

Section 3 of the HUD Act (24CFR Part 135) is a beautiful piece of legislation. It was enacted in 1968 in response to the first Watts Riot of 1965. It was later enhanced after the 1992 Rodney King Riot. It requires recipients of HUD funding i.e. states, cities, housing authorities, counties, etc. to employ people living in public housing or under the poverty level to have preference on new jobs. Up to 25% of new HUD funded jobs should go to Section 3 residents via contracting Section 3 businesses on HUD funded projects. The intent is so American. Funding economic development and affordable housing for those in need should also offer employment to assist those in getting out of that public need. There was just one big problem with this program - no one was complying with it.

The National Black Chamber of Commerce saw this as a big opportunity. When the NBCC was founded in May, 1993, only two communities in the entire nation were complying with Section 3. We saw it as a primer with our newly started local chapters. We brought cities like Peoria, Buffalo, Charleston, Columbus, Indianapolis, Louisville, San Francisco, etc. into compliance. Over the last 15 years through our advocacy we have brought billions of dollars into the Black business community and over 100,000 career jobs for those formerly living under poverty. We are extremely proud of this. Some cities came willingly and others had to come kicking and screaming with labor union interference but most have come just the same.

There was one city that was extremely combative and rigid in a discriminatory pattern against Blacks, Hispanics and especially people living under the poverty level. This was and is Jacksonville, Florida. It is truly a piece of the old South when it comes to diversity. We have been wrestling with this city from the beginning. In October, 1993, we had a member file a formal Section 3 Complaint. James Alford (a distant relative) filed the complaint on behalf of his construction company, Alfair Development Co. on October 19, 1993.

Section 3 complaints are supposed to be resolved within 180 days. However, after nearly two years HUD ruled in favor of Alfair Development Co. They made the City of Jacksonville pay the company \$20,000 for the pain of being excluded from HUD funded contracts because there was no Section 3 Contractors List published and promoted by Jacksonville. Also, and most importantly HUD required Jacksonville to begin complying with Section 3 and include Alfair and all other local Section 3 companies in the program. This agreement was dated July 25, 1995.

Stunningly, Jacksonville did not lift one finger towards complying with Section 3. We brought the late Arthur Fletcher, Father of Affirmative Action, and principals from the Honorable Parren J. Mitchell's organization MBELDEF, to plead with the elected officials of this city. None of

them, white or Black, paid any attention to us. The City, under Federal pressure, even had a Disparity Study done with aggressive recommendations. They ignored it. The local NAACP told us to get out of town. So on June 21, 2003, James Alford filed another complaint. This time complaining that nothing had been done to comply with Section 3 as a finding from the original complaint. It is total arrogance from a city that gets millions of dollars from HUD each and every year.

On August 23, 2006, HUD ruled: "After review of the complaint and evidence, the Department has determined that the City failed to comply with the 1995 binding resolution by not notifying the complainant about contracting opportunities....ensure that contractors and subcontractors complied with Section 3...notify other Section 3 business concerns about contracting opportunities...award contracts to Section 3 business concerns and provide preference for Section 3 business concerns in contracting opportunities." HUD also said, "If informal attempts to resolve the complaint fail, a resolution will be imposed. Sanctions for violation of Section 3 regulations include limited denial of participation in HUD programs, suspension and debarment."

It's been over 13 years and its time to play some serious "hardball" with a City of Bigotry - Jacksonville. How can elected officials whose charge is to protect the needy and provide opportunity for them be so cold and callous? HUD should freeze their funding until they give into the Civil Rights Act and equal opportunity. The NBCC is considering a class action lawsuit on behalf of the residents of public housing and Section 3 contractors. This Jim Crow or Spirit of Apartheid must go now and forever more. Let's draw the line in the sand at Jacksonville. No city this size should be allowed to openly discriminate.

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