of the Missouri Revised Statutes.

A list and brief description of the civil rights laws applicable to the CDBG program is provided at the end of this chapter. The various civil rights laws, regulations, and executive orders apply to seven areas of a CDBG project, as itemized by section below:

- Section 1: Fair Housing
- Section 2: Contracting Opportunities – MBE/WBE/DBE/Section 3 Procurement
- Section 3: Project Contract Reporting – CR-4 Report & Section 3 Report
- Section 4: Employment Opportunities
- Section 5: LBGT Equal Access Rule
- Section 6 Project Beneficiaries – Demographic Information
- Section 7: Section 504 Program Accessibility/Disability Compliance

SECTION 1: FAIR HOUSING

Fair Housing has traditionally been a strong focus for civil rights efforts in the United States and continues to represent a key objective for both HUD and the Missouri CDBG program. CDBG grant recipients are required to adopt a fair housing ordinance. Fair Housing compliance also requires DED's grantees to take two annual official actions to educate and inform its citizens about the state and federal fair housing laws. All grantees must complete and document two types of Fair Housing actions during each 12-month period that your CDBG grant is open. The first of these official actions is one to address an identified Impediment to Fair Housing Choice. The second one is an official action to affirmatively further fair housing. DED provides suggested official actions in this section and on DED's website. Grantees must provide DED

staff with documentation of its annual actions at the monitoring visits. Below, we explain the difference between the two types of Fair Housing actions.

A. Grantee’s Annual Official Action to Address Impediments to Fair Housing Choice

Fair Housing choice means that all persons have the same access to their choice of housing in America regardless of race, color, national origin, religion, sex, disability, or familial status. An impediment to Fair Housing choice is a barrier or something that prevents a person from exercising that right or choice of housing. In 1997, the Missouri CDBG program contracted with a private consultant to perform an Analysis of Impediments (AI) study to assess the existence of impediments to fair housing choice in the State of Missouri. An update of that AI study was done by DED in 2014.

The findings from the 2014 update to the state’s 1997 AI Study indicated impediments to fair housing choice vary, but exist around the state in each of the following 6 categories:

1. Affordable Housing Shortage: A shortage of decent, safe, and sanitary housing that is affordable for LMI individuals and families exist.
 - Nimbyism persists as an impediment to the development & construction of affordable housing.
 - Lengthy waiting lists for public housing units and Section 8 vouchers and certificates persist with both local housing authorities and Section 8 contract providers.
2. A shortage of fully accessible, affordable housing for the disabled
 - Need for the promotion and construction of more universal design housing units, which are accessible by design.
 - Fair Housing Act only requires that 5% of newly constructed units be fully accessible, when the market demand may be higher.
 - Landlords of existing rental units are not always supportive of complying with “reasonable accommodation modification” request from disabled tenants; nor are the “reasonable accommodation” laws fully understood by both landlords and tenants.
3. Protected Class Status Discrimination: Familial Status and Disability received the most comments.
 - Familial Status, e.g., unwed couples, female heads of household, and, families with three or more children found their status to be an impediment to having their lease applications approved.
 - Other protected classes that were reported in the study were: familial status, race, national origin, and sex that experienced some form of discrimination. Unreported in the updated study was discrimination based on “religion” and “ancestry.”
 - Pretext: Use of pretext reasons to deny one their housing choice with rental applications, such as, poor credit history, prior eviction, criminal conviction or behavior, etc.
4. Income Variable:
 - Landlords unwilling to rent to families receiving Section 8 or other public assistance.
 - Source of income and past consumer credit problems used to deny mortgage loan applications and rental applications.

- Economically Rent Burden – rent and utilities exceeds 30% of household’s monthly income, which exceeds both HUD’s and Rural Development’s affordability standards.
5. Local Ordinances, Regulations, and Policies that cause Disparate Impact.
 - Inflexible Section 8 and Public Housing regulations
 - Cumbersome paperwork requirements for state and Federal housing programs
 - Overly restrictive local zoning and occupancy permit practices that impede affordable housing from being constructed or impede gaining an occupancy permit.
 6. Lack of knowledge/education about fair housing choice.
 - Limited knowledge of individual rights under fair housing laws
 - A majority of the persons surveyed did not know how to properly file a State or Federal fair housing complaint.

Grantees must take an official action to address one of the above identified impediments each 12-month period that your project is open. The CDBG program will continue to provide technical assistance, including a list of official actions, brochures, and documents on our website from which grantees may select an action to implement.

Please Note: that in order to achieve compliance, a grantee must complete an official action to address or to minimize one of the above identified impediment each year their project is open. For Example: To address impediment #1 above, a grantee may work with an affordable housing developer (non-for profit or for-profit) to apply for an affordable housing project under one of the following programs: MHDC LIHTC housing project; USDA RD 515 rental housing for seniors or multi-family units; or promote financial counseling and down payment assistance programs for LMI families.

Document each action that is taken by a grantee to address a fair housing impediment identified in the statewide study. A grantee may distribute and post flyers at city hall or county courthouse, post informational notices, make available informational brochures about services to address identified impediments, post online notices of workshops or forums to educate the public or a sector of the public about how to address a specific impediment(s). Maintain documentation of all official actions taken by a grantee in their project file.

For additional resource information to address impediments or to affirmatively further fair housing go to:

Metropolitan St. Louis Equal Housing and Opportunity Council, <http://ehocstl.org>

B. Grantee’s Annual Official Action to “Affirmatively Further Fair Housing”

Title I, Sec. 104(b) (2) of the Housing and Community Development Act of 1974, as amended, requires that recipients of HUD funds, including states and their grantees, to affirmatively further fair housing. This typically takes the form of promoting and publicizing information about the Fair Housing laws to the citizens of your jurisdiction. This may be accomplished by providing forums, literature, and posters to inform and to educating your citizens about the fair housing rights and laws.

Below are examples of annual official actions for a grantee to select and implement. Adoption of a Fair Housing Ordinance is a program requirement; therefore, something in addition to adopting an ordinance should be done as a fair housing furtherance action.

Suggested Fair Housing Furtherance Actions:

Provide Fair Housing Educational Materials: Develop and display informational materials to promote local awareness of fair housing laws and guidelines, such as, fair housing pamphlets, fair housing logo or link on official website, fair housing policy statements, etc. Access flyers, pamphlets, PSAs, and other resources from the Missouri Human Rights Commission's website at: www.labor.mo.gov/mohumanrights/discrimination and, www.nationalfairhousingalliance.com

1. Develop Affordable Housing: Extend affordable housing outside areas of minority concentration with programs such as a Rural Development 515 housing complex, a Missouri Housing Development Commission LIHTC housing development, or a mixed income housing development.
2. Commemorate National Fair Housing Month. April is designated as Fair Housing Month to commemorate the Fair Housing Act being signed into law on April 11, 1968. Many grantees adopt and publish a Fair Housing Month proclamation to commemorate this event. You may also host an educational program and invite a HUD fair housing staff member to speak, or a local fair housing organization speaker.
3. Publicize Changes in the Fair Housing Law. Post and publish any revisions or changes to local, state, or federal Fair Housing ordinances, resolutions, regulations, or policies.
4. Post Fair Housing Posters. Display fair housing posters in public places throughout your community, such as at city hall, the county courthouse, public libraries, housing complexes, community centers, senior centers, religious facilities, lending institutions, etc.
5. Encourage Citizen Participation. Promote active citizen participation in community efforts to improve and make known fair housing policies.
6. Encourage & Promote Equal Housing Opportunities. Offer outreach, counseling, and referral services to aid LMI persons residing in areas of minority concentration or concentrated areas of poverty to find assisted and non-assisted housing outside those concentrated areas.
7. Support Habitat for Humanity's Housing Programs. Facilitate the development of a local Habitat for Humanity chapter in your jurisdiction, or support activities of an existing local Habitat chapter. A list of active chapters in Missouri can be accessed through the national HFH website at: www.habitat.org
8. Promote Affordable Home Buying Programs & Lending Practices. Develop down payment assistance programs for LMI households. Partner with area lenders, realtors, religious organizations, and community organizations to promote the programs.
9. Educate Housing Partners. Conduct housing, credit counseling, and budgeting educational programs with prospective homebuyers and renters. Educate, members of housing-related

industries, such as, real estate agents, mortgage lenders, home builders, and home insurance companies regarding fair housing rights, laws, and responsibilities.

10. Educate Community Organizations and Citizen Groups. Develop public information and educational programs to provide fair housing information to the community. Recipients can focus these programs on the following types of groups and organizations:

- Citizen groups concerned with housing issues, such as, fair housing groups & tenant associations
- Organizations representing specific population groups such as minorities, women, LGBT groups, disabled citizens, elderly citizens, families with children, and groups or classifications of citizens that historically are known to have suffered from discriminatory practices now and in the past.
- Other local organizations such as, advocacy groups, unions, and voters' leagues

Methods which can be used to inform and involve the public in Fair Housing awareness efforts may include (but not be limited to) the following:

- Sponsoring Fair Housing educational forums.
- Canvassing the community through a mail campaign, which could involve inserting a fair housing flyer or survey in local utility bills or tax statements
- Placing a public service announcement on local radio and/or a community cable television access channel; PSAs are available from both the MCHR & HUD.
- Sponsoring a Fair Housing poster or essay contest in local schools
- Encourage local lending institutions, realtors, insurers, and other housing-related service providers to include the Fair Housing logo and policy statements in all advertising done through the internet or related means, such as Community Information Networks, local cable access channels, etc.

11. Survey the Community on Housing Concerns: Use local resources to assess public opinion about the status of fair housing in the community. Suggested contacts for this effort would include:

- Fair housing organizations
- Public/private community centers and social service facilities
- Civil rights advocacy organizations
- LGBT organizations
- Organizations representing minorities, women, senior citizens, persons with disabilities, and other protected status categories

12. Partner with Fair Housing Organizations. Provide funding for local fair housing organizations and assist with their development.

13. Assemble an inventory of available land suitable for the development of affordable and assisted housing to market to affordable housing developers.

Additional Resource:

National Fair Housing Alliance
1101 Vermont Ave. NW, Suite 710
Washington, DC 20005
<http://www.nationalfairhousing.org/>

Phone: 202-898-1661

C. Grievance Process

Grantees must establish a local grievance process for aggrieved persons to file a discrimination complaint. Within the context of the Missouri CDBG program, a civil rights discrimination complaint may only be based on one of the protected classes of: race, national origin, religion, color, sex, age (for employment only), handicap/disability (for employment & housing), or familial status regarding the denial of program-related benefits, employment, contracting, or fair housing practices. If a complaint arises, it should first be processed at the local level through the grantee's adopted grievance process. A copy of the grievance should be sent to DED. DED will wait for the local process to be completed. If a complaint is appealed to DED, we will forward the complaint to HUD, where it will be formally processed. CDBG grantees, including counties, are to have local policies in place that provides a procedure for processing Fair Housing complaints, under its adopted Fair Housing Ordinance or Fair Housing Resolution.

In addition to filing a grievance with the grantee, an aggrieved complainant has the right to file their grievance directly with the Missouri Commission on Human Rights or with HUD. If it is an employment discrimination complaint based on age or disability, it may be filed with either the Missouri Commission on Human Rights or with the EEOC. The addresses and contact information for these offices are listed below.

Civil Rights complaints relevant to the Missouri CDBG Program must allege discrimination based on race, national origin, religion, color, sex, age (employment only), handicap, or familial status pertaining to program-related benefits, employment, contracting, or fair housing efforts.

- When a written complaint is received by a grantee, it may be resolved at the local government level under the adopted Fair Housing ordinance or resolution procedure; or the complainant may send it directly to DED, the Missouri Commission on Human Rights, or to HUD.
- All complaints received by DED will be referred to the grantee's designated local intake officer for processing and resolution. If the matter is not resolved at the local level, DED will refer the complaint to the Missouri Commission on Human Rights, or, to the appropriate HUD office:

Community Development Block Grant Program
Missouri Department of Economic Development
Harry S Truman Building
301 West High Street, Room 770
PO Box 118
Jefferson City, Missouri 65102
Telephone: (573) 751-3600

Fax: (573) 526-4157

Missouri Commission on Human Rights (MCHR)

P.O. Box 1129

3315 W. Truman Boulevard

Jefferson City, MO 65102-1129

Email: mchr@labor.mo.gov

Website: www.labor.mo.gov/mohumanrights

Phone: 573-751-3325

Fax: 573-751-2905

Toll Free Discrimination Complaint Hotline

877-781-4236

Relay Missouri

Toll Free / Voice: 866-735-2466

TDD: 800-735-2966

MCHR Field Offices:

St. Louis: MCHR

111 North 7th Street, Suite 903

St. Louis, Missouri 63101-2100

Phone: 314-340-7590

FAX: 314-340-7238

Kansas City: MCHR

1410 Genessee, Suite 260

Kansas City, MO 64102

Fax: 816-889-3582

Sikeston: MCHR

106 Arthur Street, Suite D

Sikeston, Missouri 63801-5454

FAX: 573-472-5321

Springfield: MCHR

Post Office Box 1300

Ozark, Missouri 65721-1300

Fax: 417-485-6024

U.S. Equal Employment Opportunity Commission Missouri Offices (EEOC):

(1) EEOC St. Louis District Office

Robert A. Young Federal Building

1322 Spruce Street, Room 8.100

St. Louis, Missouri 63103

(800) 669-4000

(2) EEOC Kansas City Area Office

Gateway Tower II

400 State Ave., Suite 905

Kansas City, KS 66101

(913) 551-6957

SECTION 2: CDBG CONTRACTING OPPORTUNITIES

CDBG funded grantees must ensure that discrimination does not occur in the solicitation and award of contracts through the development of nondiscriminatory advertising and the direct solicitation of MBE, WBE, and Section 3/DBE contractors. Grantees must also include civil rights certifications and provisions in their contracts, and follow procurement evaluation criteria to ensure free, fair, and open competition for all CDBG funded project contracts.

Grant recipients and contractors are required to make affirmative efforts to employ minorities, women, and Section 3 individuals for project related jobs. This is accomplished by the grantee advertising any project related job in local newspapers and magazines and with organizations that serve minority and women communities as part of their procurement process.

Reporting of MBE/WBE and Section 3 Compliance Efforts

To ensure accurate documentation on a timely basis, the Missouri CDBG program has developed a Contract Procurement Record form for use in maintaining an internal record of all of your project's contracts. That form may be found on the DED website under CDBG Forms. It can be a helpful tool for completing both the Section 3 Summary Report and the Contract and Subcontract Activity (C&SAR) Report. Instructions for completing those reports are found on the back of each report form.

The following two report forms must be completed and submitted annually to DED:

- 1) Contract and Subcontract Activity Report – Submit to DED Annually on October 2nd
- 2) Section 3 Summary Report – Submit Annually to DED on October 31st

Section 3 Objectives and Reporting:

Section 3 of the Housing and Urban Development Act of 1968, as amended, provides that to the greatest extent feasible preference for economic opportunities, such as, job training and employment that arise through HUD-assisted projects, shall be directed toward Section 3 residents, and businesses. Refer to 24 CFR 135 for the Section 3 regulations.

Section 3 persons are defined as:

- a) Low and Very Low-Income (LMI) residents of public or assisted housing; or,
- b) Persons meeting the LMI income limits, who live in the grantee's jurisdiction.

Such preference shall be given first to:

- LMI residents inside the specific jurisdiction covered by the project;
- Followed by LMI residents in the county in which the project is located.

Section 3 Businesses are defined as a:

- Businesses with an ownership that represents at least 51% Section 3 residents; or,
- Businesses employing 30% Section 3 residents in full-time positions; or,
- Businesses that subcontract with other entities that provide economic opportunity to Section 3 residents; that is, 25% of the dollar amount of its project contracts will be awarded to Section 3 businesses.

There are two sources for searching for Section 3 businesses for your direct solicitation list. One source is MODOT, and the second resource is the HUD Section 3 Business Registry. It may be found at: <https://portabapps.hud.gov/Sec3BusReg/BRegistry/SearchBusiness>

NOTE: The State's list of Disadvantage Businesses Enterprises (DBE) businesses may be used to meet DED's Section 3 procurement solicitation requirements. The state's DBE list may be found on the Missouri Department of Transportation website at:

www.modot.org/business/contractor_resources/External_Civil_Rights/mrcc.htm or
www.modot.org/business/index.htm

Section 3 Compliance is applicable to a Grantee's Project when:

1. Construction contractor or professional service contractor will hire new/additional employees, and
2. Grantee's CDBG grant award exceeds \$200,000; and,
3. A contractor and/or subcontractor(s) has a contract with the grantee that exceeds \$100,000, plus the \$200,000 grant award threshold to the grantee is also met.

NOTE: Grantees are required to file a Section 3 Report annually with DED.

- Section 3 Reports are now due annually on October 31st of each year.
- THE MONTHS FOR THE REPORTING PERIOD HAS CHANGED.
 - The reporting period is now based on the Federal fiscal year, which is, for example, October 1, 2016 – September 31, 2017. It is **NO longer** based on a calendar year reporting system of January -December.
- Grantees must report ONLY on the contract(s) that a Grantee awarded during that specific Federal fiscal year reporting period.
- A grantee must report both professional service contracts and construction contracts that it awarded during that specific Federal fiscal year reporting period.
- Submit the report on the Section 3 Summary Report form, which is designated as Form HUD-60002.

Compliance with MBE, WBE, and DBE/Section 3 Solicitation Procurement Requirements

Project Related Employment: Grantees must follow equal opportunity and affirmative action guidelines when procuring contractors, and through their personnel office when hiring individual staff for your CDBG- funded project. For the latter, please refer to Section 4 Employment Opportunities in this chapter.

Direct Solicitation Lists for Contract Procurement: Develop a list of minority and female owned, and Section 3/DBE owned businesses that are to be notified of bid opportunities and to be directly solicited to bid on your CDBG project contracts. This requirement applies to both construction and professional services procurement. Below are sources to use to develop a list for direct solicitation of minority, women, and Section 3/DBE contractors:

- a) Missouri Office of Administration Office of Equal Opportunity:
www.directory.oeo.oa.mo.gov; (877)259-2963
- b) Missouri Department of Transportation:
www.modot.org/business/contractor_resources/External_Civil_Rights/mrcc.htm
or www.modot.org/business/index.htm or 888/275-6636
- c) Minority Contractors Association St. Louis, MO: www.mokanccac.org
314/454-9675; 4666 Natural Bridge; St. Louis, MO 63115; Ms. Yaphet El-Amin
- d) Hispanic Chamber of Commerce of Metropolitan St. Louis: 314/664-4432; or,
kramirez@hccstl.com Mr. Karlos Ramirez
- e) Minority Contractors Association Kansas City MO: 816//924-4441
3200 Wayne, 202, Kansas City, MO 64109; Mr. Mabins

Notify MBE, WBE, and Section 3/DBE firms of Contract Opportunities: This can be done through direct solicitation of firms, informing MBE& WBE contractor organizations, advertising

announcements in minority newspapers, and/or sending bid or RFP information directly to disadvantaged business (DBE) concerns. It is essential that all bid notices, inclusive of affirmative action efforts, be distributed in a timely fashion to all contractors that are directly solicited. Refer to the Procurement Chapter of this manual for the requirements regarding advertising and the direct solicitation of bids and RFPs for CDBG funded projects. Please refer to 24 CFR 85.36(e) Contracting with Small and Minority Firms, Women's Business Enterprise and Labor Surplus Area Firms, for guidance.

Publication Requirements - Section 3 and EO Certification and Provisions: Insert applicable Section 3/DBE and equal opportunity provisions and EO language on the face of the bid documents and RFPs (refer to the Contract Management Chapter for the detailed provisions and language). For example, the cover of the bid document and any advertisement should read, "The City/County of (Name) Is An Equal Opportunity Employer and Encourages MBE, WBE, and DBE/Section 3 Contractors to Bid"

Section 3 Contract Use-Plan Submission: Grant recipients shall require all covered bidders to submit their Section 3 proposed "use plan" in accordance with numerical goals established as a "safe harbor" for compliance with Section 3.

These include the following minimum targets:

- a. Job Training and Newly Hired Employees: A total of 30% of the aggregate number of new hires;
- b. Project Contracting:
 1. At least 10% of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction, and other public construction going to Section 3 business concerns.
 2. At least 3% of the total dollar amount of all other CDBG non-construction project contracts going to Section 3 business concerns.

Document Section 3 and EO Compliance: Maintain supporting documentation that reflects the recipient's Section 3 compliance activities, along with affirmative action and equal opportunity efforts in the areas of employment, program benefits, contracting, and housing activities. Maintain direct solicitation, advertisements, and procurement records.

Contractor Section 3 Compliance: Monitor contractor and subcontractor compliance with applicable MBE/WBE and Section 3 provisions.

- Contractor Compliance and Reporting: Obtain information from prime contractors on Section 3 accomplishments. After the project's construction is completed, the grant administrator must obtain the completed Section 3 Hiring of Additional Workers form from the prime contractor for Section 3 compliance. The prime contractor must complete the form a second time to report any hiring changes that occurred during the course of the project. That Section 3 form should be obtained prior to making the final payment to the contractor.
- The Section 3 Hiring of Additional Workers form may be found in the contract documents in the Contract Management Chapter of this manual.

- The Section 3 Summary Report and instructions may be found in the appendix of this chapter and on the DED CDBG forms website. It must be submitted annually to DED on October 31st

SECTION 3: Project Contract Reporting

Reporting of MBE/WBE and Section 3 Compliance Efforts

To ensure appropriate documentation on a timely basis, the CDBG program has developed a Contract Solicitation Record form for use in maintaining an internal record of efforts to involve target group (MBE/WBE and Section 3) businesses in a project. This can be a helpful tool in verifying solicitation of bids, price quotations, and proposals from all participating contractors and professional service providers.

The Contract Solicitation Record form may be used as a reference in completing the Contract and Subcontract Activity Report, which must be submitted to CDBG on October 2 each year for activities occurring within the previous twelve-month federal fiscal year period. Instructions for completing the report are found on the back of the report form.

The Section 3 Summary Report form is due on October 31st of each year. Similarly, it must report on contracts awarded during the prior federal fiscal year, which is from October 1 – September 30.

NOTE: HUD has now implemented a new Section 3 reporting system. You may find the Section 3 Summary Report Form 60002 on the DED CDBG Forms website.

INSTRUCTIONS FOR COMPLETING CONTRACT AND SUBCONTRACT ACTIVITY REPORT (CSAR)

Instructions by Column and Box:

1. Grantee – enter the name of the unit of government submitting this report.
2. City Location – enter street, city, state, and zip code of grantee.
3. Enter DED project number for this CDBG grant.
4. Contact person – enter name of the person responsible for completing and submitting CSAR report for the grantee to DED
5. Enter phone number of contact person & their email address.
6. Enter the Federal fiscal year reporting period (12- month period beginning October 1, 20__ - September 30, 20__).
7. Enter date the CSAR report is submitted to CDBG.
8. Grant Activity Number – enter applicable activity number from Funding Approval.
9. Amount of contract/subcontract – enter the exact dollar amount. **Make sure to report only amount of CDBG funds in this column.**
10. **Enter the date of contract award by grantee or date of execution of the contract by the grantee.**
11. HUD Ethnicity # Designation – enter the single numeric code (1 thru 6) which indicates the racial/ethnic character of the owner(s) and controller(s) of 51% or more of the business. When 51% or more is not owned and controlled by any single racial/ethnic category, enter the code that seems most appropriate. The ethnic designations must be used for subcontractors and prime contractors.
12. Hispanic – enter yes or no indicating whether or not the owner/controllers are of Hispanic origin. Yes would indicate a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
13. Female-Owned Business – enter yes or no indicating whether or not the business is female-owned. A female-owned business is one that is 51% or more owned or controlled by a female(s).
14. Section 3 Business – enter yes or no indicating whether or not the contract is with a Section 3 business. A Section 3 business is one that is either 51% owned by a Section 3 resident(s) of the grantee’s jurisdiction or county, or 30% of all full-time employees are Section 3 residents, or any project contractor that awards 25% of all its subcontracts to a Section 3 business(es).
15. Contractor Employer Identification (ID) Number – enter the Employer (IRS) number of the prime contractor as the unique identifier for the prime recipient of CDBG funds. **Note that the IRS number must be provided for each contract and subcontract awarded.**
16. Subcontractor Identification (ID) Number – enter the Employer IRS number of each subcontractor awarded a subcontract paid with CDBG funds. When a subcontractor’s IRS number is provided in column 16, the respective prime contractor’s IRS number must also be provided in column 15.
17. Contractor/Subcontractor Name and Address – enter this information for all firms receiving CDBG funded contracts or subcontracts. (The street address information needs to be listed only once per firm on the Contract & Subcontract Activity Report (CSAR)).

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any **public and Indian housing programs** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to **recipients of housing and community development assistance in excess of \$200,000** expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to **contracts and subcontracts in excess of \$100,000** awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to **employment and training**. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to **contracting**, and Part III summarizes recipients' **efforts** to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. **Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

- HUD Field Office: Enter the Field Office name.
1. Recipient: Enter the name and address of the recipient submitting this report.
 2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
 3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
 - 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
 6. Reporting Period: Indicate the time period (months and year) this report covers.
 7. Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: (Mandatory Field) Enter the number of Section 3 residents that were trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts – Self-explanatory

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/IHAs are to report all contracts/subcontracts.

* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. **Low-income persons** 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 such that variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments or 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.

SECTION 4: EMPLOYMENT OPPORTUNITIES

Grantee Employment & Contracting Requirements:

- a) **Hiring Discrimination Prohibited:** Recipients of CDBG funds must not deny the opportunity for employment in any CDBG program or activity on the basis of race, color, religion, sex, disability, age, or national origin.
- b) **Employment Records:** Statistical data must be collected on the number and percentage by race and gender of the personnel in any department, office, or agency of the unit of local government using CDBG funds to employ staff. For example, if the grant is used to pay a portion of a bookkeeper's salary in the accounting department of the city, then employment information must be available from that department when it is requested for DED's reporting requirements.
- c) **Section 3 Employment Requirement:** It requires that grantees, "to the maximum extent possible," must ensure that lower income (LMI) residents in their community receive any employment or training provided by a CDBG project. Review Section 3 Objectives in this chapter under the topic, "Contracting Opportunities." Section 3 residents are residents whose household income meets the LMI income limits, or who meet the regulatory definition of a Section 3 business concern.

SECTION 5: LGBT Equal Access Rule to HUD Programs

On March 5, 2012, HUD issued its rule entitled, Equal Access to Housing in HUD Programs regardless of Sexual Orientation or Gender Identity. The rule was issued in response to evidence of arbitrary discrimination against LGBT persons and families from housing opportunities in the private housing market, whether from rental or for sale housing.

HUD has the public policy charge of providing decent housing and a suitable living environment for all program eligible persons and families. The purpose of this rule is for HUD to ensure that its own programs do not involve discrimination against any individual or family that is otherwise eligible for HUD-assisted or HUD-insured housing and program assistance. In addition, HUD seeks to ensure that its programs and policies serve as models for equal housing opportunity for all citizens.

In this rule, HUD enunciates that families or individuals, that are otherwise eligible to qualify for HUD programs, may not be excluded because one or more members of their family may be LGBT or perceived to be LGBT. The rule applies to several HUD programs including the CDBG Program. Therefore, LGBT individuals are permitted equal access to programs, projects, and services funded with CDBG funds and may not be excluded if eligible. Grantees may not, in the administration of their CDBG funded project, exclude or discriminate against LGBT individuals and families because of their sexual orientation or gender identity.

This rule is made applicable to the HUD CDBG Program at 24 CFR 570.3 and 24 CFR 5.403 under the definition of family. In both regulations, the definition of "family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status..." Under this equal access rule, HUD makes clear that CDBG funded projects must be administered in a non-discriminatory manner with respect to providing the project's services or assistance to all eligible beneficiaries, inclusive of LGBT individuals and families.

SECTION 6: PROJECT BENEFICIARIES

In CDBG funded projects, grantee/recipients are prohibited from practicing discrimination on the grounds of age, race, color, national origin, religion, sex, handicap, or familial status. This prohibition applies directly to the grantee, subgrantee, and to all project contractors or subcontractors. The project's beneficiaries must be identified and demographic data compiled for the grantee's project file and HUD reporting requirements. Project beneficiaries may not be discriminated against on either an individual or group basis if they fall within one of the above protected classes.

CDBG projects may not be implemented in a discriminatory manner. Discrimination may not take place on either an individual or group basis, whether the beneficiary is a direct or indirect beneficiary of the project's activities.

For purposes of the CDBG program, the term **direct beneficiary** is defined as a person or family receiving a direct service (benefit) for which they are required to either complete a personal income verification form, or submit an application for the purpose of demonstrating eligibility under a particular criteria (such as meeting the LMI income limit). For example, receiving down payment assistance to purchase or to build a house from a grantee or a non-profit subgrantee would be considered a direct benefit to that individual or family.

The term **indirect (area) beneficiary** is defined as a person or family who receives a service (benefit) that is equally provided to the whole community or in a targeted part of the community. For example, street paving is considered an indirect (area) benefit, as would a new water tower or wastewater treatment system improvement because it equally benefits all who are connected to that public facility. Here, eligibility is based on a minimum of 51% of the total persons and households meeting the LMI income limits.

Replacing a water line that serves the entire community or target area would fall under the definition of an indirect (area-wide) benefit; however, providing a service line from a home to the main line of a municipal water or sewer system is considered a direct benefit to that home owner. Therefore, LMI eligibility for the service line for each household must be documented based on qualifying as LMI for CDBG funds to be used to pay for that service line.

PROJECT REPORTING: Demographic information on direct and indirect beneficiaries must be provided to DED at the time of project close-out. Refer to the close-out report forms, in the Close-out Chapter, for direct and indirect beneficiary reporting. The close-out report information is reported to HUD as part of the State's annual performance report (CAPERS). Also, the demographic information must be reported as part of the Quarterly Reports that DED must submit to HUD for projects funded with CDBG disaster funds.

SECTION 7: SECTION 504 PROGRAM DISABILITY/ACCESSIBILITY COMPLIANCE

Section 504 Rehabilitation Act Compliance

Missouri CDBG grantees are required by Federal law and program regulations to conduct a self-evaluation of accessibility to determine if their current programs, services, policies, and practices meet the requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA). This means that a CDBG program must be accessible to a person with any type of a disability accepted under the Act. A grantee must have a designated Section 504/ADA Coordinator.

CDBG MODEL SELF-EVALUATION FOR SECTION 504/ADA ACCESSIBILITY COMPLIANCE

The following technical assistance questionnaire is separated into three sections.

- Grantees who have less than 15 full time employees need only complete Part I;
- Grantees that employ 15 or more full time employees are required to complete Part I, Part II, and Part III; and,
- **All grantees** are required to complete the relevant portions of this questionnaire and maintain this information in the Citizen Participation file for public review and on-site monitoring by CDBG field staff.

How many full time employees does the grantee have? _____

Part I (to be completed by all grantees)

1. Briefly, describe your community's programs and services, including their purpose, scope, activities, and participants. The following includes examples of public services you might provide that would be covered under the Act:
 - a. Water and sewer service, or other municipal utilities such as electricity, natural gas, etc.
 - b. Parks and Recreation programs
 - c. Transportation infrastructure (streets, sidewalks, public transit, etc.)
2. Provide a brief description of the various policies that direct the operation of the programs and services you listed. Identify any current exceptions, special provisions, or separate programs designed for persons with disabilities.
3. Identify any program qualifications, eligibility, admission requirements, or licensing standards that an individual must meet that might negatively affect individuals with disabilities. For each item answered that appears to have a negative effect, include a description of action(s) planned to reduce or eliminate the disparate impact.
 - a. Do you currently provide a qualified disabled individual the opportunity to participate in, or benefit from, the aid, benefit, or service you provide? Examples might include accessibility to the spectator seating area at the city's baseball field, or the rodeo arena at the county fairgrounds.
 - b. Do you provide opportunities for participation or benefit to the disabled, equal to opportunities afforded the population at large?
 - c. Do you avoid providing different or separate aids, benefits, or services to a qualified individual with a disability unless proven necessary to make them as effective as the aids, benefits, or services provided to others?
 - d. Do you exercise due diligence to avoid assisting or contracting with any persons or entities that are known to discriminate based on disability?
 - e. Do you allow qualified disabled individuals a full opportunity to participate in all local policy planning or advisory boards? This includes providing reasonable accommodations in the scheduling of time and/or location of meetings, use of auxiliary aids including guide dogs, etc.

4. In the area of employment, describe your policies, practices, or procedures followed to ensure non-discrimination based on disability in:
- a. Public advertising of vacant positions and other job opportunities
 - b. Processing and review of applications
 - c. Testing and minimum requirements as a condition of employment
 - d. Interviewing, including responding to requests for accommodation and use of nondiscriminatory questions
 - e. Promotion/demotion, layoff/reinstatement, or transfer, including changes in compensation resulting from these actions
 - f. Job assignments/classifications and nondiscriminatory treatment by supervisory personnel
 - g. Access to benefits, including policies on use of vacation and sick leave, unpaid leave of absence, and compensatory time. Also include opportunities for training, attendance at conferences, or other supported activities, including recreational or social programs, health and insurance benefits, etc.
 - h. Process for considering a request for a reasonable accommodation on the job, including method of determining whether an individual with a disability is capable of performing the essential functions of a particular job with or without a reasonable accommodation
5. To insure that your communication with disabled applicants, participants, and members of the public are as effective as communications with non-disabled individuals, the grantee should address the following:
- a. If any written materials are produced on a program or service, indicate whether the following alternative formats are provided:

1. Audio tape	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Braille	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Reader	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Aide	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Mailed to home	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. Large print format	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Interpreter	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. Other assistance	<input type="checkbox"/> Yes	<input type="checkbox"/> No
 - b. How would a disabled person learn about these auxiliary aids and services, and how could they request such assistance from you?
 - c. How will you ensure that meetings, hearings, and conferences are accessible for individuals with communication disabilities?
 - d. Do you currently offer TDD (telecommunication device for the disabled) access within your communications system?
 - e. Is 911 or E-911 emergency service offered within your jurisdiction? If so, is there a TDD connected to your system?

- f. Do you have a toll-free phone number to access services and programs? If so, is it usable by persons with hearing impairments?
- g. Do you have any public telephones located within your facilities? If so, is at least one phone hearing aid compatible?
- h. If you determine that equally effective communication cannot be provided, you must include a statement in your self-evaluation explaining why the service, program, or activity would be fundamentally altered or result in undue financial and administrative burdens. You must also include a description of alternative actions that will be taken to provide the benefits or services to the maximum extent possible.

Part II (to be completed by grantees with 15 or more employees)

1. Do you have a policy regarding non-discrimination on the basis of disability that is in compliance with CDBG requirements? Yes No

If you answered No to this question, you may contact the CDBG office for a sample policy and initial notice. If you answered Yes to this question, have you published a notice regarding this policy? (Please include the publication date.)

2. Is a copy included in the appropriate project files with your self-evaluation and other related documentation? Yes No

3. Does your Notice of Nondiscrimination include the following:

- a. Contact information for your 504/ADA coordinator Yes No
- b. How to request auxiliary aids or other services Yes No
- c. That alternative formats are available Yes No
- d. That a complaint grievance procedure has been adopted Yes No

4. Do you have a grievance procedure? Yes No

If you answered No, then you must adopt one for successful completion of this project. You may contact the CDBG office for a sample copy.

If you answered Yes, does it include the following?

- a. A statement allowing an individual to submit a grievance in alternative formats Yes No
- b. A time limit for filing a grievance procedure Yes No
- c. Information on how to also file a complaint through appropriate State or Federal agencies Yes No

Part III Section 504 Accessibility Transition Plan (to be completed by grantees with 15 or more employees)

Please complete the attached Section 504 Transition Plan Outline for EACH publicly owned or publicly leased facility in your jurisdiction.

I have reviewed the above self-evaluation and believe it to be accurate as of this date.

Signature, Chief Elected Official

Date

SECTION 504 ACCESSIBILITY TRANSITION PLAN

- Complete a Plan page for each publicly owned or publicly leased facility.

Date: _____

Name of person completing this form: _____

Title: _____

Phone Number: _____

E-Mail Address: _____

Name and address of facility:

Necessary structural changes (if needed):

Type of action to be taken:

Person responsible for overseeing action:

Projected start date for action:

Projected completion date for action:

Projected cost for completing project:

NEW: Alternative Accessibility Standard Allowed Under Section 504 of the Rehabilitation Act of 1973

On May 27, 2014, HUD announced an alternative accessibility standard to the Section 504 accessibility standard. It announced that developers may use the American with Disabilities Act (ADA) 2010 Standards for accessible design as an alternative to the Uniform Federal Accessibility Standards (UFAS) when undertaking new construction or alterations to existing structures on or after May 23, 2014, except for specific design provisions where the UFAS standard affords greater accessibility.

Under Section 504, HUD requires that its programs or activities that are paid for with HUD funds be readily accessible to and usable by persons with disabilities. Section 504 prohibits discrimination on the basis of disability in any program or activity that receives Federal financial assistance from the Department. Section 504 specifically prohibits the denial of benefits of, exclusion from participation in, or other discrimination against qualified individuals with disabilities in Federally assisted programs or activities because a grantee's facilities are inaccessible to or unusable by individuals with disabilities. The regulation requires that the design, construction, and alteration of projects meet physical accessibility requirements.

Prior to May 27, 2014, this meant compliance with the UFAS accessibility standards when using HUD funds. Now, it means that the 2010 ADA Standards may be used as an alternative, except where the UFAS standards provides for greater accessibility.

For more information go to: www.hud.gov

SECTION 504/ADA GRIEVANCE PROCEDURE

The *City/County* of _____ has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by the Americans With Disabilities Act (ADA) and implementing Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. 794). Section 504 states, in part, that “no otherwise qualified individual with a disability.....shall, solely by reason of her or his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.”

1. Complaints should be addressed to _____, who has been designated by the *City/County* to coordinate Section 504/ADA compliance efforts. Complaints should be filed in writing or verbally, contain the name and address of the person filing it, and briefly describe the alleged violation of the regulations.
2. A complaint should be filled within 10 days after the complainant becomes aware of the alleged violation. (Processing allegations of discrimination that occurred before this grievance procedure was in place will be considered on a case-by-case basis.)
3. An investigation, as may be appropriate, will follow a filing of a complaint. The Section 504/ADA Coordinator will be in charge of the investigation. These rules contemplate informal but thorough investigations that afford all interested persons and their representatives an opportunity to submit evidence relevant to a complaint.
4. A written determination as to the validity of the complaint and a description of the resolution, if any, will be issued by the Section 504/ADA Coordinator and a copy forwarded to the complainant no later than 30 days after its filing.
5. The Section 504/ADA Coordinator will maintain the files and records of the *City/County* relating to the complaints filed.
6. The complainant can request a reconsideration of the case in instances where he/she is dissatisfied with the resolution. The request for reconsideration should be made within 10 days to the *Mayor/Presiding Commissioner*.
7. Using the grievance procedure is not a prerequisite to the pursuit of other remedies, including the filing of a Section 504 or ADA-related complaint with the responsible Federal department or agency.
8. These rules will be construed to protect the substantive rights of interested persons, meet appropriate due process standards, and assure that the *City/County* complies with the ADA, Section 504 and all implementing regulations.

This procedure was adopted by the *City/County* of _____ on the _____ day of _____, 200__.

Mayor/Presiding Commissioner

Attest

SUMMARY OF PROGRAM REQUIREMENTS

The following actions must be taken by all grantees, including counties, in the area of civil rights, fair housing, and equal opportunity:

1. **Fair Housing Ordinance**: Develop and enact a local fair housing ordinance that is substantially equivalent to current Federal fair housing law and provides an effective enforcement mechanism to which local resources are committed. DED has a model ordinance on our website for your use.
2. **Excessive Force Ordinance**: Develop and enact local laws, or guarantee enforcement of existing policies, prohibiting the use of excessive force by law enforcement personnel, within the grantee's jurisdiction, against non-violent civil rights demonstrations. This policy should also include a prohibition against the physical barring of the entrance or exit to a facility or location that is the subject of such demonstration.
3. **Annual Official Action to Address an Impediment**: Plan and implement an official action on an annual basis, by the annual date of funding approval, to address one of the states identified impediment to fair housing choice within the grantee's jurisdiction.
4. **Annual Official Action to Affirmatively Further Fair Housing**: Plan and implement an official action on an annual basis, by the annual date of funding approval, to affirmatively further fair housing within the grantee's jurisdiction.
5. **Section 504 Compliance**: Applies to CDBG program accessibility, and project employment and contracting. Complete the Section 504 self-evaluation in this chapter. If the grantee has more than 15 employees, complete the Accessibility Transition Plan. Take the necessary local action(s) to create full accessibility to all publicly owned or leased facilities of the grantee. Reduce or eliminate any disparate impact to disabled citizens and meet the requirements of the ADA Act.

DED staff are able to provide sample ordinances/resolutions and technical assistance materials that can be used as a guide in developing and implementing appropriate local policies.

DED MONITORING

The DED staff will monitor for program compliance through site visits reviews to the project. Your DED field representative will use the Equal Opportunity/Civil Rights monitoring checklist, in the Program Administration Chapter of the CDBG Administrative Manual, to review grantee compliance.

Please have the following records in your project files:

- Grantee's annual official actions taken to address/reduce an impediments to fair housing choice
- Grantee's annual official actions taken to affirmatively further fair housing
- List of MBE, WBE, and Section 3/DBE firms directly solicited to bid for construction and professional service contracts
- Equal opportunity statements on construction bid(s), RFP/RFQs, and related advertising
- Develop a written Section 3 affirmative action plan for all grants of \$200,000 and above
- Section 3 employment efforts and business utilization report forms from contractors
- Annual Section 3 Summary Report due on October 31st of each year that a project is open
- Annual Contractor & Subcontractor Activity Report (C&SAR) due on October 2nd of each year
- Discrimination complaints (if any) and their resolution

****CIVIL RIGHTS HELPFUL HINTS****

- ❖ Develop a list of MBE, WBE, DBE, & Section 3 firms to directly solicit for the project's construction and professional services bids & proposals
- ❖ Make sure your construction contractors complete the Section 3 contract forms
- ❖ Submit Contractor and Subcontractor Activity Report annually on October 2nd
- ❖ Submit Section 3 Summary Report annually on October 31st
- ❖ Include civil rights certifications in all project contracts; in both the construction and the professional services contracts
- ❖ An activity to **affirmatively further fair housing** is not the same as an action intended to **reduce impediments to fair housing choice**. Therefore a grantee must do one official actions each year that their grant is open of both types of fair housing actions
- ❖ Grantees may use Missouri Commission on Human Rights Fair Housing website for examples of annual official actions to affirmatively further Fair Housing
- ❖ Document all direct and indirect project beneficiaries on the Close-out Report forms

NOTE: The 2016 Assessment of Fair Housing (AFH) requirements for State CDBG Programs might be announced by HUD later this year.

- HUD issued a new Fair Housing Rule that will replace the Analysis of Impediment (AI Study) to Fair Housing Choice. It is termed an Assessment of Fair Housing (AFH)
- HUD is developing a AFH process for State CDBG programs
- DED will notify grantees and administrators of the new requirements after they are issued by HUD.
- HUD implemented a new Section 3 Online Reporting System in 2015. Submit your project's annual Section 3 Report on October 31st to your DED Field Rep so that we may complete our annual Section3 Report to HUD.

SUMMARY OF CIVIL RIGHTS LAWS, EXECUTIVE ORDERS, AND REGULATIONS

Civil Rights Laws & Executive Orders Applicable to the CDBG Program:

CDBG grantees must assure that all project activities will be administered in compliance with civil rights laws and regulations. The following are summaries of those parts of the civil rights laws, regulations, and executive orders that are applicable to CDBG funded projects:

1. Fair Housing Act – Title VIII of the Civil Rights Act of 1968, as amended. Prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing related transactions, based on race, color, national origin, religion, sex, disability, and familial status, including children, under the age of 18 living with parents, legal custodians, pregnant women, and people securing custody of children under the age of 18.
2. Sections 104(b)(2) and 106(d)(5)(B) of Title I of the Housing and Community Development Act of 1974, as amended – provides that CDBG funds may not be distributed to a grantee, local unit of government, until they certify that it will conduct and administer its program in conformity with the Civil Rights Act of 1964 and the Fair Housing Act, and that it will affirmatively further fair housing.
3. Executive Order 12892 – requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort.
4. Title VI of the Civil Rights Act of 1964, as amended – Prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance, here CDBG funds.
5. Section 519 of Public Law 101 - 144 (1990 HUD Appropriations Act) requires each unit of local government that receives Title I funds to adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations.
6. Section 906 of the Cranston-Gonzales National Affordable Housing Act, as amended by subsection 104(1) of the Housing and Community Development Act of 1974 – no CDBG funds may be obligated or expended to any unit of general local government that fails to adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations or fails to adopt and enforce a similar policy of applicable state and local laws against physically barring entrances to or exits from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

7. Section 109 of Title I of the Housing and Community Development Act of 1974 – Prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance under Title I of the Housing and Community Development Act of 1974. Here, a grantee’s receipt of CDBG program funds.

8. Section 503 of the Rehabilitation Act of 1973, as amended – provides for nondiscrimination in contractor employment. All recipients of federal funds must certify Affirmative Action for handicapped/(disabled) workers for all project contracts and include the following certifications:
 - a. The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action steps to employ, advance in employment, and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices, such as employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
 - b. The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
 - c. In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor pursuant to the Act.
 - d. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notices shall state the contractor's obligation under the law to take affirmative action steps to employ and advance in employment qualified handicapped employees and applicants for employment and the rights of applicants and employees.
 - e. The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the contractor is bound by the terms of Section 503 of the Rehabilitation Act of 1973 and is committed to take affirmative action steps to employ and advance in employment physically and mentally handicapped individuals.
 - d. The contractor will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

9. Section 504 of the Rehabilitation Act of 1973 – Prohibits discrimination based on disability in any program receiving federal financial assistance. Here, a grantee’s receipt of CDBG funds.

10. Title II of the Americans with Disabilities Act of 1990 – Prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing assistance and housing referrals.
11. Architectural Barriers Act of 1968 - The Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped/disabled persons.
12. Age Discrimination Act of 1975 – Prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
13. Title IX of the Education Amendments Act of 1972 – Prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.
14. Executive Order 11246, as amended - Bars discrimination in all phases of federal employment because of race, color, religion, sex, or national origin during the performance of a federal or federally assisted construction contract.
15. Executive Order 12898 – Requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.
16. Executive Order 13166 – Eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.
17. Executive Order 11063, as amended – Directs all departments and agencies to take all action necessary and appropriate to prevent discrimination in housing and related facilities owned or operated by the Federal Government; or provided with Federal financial assistance; or provided with insured or guaranteed federal loans; or eliminate discriminatory lending practices with respect to such residential property and related facilities, including land to be developed for residential use, insofar as such practices relate to loans insured or guaranteed by the Federal Government.