



Section 3 Policies and Procedures for Recipients of HOME and/or HTF Program Funds

*West Virginia Housing Development Fund
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OVERVIEW

The West Virginia Housing Development Fund (the Fund) and the entities to which it provides HOME and HTF funds (collectively Federal funds) must comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (Section 3). Section 3 requires that economic opportunities that are generated by the use of Federal funds be made available to low- and very low-income persons that reside in the project's service area and the businesses that employ them, to the greatest possible extent. Section 3 establishes goals for (1) job training and employment opportunities for any new hires that result from the investment of Federal funds, and (2) contracting and subcontracting opportunities that result from Federal fund investments.

These procedures summarize the Section 3 requirements and describe how the Fund implements them. They outline what the Fund and its housing partners must do to comply with Section 3 and identify the record-keeping and reporting requirements that funded entities must conduct.

Resources on Section 3

- The Section 3 implementing regulations (at 24 CFR part 135) can be found at, http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12047.pdf
- HUD' Fair Housing and Equal Opportunity Office maintains a Section 3 website that provides detailed guidance and updated policy guidance on Section 3 at, http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_op/p/section3/section3

SUMMARY OF THE SECTION 3 REQUIREMENTS

The Section 3 regulation identifies who is subject to the Section 3 requirements, to what projects these requirements apply, and how funded entities can comply, as follows:

Entities that Are Subject to Section 3

The Fund is subject to the Section 3 requirements, as are all the entities that receive Federal funds from the Fund. This includes contractors, subcontractors, developers (including community housing development organizations), owners, and sponsors (collectively Recipients).

Determining Section 3 Applicability

Section 3 applies only to projects of a certain scope and size (in terms of monetary threshold) and is triggered when these thresholds are met and **new** hiring and/or contracting opportunities are generated by the use of Federal funds.

- Scope. Section 3 requirements apply to projects that involve work arising in connection with the construction or rehabilitation of a Federally-funded project, regardless of how the Federal funds are actually spent. Section 3 requirements do not apply to projects that do not involve rehabilitation and new construction, such as direct homebuyer assistance for the purchase of standard housing, or tenant-based rental assistance programs.
- Dollar Thresholds. Section 3 applies when these thresholds are met:
 1. The Fund receives more than \$200,000 in Federal funds and invests any amount of these funds to carry out new construction or rehabilitation activity (including demolition and lead-based paint abatement).
 2. A contractor/subcontractor of a project receives a contract for \$100,000 or more in Federal funds. Note, once it is determined that Section 3 applies to a project, the Section 3 requirements apply to **all** contracts over \$100,000, including those that are not funded with Federal funds.

Key Section 3 Requirements: Hiring and Contracting Goals

Section 3 establishes **minimum** numerical goals related to employment and contracting on eligible HUD-assisted projects.

- Job training and employment
 - A minimum of 30 percent of the aggregate number of new hires for a Section 3 project should be Section 3 residents (low- and very low-income residents of the area, as defined below) for each year for the duration of the project. Section 3 does not encourage or require employers to hire persons that are not qualified for the job.

- **Contracting**

- A minimum of 10 percent of the total dollar amount of **construction-related contracts** should be with Section 3 business concerns (as defined below).
- A minimum of 3 percent of the total dollar amount of **non-construction contracts** should be with Section 3 business concerns.

Definitions and Preferences: Section 3 Resident and Section 3 Business Concern

The Recipient must verify that the residents and businesses it employs and contracts with meet the HUD definitions in order to be “counted” towards the Section 3 goals. A self-certification is an acceptable form of verification (see Exhibits 2-D and 2-E).

Section 3 resident includes any low- or very low-income individual who resides in the metropolitan area or non-metropolitan county in which the Federal funds are expended. A family is low-income when its annual gross income is less than or equal to 80 percent of the median income for the County or the Metropolitan Statistical Area, whichever applies. It is very low-income when its annual gross income is less than or equal to 50 percent of the area median income.

Within the pool of Section 3 residents, where feasible, priority consideration should be given to:

- Category 1: Section 3 residents residing in the service area or neighborhood in which the Section 3 covered project is located. The service area cannot extend beyond the unit of general local government in which the Federal funds are expended.
- Category 2: Participants in HUD Youthbuild programs.
- Category 3: Where the Section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the Section 3 covered project is located shall be given the highest priority.
- Category 4: Other Section 3 residents, that is, low-income residents of the metropolitan area or non-metropolitan county who do not reside in the neighborhood, as defined in Category 1.

Section 3 business concern is a business that meets one or more of the following criteria:

- Is 51 percent or more owned by Section 3 residents.
- Has 30 percent or more permanent full-time employees that are currently Section 3 residents or were Section 3 residents within three years of the date of first employment with the business.
- Provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to business concerns that meet the qualifications in the first and second bullet points above.

Within the pool of Section 3 business concerns, HUD requires the Fund and its partners to implement the following preferences:

- Category 1: Section 3 business concerns that provide economic opportunities for Section 3 residents in the neighborhood in which the HOME-funded project is located.
- Category 2: Applicants selected to carry out HUD Youthbuild programs.
- Category 3: Other Section 3 business concerns.

Compliance with Section 3

The Fund and its housing partners who are subject to Section 3 requirements must meet the numerical goals for employment and contracting opportunities to Section 3 residents and Section 3 business concerns to the greatest extent feasible. When the Fund or its housing partner meet the minimum numeric Section 3 goals for hiring and contracting, it demonstrates to HUD's satisfaction that it is in compliance with Section 3, absent any evidence to the contrary. This is a "safe harbor."

However, when the Fund or its housing partner is unable to meet these numeric goals, it is the responsibility of the Fund to demonstrate to HUD that it made all reasonable efforts to meet the goals, and to justify in detail why it was not feasible. HUD evaluates the Fund based on its assessment of the efforts that the Fund (and/or its housing partners) took to meet the hiring and contracting requirements and the impediments incurred despite actions taken.

SECTION 3 PROCEDURES FOR FEDERALLY FUNDED RECIPIENTS

The Fund has established the following procedures to ensure that its recipients of Federal funds comply with the federal Section 3 requirements.

A Recipient includes any entity that receives Federal funds from the Fund – directly, or indirectly through other entities -- that are subject to Section 3. This includes contractors, subcontractors, developers (including community housing development organizations), owners, and sponsors.

1. The Fund when receiving over \$200,000 in Federal funds for rehabilitation or new construction programs must comply with Section 3 in its own operations and must ensure compliance by its contractors and subcontractors.
2. Each Recipient that is subject to Section 3 will adopt and implement a Section 3 Plan of action (see Exhibit 2-B) provided by the Fund. The Plan will:
 - Describe the Section 3 requirements and contracting and hiring goals.
 - Identify the project neighborhood boundaries and describe the hiring preferences.
 - Outline the steps that must be taken to ensure that Section 3 residents and business concerns are made aware of any opportunities generated by the use of Federal funds.
 - Identify the staff person(s) responsible for administering and enforcing Section 3 ("Section 3 coordinator").
3. The Fund will identify those projects/contractors that are subject to Section 3 and oversee the Section 3 implementation. This will include:
 - Require that contractors and subcontractors that receive \$100,000 or more to complete a Section 3 Plan of Action. (See Exhibit 2-B). As part of this Plan of Action, the contractor will identify the proposed subcontracting and new employment opportunities. (See Exhibits 2-C & 2-D)
 - Monitor the hiring and contracting activities related to the program/project.
4. For any Recipient receiving Federal funds from the Fund for work connected to new construction or rehabilitation, if the Recipient hires any new employees or issues any new contracts, then it must comply with Section 3 hiring and contracting goals to the greatest extent feasible and must document its efforts. The Fund adopts the federal Section 3 goals of:
 - 30% of all new hires shall be Section 3 residents
 - 10% of all construction-related contracts will be issued to Section 3 business concerns
 - 3% of all non-construction related contracts will be issued to Section 3 business concerns.

5. The Recipient will inform its contractors and subcontractors of Section 3 covered projects of the Section 3 requirements and hiring/contracting goals. The Recipient will provide a copy of these procedures to potential contractors and subcontractors and review these obligations at pre-bid meetings for potential bidders.
6. The Recipient must conduct outreach to notify potential Section 3 residents of training and employment opportunities generated by the investment of the Federal funds. At a minimum, the Recipient must (1) publish a Notice in the local newspaper to solicit Section 3 residents as a display advertisement; and (2) notify the Workforce West Virginia of all job openings. Exhibit 2-A provides a sample of the notice. The Recipient must retain documentation of these efforts – i.e., retain a copy of the advertised notice in its files and note the publication date(s); and, retain a copy of correspondence to the Workforce West Virginia.

Other optional outreach methods include: expanding advertising of employment and training programs via social media and in the project neighborhood; contacting community action agencies, health and human service providers, faith-based entities, public housing resident councils, or other entities that serve low-income residents of the neighborhood; sponsoring or establishing training and employment programs for Section 3 residents.

7. The Recipient shall notify Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance. At a minimum, the Recipient must publish a notice in the local newspaper to solicit Section 3 residents as a display advertisement. The Recipient must retain a copy of this advertisement in its files. Exhibit 2-A provides a sample of this notice.

Other optional outreach methods include: contacting any and all known Section 3 businesses, developing a Section 3 business communication network; expanding advertising to and/or contacting local chambers of commerce, small business associations, state and local economic development associations, minority contracting associations, or community organizations to seek their assistance in identifying, recruiting, and assisting any potential Section 3 business concerns.

8. The Recipient must collect and retain the names of all responding businesses and job seekers and provide them to all potential bidders and contractors.
9. All recipients must include, verbatim, a copy the Section 3 Clause in all solicitations and contracts as required in Section 24 CFR 135.38. This clause is provided as Exhibit 1.
10. Upon award of Federal funds, the Recipient will ask contractors and subcontractors that are subject to Section 3 to execute a Plan of Action that specifies the contractor/subcontractor, Section 3 obligations and documents their understanding of the Section 3 requirements. Exhibit 2-B provides a model of this Plan of Action.
11. The Recipient must secure and retain documentation that the new hires that are “counted” as Section 3 residents meet the income and residency requirements imposed by Section 3. The Recipient must ask the applicant/employee to self-certify its eligibility using the household income survey form provided as Exhibit 2-D. The Fund should review these forms to verify income and residency eligibility, using current HUD income

limits and the neighborhood boundaries of the project in order of federal preference (described above). **Income Limits are located at www.wvhdf.com**

12. The Recipient must secure and retain documentation that any Section 3 business concerns that it will “count” in its Section 3 contracting and subcontracting goals meet the federal definition of a Section 3 business concern. The Recipient should ask the head of the business to complete Exhibit 2-E to self-certify its eligibility. The Recipient should review these forms to provide for completeness and accuracy.
13. The Recipient must document all efforts to attain the annual numerical goals (30% of new hires, 10% of construction contracts, and 3% of non-construction contracts).
14. To the extent a Recipient fails to meet the Section 3 numerical goals, it must demonstrate/document that it has taken all feasible steps to comply. The Fund and HUD expect that the Recipient undertake more than the minimally required steps outlined here. In addition to the optional outreach efforts listed above, the Recipient might consider undertaking the following:
 - Designating a Section 3 Coordinator for the project to solicit qualified employees and contractors.
 - Maintaining a directory of Section 3 businesses in the jurisdiction for future use.
 - Working with economic development agencies in the jurisdiction to train and/or recruit qualified persons and entities to these public sector opportunities.
15. Submit annual report to the Fund on form Section 3 Summary Report. A sample of this form is provided as Exhibit 3.
16. Recipients must facilitate Section 3 compliance by developers, contractors, and subcontractors by providing information and guidance as needed. The Fund's HOME Regulatory Specialist is available to assist all recipients in meeting the Section 3 goals.

EXHIBITS TO SECTION 3 PROCEDURES

Exhibit 1: Certificate of Section 3 Compliance & Section 3 Clause (insert in all contracts subject to Section 3) **3.28a**

Exhibit 2: Section 3 Program Documentation / Forms

Exhibit 2-A – Section 3 Business and Employment Notice

Exhibit 2-B –Section 3 Plan of Action **3.28b**

Exhibit 2-C - Section 3 Proposed Subcontracts Breakdown **3.28c**

Exhibit 2-D - Section 3 Estimated Project Workforce Breakdown **3.28d**

- Existing Employee List **3.28e**
- Interview Log & New Hire Summary
- Section 3 Eligible Persons Certification

Exhibit 2-E - Section 3 Business Certification

Exhibit 3: Section 3 Summary Report Form

CERTIFICATE OF SECTION 3 COMPLIANCE (3.28a)

PURPOSE, AUTHORITY AND RESPONSIBILITY

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that promotes local economic development and individual self-sufficiency.

When job training, employment or contracting opportunities are generated because a HUD-assisted project or activity necessitates the employment of additional persons or the awarding of contracts for work, Section 3 requires that, to the greatest extent possible, Recipients of HUD financial assistance give preference to low- and very low-income persons, Section 3 business concerns or other Section 3 eligible persons residing in the community where the project is located.

_____ (hereinafter called the Recipient/Contractor) hereby **CERTIFIES** that upon being awarded a contract to participate in the following HUD-funded project: _____, _____, _____ **County** (the “**Project**”) that the Recipient/Contractor:

- (a) is under no contractual or other impediment that would prevent it from complying with requirements of Section 3 as set forth in 24 CFR part 135; and
- (b) will comply with HUD's regulations in 24 CFR Part 135; and
- (c) will submit to the West Virginia Housing Development Fund (the “Fund”) a Section 3 Plan before a “Notice to Proceed” is issued or start date is projected; the developer or prime contractors will require all subcontractors to submit a Section 3 Plan prior to proceeding with their respective scope of work; and
- (d) will send to each labor organization or representative of workers with which the Recipient/ Contractor has a collective bargaining agreement or other understanding, a notice advising the labor organization or the representative or workers of the Recipient/Contractor's commitments under Section 3; and
- (e) will include the Section 3 Clause (24 CFR 135.38) and this Section 3 Certification of Compliance in every subcontract subject to compliance with the regulations found in 24 CR Part 135 (i.e., where the amount of the federal funding exceeds \$200,000 and the contract or subcontract exceeds \$100,000) and further agrees to take the appropriate

action pursuant to those regulations in the event the contractor/subcontractor is found to be in violation of 24 CFR Part 135; and

- (f) will not contract/subcontract with any contractor/subcontractor where the Recipient/ Contractor has notice or knowledge that the contractor/subcontractor has been found in violation of any provision of 24 CFR Part 135; and
- (g) will not fill any vacant employment positions, including training positions (1) after the Recipient/Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations in 24 CFR Part 135 require employment opportunities to be directed, in order to circumvent the Recipient/Contractor's obligations under 24 CFR Part 135; and
- (h) will, to the extent feasible, make a good faith effort to utilize the services of Section 3 businesses located in or substantially owned by persons who live within the project boundaries.

Signature

Name

Title

Date: _____

SECTION 3 CLAUSE (To Be Included in All Section 3-Covered Contracts)

All section 3-covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Business and Employment Notice

Directions: The Recipient must publish this notice as a display advertisement in the local newspaper's non-legal section and utilize all social media available to them.

(Recipient) is preparing to carry out *(Name of Project)* through the use of Federal HOME or HTF funds. In the implementation of this project the following job types may be available:

(List Job Classifications to be used during project)

In carrying out this project *(Recipient)*, its contractors and subcontractors will, to the greatest extent feasible, utilize qualified low-income persons who permanently reside within *(the County)* for employment and training positions.

All job openings will be listed with the local office of the Workforce West Virginia (WFWV). Persons qualified for the jobs listed should register at the following location:

(Name and Address of local WFWV Office or other location if appropriate)

Additionally, the following contracts and procurements will/may be made:

(List construction, non-construction, and service contracts to be procured during the project)

(List construction subcontracts, major, specific equipment and general types of materials to be used during the project)

(Recipient) will, to the greatest extent feasible, use businesses located in and owned or significantly represented by low-income persons residing in *(the County)*.

Any person residing in, or firm located in, the above named localities may request to participate in procurement opportunities associated with this project by contacting the following person within ten (10) days of this notice:

Name and contact information of Designated Recipient (address, phone, fax)

Written requests should include the name, address, product or service, and phone number.

All above-referenced procurements will be made on a competitive basis. The names of businesses who respond to this notice will be included on procurement lists for this project. Names of job seekers will be given to contractors.

Section 3 Plan of Action (3.28b)

Directions: *To be completed by any entity receiving over \$100,000 in HOME / HTF funds (in combination with other HUD Section 3 covered funds.)*

_____ (*Entity*) agrees to implement the following specific Plan of Action steps directed at increasing the utilization of low-income residents and businesses within the _____ (*County*).

- A. To ascertain from the Fund the exact boundaries of the Section 3 covered project area and where advantageous, seek the assistance of local officials in preparing and implementing the Section 3 Plan of Action for _____ (*Name of Project*).
- B. To recruit from within the Section 3 area the necessary number of low-income residents through: a display advertisement in a local newspaper; signs placed at the project site; direct contact with the local Workforce West Virginia (WFWV) office, the local County (or City) Department of Social Services, and/or any Community Action Agencies that serve the Section 3 area.

For this project, within the pool of Section 3 residents, the contractor/subcontractor will give preference to qualified residents and businesses in hiring and contracting:

- Category 1: Section 3 residents residing in the service area or neighborhood in which the Section 3 covered project is located. The service area cannot extend beyond the unit of general local government in which the HOME / HTF funds are expended.
 - Category 2: Participants in HUD Youthbuild programs.
 - Category 3: Where the Section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the Section 3 covered project is located shall be given the highest priority.
 - Category 4: Other Section 3 residents, that is, low-income residents of the metropolitan area or non-metropolitan county who do not reside in the neighborhood, as defined in Category 1.
- C. To maintain a list of all low-income residents who have applied either on their own or on referral from any source, and to employ such persons that are qualified, if otherwise eligible and if a vacancy exists.

- D. For all solicitations in excess of \$100,000 for subcontractors, to determine if each responding subcontractor is a Section 3 business for the project and insert this Section 3 Plan of Action requirement in any resulting agreement. Contracts and subcontracts for less than \$100,000 are exempt from the preparation of a Section 3 Plan of Action.
- E. To formally contact subcontractors and other appropriate groups to secure their cooperation for the program.
- F. To ensure that all appropriate project area business concerns are notified of the pending subcontracting opportunities.
- G. To maintain records, including copies of correspondence, memoranda, etc., which document that all of the above affirmative action steps have been taken.
- H. To appoint or recruit an executive official of the company or agency as Equal Opportunity Officer to coordinate the implementation of this Section 3 Plan.
- I. To list on Table A (Exhibit 2-C) information related to subcontracts to be awarded.
- J. To list on Table B (Exhibit 2-D) all projected workforce needs for all phases of this project by occupation, trade, skill level, and number of positions.

As officers and representative of _____
(Entity), we the undersigned have read and fully agree to this Section 3 Plan of Action and become a party to the full implementation of this program.

Signature

Title

Date

Signature

Title

Date

Section 3 Proposed Subcontracts Breakdown (3.28c)

Directions: The contractor completes this form to indicate its expected subcontracting opportunities.

TABLE A

For the period covering _____ 20__ through _____ 20__¹

(Duration of the HOME and or HTF-Assisted Contract)

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
TYPE OF CONTRACT (BUSINESS OR PROFESSION)	TOTAL NUMBER OF CONTRACTS	TOTAL APPROXIMATE DOLLAR AMOUNT	ESTIMATED NUMBER OF CONTRACTS TO SECTION 3 BUSINESSES*	ESTIMATED DOLLAR AMOUNT TO SECTION 3 BUSINESSES*

*Section 3 businesses are defined in the Fund "Section 3 Procedures for Recipients of Federal funds."

Company _____

Project Name _____

Owner / Officer (Signature)

Date

1. Period covering dates must correspond to the Fund's Fiscal Year. Which is July 1st through June 30th

Estimated Project Workforce Breakdown (3.28d)

Directions: The contractor completes this form to indicate its expected new hires.

TABLE B

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
JOB CATEGORY	TOTAL ESTIMATED POSITIONS	NO. POSITIONS CURRENTLY OCCUPIED BY PERMANENT EMPLOYEES	NO. POSITIONS NOT CURRENTLY FILLED	NO. POSITIONS TO BE FILLED WITH SECTION 3 RESIDENTS*
OFFICERS/ SUPERVISORS				
PROFESSIONALS				
TECHNICIANS				
HOUSING SALES/RENTAL/MGMT.				
OFFICE CLERICAL				
SERVICE WORKERS				
OTHERS				

TRADE:

JOURNEYMEN				
APPRENTICES				
MAXIMUM NO. TRAINEES				
OTHERS				

TRADE:

JOURNEYMEN				
APPRENTICES				
MAXIMUM NO. TRAINEES				
OTHERS				

*Section 3 residents are low-income project area residents of (City/County) whose family income does not exceed 80% of the median income.

Company

EXISTING EMPLOYEE LIST (3.28e)

ENTITY NAME:			
ROLE (Check One):	<input type="checkbox"/> Owner	<input type="checkbox"/> Developer	<input type="checkbox"/> Contractor <input type="checkbox"/> Subcontractor
PROJECT NAME:			RFP or IDIS Number:
PROJECT LOCATION:			
List All Current Employees as of the date of the award:			
Employee Name/Address	Hire Date	Job Category*	

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief.

Date: _____

By: _____

Name: _____

Title: _____

*Building Trades: Craft Workers (skilled), Operatives (semiskilled), Laborers (unskilled);

Non-Building Trades: Professionals, Technicians, Office & Clerical, Managers, Sales, Service Workers; Other (specify): _____

INTERVIEW LOG & NEW HIRE SUMMARY				
Project:				
Project Location:				
Title of Job Filled:				
Skills Required:				
Applicant Name	Section 3 Eligible Person		Address	Date Interviewed
	Yes	No		

Note: The Developer/Owner/Contractor/Subcontractor shall conduct interviews that result in equal and fair competition among all applicants. All efforts and processes conducted shall be fully documented, including verifiable reasons for the selection of each new employee. Section 3 residents that test qualified must be given preference to be hired for those positions.

It will be the responsibility of the Section 3 resident to demonstrate their qualifications and show their ability to compete for the open job classification. 24 CFR 135 does not require the employment of a Section 3 resident who does not meet the qualifications of the position to be filled (24 CFR 135.34(c)).

Of the applicants interviewed for this position, the following person was hired:

effective _____(date)

☐ Yes ☐ No Section 3 Resident

☐ Yes ☐ No Household income of \$_____meets the income eligibility guidelines for a low- or very-low income person as defined in the current HOME Program Income Limits as published by HUD.

The applicant hired was the best candidate for this opening because_____

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief.

By: _____ Date: _____

Name: _____

Title: _____

Company: _____

SECTION 3 ELIGIBLE PERSONS CERTIFICATION

Section 3 residents residing in the service area or neighborhood in which the Section 3 covered project is located may seek priority consideration for new employment, training, and contracting opportunities resulting from HUD-funded projects. A person seeking preference in training and employment as provided by CFR 135.34 shall submit evidence and certify to the Recipient/Contractor that he/she qualifies for Section 3 status as defined in Section 135.

PROJECT NAME: _____

PROJECT ADDRESS: _____

Applicant Name: _____

Applicant's Permanent address: _____

Phone No. _____

☐ Yes ☐ No
Legal resident of the Housing Authority of _____

☐ Yes ☐ No
Holder of Section 8 voucher from the Housing Authority of _____

☐ Yes ☐ No
Reside in the municipality/county of _____

☐ Yes ☐ No
Participant in HUD Youthbuild program? If yes, indicate the Youthbuild Program:

Family size (Number in Household): _____

Household Income: _____

☐ Yes ☐ No Household income meets the income eligibility guidelines for a low- or very-low-income person as set forth in the current HOME / HTF Program Income Limits as published by HUD (see attached).

It will be the responsibility of the Section 3 resident to demonstrate their qualifications and show their ability to compete for the open job classification. Nothing in this part shall be construed to require the employment of a Section 3 resident who does not meet the qualifications of the position to be filled (24 CFR 135.34(c)).

I, _____ (print individual full name), certify that my answers in this Section 3 Eligible Persons Preference Certification are true and accurate to the best of my knowledge. I also understand that false or misleading information in this Section 3 Eligible Persons Preference Certification or any subsequent interviews may result in penalties including, but not limited to, decertification from the Section 3 program and/or termination from employment.

Signature _____ Date: _____

Section 3 Business Certification

Directions: *This form is completed by each business concerns that seeks notification of Section 3 contracting opportunities (services and construction) in order to certify its Section 3 eligibility.*

Name of Business _____

Address of Business _____

Phone # _____ Email Address _____

DUNS Number _____ EIN # _____ or SS # (s) _____

Type of Business:	Corporation	Partnership
	Sole Proprietorship	Joint Venture

County Business License Registration # _____

Does the business meet one of the following preferences?

Category 1: Section 3 business concerns that provide economic opportunities for Section 3 residents in the neighborhood in which the HOME and or HTF funded project is located.

Category 2: Applicants selected to carry out HUD Youthbuild programs.

Category 3: Other Section 3 business concerns.

A **Section 3 Resident** is defined as any individual who resides within the County in which the federal assistance is expended and whose family income does not exceed 80% of the median income of the County adjusted for family size.

A **Section 3 Business** means a business that meets one or more of the following criteria:

1. The business is 51% or more owned by Section 3 residents;
2. The business has 30% or more permanent full-time employees that are certified Section 3 residents; or
3. The business provides written evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts with a Section 3 Business.

To become CERTIFIED as a Section 3 Business please check all boxes that apply and provide written evidence of the same:

Business owner(s) live in _____ County. Business is 51% or more owned by Section 3 residents.

Business has 30% or more permanent full-time employees that are certified Section 3 residents.

Business will subcontract in excess of 25% of the dollar award of all subcontracts with a Section 3 Business(es).

Printed Name of Authorized Official of Company

(Corporate Seal)

Signature of Authorized Official of Company

Date

Section 3 Summary Report

Explanation of Form

SECTION 3 SUMMARY REPORT

All Grantees (Developers) who executed HOME or HTF Agreements of \$100,000 or more MUST complete this portion of the Annual Report. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.

On page one, fill out the report as follows:

- Report only the number of new hires from the previous state fiscal year (October 1 –September 30) for this project
- Box 1; fill in the Grantee's name and address
- Box 2; fill in the CIG contract number
- Box 3, fill in the HOME or HTF Written Agreement award amount
- Fill in boxes 4-7 as appropriate.
- Box 8, date report submitted.
- Box 9, program code, will be 8-HOME State Administered. This will include any IPR set-aside or non-HOME contract amounts.
- Box 10; fill in the project's name as written on the first page of the HOME or HTF Written Agreement.
- The data for Part I come from the Registers of Assigned Employees.

On page two, fill out Part II of the report as follows:

- Report *only* those contracts awarded during the previous state fiscal year (July 1– June 30) for this project.
- Construction contracts are those reported on the Register of Contractors, Subcontractors, and Suppliers.
- The Local (Section 3) County construction hiring goal is 10%. Non-construction contracts include grant administration, housing program administration, rehab specialist, architect, engineer services, appraisers, legal, etc.
- The Local (Section 3) County non-construction hiring goal is 3%.

In Part III of the report, describe the Grantee's actions to implement its Local (Section 3) Businesses and Workers Plan. This could include:

- Attempted to encourage project contractors to hire LMI (Low and Moderate Income) project area workers; and
- Attempted to encourage prime contractors to use businesses located in and owned by Local (Section 3) County residents as subcontractors and suppliers.

RETURN THE REPORT TO W VHDF, NOT HUD. If the report is not returned by the date identified by the HOME Regulatory Specialist, all Project Requests for Reimbursement will be held.

Economic Opportunities for Low – and Very Low-Income Persons

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Part I: Employment and Training (** Columns B, C and F are mandatory fields. Include New Hires in E &F)

* Program Codes	3 = Public/Indian Housing	4 = Homeless Assistance	8 = CDBG State Administered
1 = Flexible Subsidy	A = Development,	5 = HOME	9 = Other CD Programs
2 = Section 202/811	B = Operation	6 = HOME State Administered	10 = Other Housing Programs
	C = Modernization	7 = CDBG Entitlement	

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.
