

PORT HURON HOUSING COMMISSION

SECTION 3 PLAN

OFFICE OF ECONOMIC OPPORTUNITY
FAIR HOUSING EQUAL OPPORTUNITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This page is blank

Table of Contents

	<u>Page</u>
General Policy Statement	1
Section 3 Goals	2
Section 3 Contracting Policy.....	2
Section 3 Employment and Training Goals	2
Safe Harbor Compliance.....	2
Section 3 Benchmark for Public Housing Financial Assistance.....	3
Section 3 Project Benchmark	3
Section 3 Program Participant Certification.....	4
Section 3 Worker and Targeted Section 3 Worker Certification	4
Section 3 Business Concern Certification	4
Assisting Contractors to Achieve Section 3 Goals Hiring and Contracting Goals.....	5
Outreach Efforts for Employment and Training.....	6
Outreach Efforts for Contracting	7
Section 3 Provisions/Contract Language	7
Reporting Requirements	7
Section 3 Recordkeeping Requirements.....	8
Employment of Section 3 Program Participants	9
Internal Section 3 Complaint Procedure	9
Definitions.....	11
Exhibit 1: Section 3 Business Concern Certification for Contracting	15
Exhibit 2: Section 3 Worker and Targeted Section 3 Worker Self Certification....	17
Exhibit 3: Section 3 Employment and Training Opportunities-Resident Questionnaire	11

General Policy Statement

The Housing Commission has created a Section 3 plan that outlines participation and compliance in accordance with the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) ensuring that employment, training, contracting, and other economic opportunities generated by certain HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons. Section 3 is a provision of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of 24 CFR 75. Section 3 regulations ensure that employment and other economic opportunities generated by certain HUD financial assistance provide economic opportunities to low- and very low-income persons.

APPLICABILITY

Funding thresholds are minimum dollar amounts that trigger Section 3 requirements. There are no thresholds for public housing programs. The requirements of Section 3 apply to all programs receiving public housing financial assistance regardless of the amount of assistance received from HUD. Section 3 also applies to the entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance.

Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000 (Lead Hazard Control and Healthy Homes (LHCHH) assistance is not included in calculating whether the assistance exceeds the \$200,000 threshold).

The threshold is \$100,000 when the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970, the Lead-Based Paint Poisoning Prevention Act, and the Residential Lead-Based Paint Hazard Reduction Act of 1992. LHCHH programs require Section 3 compliance if there is over \$100,000 of LHCHH funding for the project (neither HUD public housing financial assistance nor HUD housing and community development financial assistance is included in calculating whether the assistance exceeds the \$100,000 threshold). Recipients of LHCHH funding will also be required to comply with Section 3 regulations and report on the entirety of the project when the total amount of HUD housing and community development financial assistance to the project exceeds \$200,000 (LHCHH funding is not included in calculating whether the total assistance exceeds the \$200,000 threshold), or if any public housing financial assistance is provided.

Section 3 requirements do not apply to:

- 1) Material Supply Contracts - § 75.3(b),
- 2) Indian and Tribal Preferences - § 75.3(c), and
- 3) Other HUD assistance and other Federal assistance not subject to Section 3 §75.3 (d).

However, for financial assistance that is not subject to Section 3, recipients are encouraged to consider ways to support the purpose of Section 3.

Section 3 Goals

HUD's strategic goals promote advancements in economic prosperity for low or very low-income individuals who often face challenges limiting their ability to become economically self-sufficient and rise out of poverty, including access to quality schools, employment, and job training.

Section 3 seeks to improve the quality of life for low- and very low-income persons by directing employment, training opportunities, and contracts for eligible businesses through certain HUD financial assistance programs.

Section 3 Contracting Policy

The Housing Commission will incorporate Section 3 in its existing Procurement Policy and adopt a Section 3 Contracting Policy to be included in all contracts generated for use with HUD funding.

Section 3 Employment & Training Goals

Consistent with existing Federal, State, and local laws and regulations, the Housing Commission receiving public housing financial assistance, and their contractors and subcontractors, must make their best efforts to provide employment and training opportunities generated by the public housing financial assistance to Section 3 workers.

It is the plan of the Housing Commission to utilize residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). The Housing Commission has established employment and training goals that contractors and subcontractors for Section 3 compliance (Reference 24 CFR 75.9 –).

It is the responsibility of the contractor, to implement progressive efforts to attain Section 3 compliance. All contractors submitting bids or proposals to the Housing Commission are required to certify that they intend to comply with the requirements of Section 3.

Safe Harbor Compliance

The Housing Commission will be considered to have complied with Section 3 requirements and met safe harbor if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence of the contrary.

Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the required prioritization of effort for Section 3 workers, Targeted Section 3, and Section 3 business concerns as outlined below. After completion of the project, on the Section 3 Cumulative Report, contractors and subcontractors will be required to certify that they followed the prioritization of effort requirements.

If the contractor and subcontractor does not meet the safe harbor requirements, they must provide evidence that they have made qualitative efforts to assist low and very low-income

persons with employment and training opportunities.

Section 3 Benchmark for Public Housing Financial Assistance

The Housing Commission has established employment and training benchmarks that subrecipients, contractors, and subcontractors should meet in order to comply with Section 3 requirements outlined in 24 CFR Part 75.9.

The Benchmark for Section 3 workers is set at twenty-five (25) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the fiscal year.

The benchmark for Targeted Section 3 workers was set at five (5) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the fiscal year. For Section 3 projects, the benchmark notification is set the same but with regards to the project itself rather than the recipient's fiscal year.

Contractors and subcontractors, must make their best efforts to give Section 3 workers priority in the following order:

To residents of the public housing projects for which the public housing financial assistance is expended;

To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;

To participants in YouthBuild programs; and

To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

Contractors and subcontractors must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers.

The Housing Commission and other recipients, and their contractors and subcontractors, must make their best efforts in the following order of priority:

To Section 3 business concerns that provide economic opportunities for residents of the public housing projects for which the assistance is provided;

To Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by the PHA that is providing the assistance;

To YouthBuild programs; and

To Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

Section 3 Project Benchmark

The benchmarks for other Section 3 projects (including housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance where the amount of assistance to the project exceeds a threshold of \$200,000) are:

Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers.
Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at 25 CFR 75.21.

Section 3 Program Participant Certification

To qualify as a Section 3 worker, Targeted Section 3 worker, or a Section 3 business concern, each must self-certify that they meet the applicable criteria.

Businesses who misrepresent themselves as Section 3 business concerns and report false information to the Housing Commission may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities.

SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION

A Section 3 worker seeking certification shall submit self-certification documentation to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 worker as defined in 24 CFR Part 75. For the purposes of Section 3 worker eligibility, the Housing Commission will use individual income rather than family/household income to determine eligibility. The income limits will be determined annually using the guidelines published at <https://www.huduser.org/portal/datasets/il.html>.

Persons seeking the Section 3 worker preference shall demonstrate that they meet one or more of the following criteria currently or when hired within the past five years, as documented:

- a. A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- b. Employed by a Section 3 business concern; or
- c. A YouthBuild participant.

Employed by a Section 3 business concern or currently meets or when hired met at least one of the following categories as documented within the past five years:

- a. A resident of public housing; or
- b. A resident of other public housing projects or Section 8-assisted housing; or
- c. A YouthBuild participant

SECTION 3 BUSINESS CONCERN CERTIFICATION

The Housing Commission should encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns. Businesses that believe they meet the Section 3 Business requirements can self-register in the HUD Business registry at <http://www.hud.gov/Sec3Biz>.

Businesses may seek Section 3 Business Concern by demonstrating that it meets one or more of the following criteria:

1. At least 51 percent of the business is owned and controlled by low- or very low-income persons; or
2. At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing; or
3. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.

Businesses that believe they qualify for a Section 3 Business Concern shall certify, or demonstrate to the Housing Commission, contractors, or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Section 3 Business Concern Self-Certification Form.

Section 3 Business Concern Self-Certification Form may be submitted at the time of bid/proposal. If the Housing Commission previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid, as long as the form is submitted within the prescribed expiration date. The Section 3 Business Concern Self-Certification Form will expire after three (3) years.

Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals

In an effort to assist contractors with meeting or exceeding the Section 3 goals, the Housing Commission may do the following:

1. Share Section 3 Plan with contractors and subcontractors and explain policies and procedures.
2. Offer contractors wishing to submit a bid/offer/proposal to attend pre-bid meeting.
3. Share with contractors the Section 3 Plan at pre-construction conference.
4. Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort) before any other person, when hiring additional employees is needed to complete proposed work to be performed with Public Housing.
5. Require the contractor to present a list, of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours worked from the initial contract to the job's conclusion.
6. Maintain a local Section 3 worker/Targeted Section 3 worker database and provide the

- contractor with a list of interested and qualified Section 3 workers and Targeted Section 3 workers and contact information.
7. Inform contractors about the HUD Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>.
 8. Offer the chance for contractors to inform the Housing Commission of their interests regarding employment of Section 3 workers prior to hiring.
 9. Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>.
 10. Leverage the Housing Commissions communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise.
 11. Require contractors to submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contact award.

OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING

In order to educate and inform workers and contractors, the Housing Commission will be prepared to provide training and technical assistance as needed. When training opportunities are available, contractors and subcontractors should, to the greatest extent feasible:

1. Notify the Housing Commission when training opportunities are available.
2. Provide information/handouts about Section 3 training opportunities to potential Section 3 workers and Targeted Section 3 workers.

Contractors and subcontractors should employ several active strategies to notify Section 3 workers and Targeted Section 3 workers of Section 3 job opportunities, such as but not limited to:

1. Clearly indicating Section 3 eligibility on all job postings with the following statement: "This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive a Section 8 voucher";
2. Providing the Section 3 Worker and Targeted Section 3 Worker Self-Certification Form in all job postings.
3. Working with the Housing Commission to connect Section 3 worker and Targeted Section 3 workers in the database with opportunities and/or utilize the Section 3 Opportunity Portal to find qualified candidates.
4. Establishing a current list of Section 3 eligible applicants.
5. Contacting local community organizations and provide them with job postings for Section 3 eligible applicants; and
6. Coordinating a programmatic ad campaign, which results in widespread job posting across diverse ad networks including:

- a) Advertising job opportunities via social media, which may include LinkedIn and Facebook;
- b) Advertising job opportunities via flyer distributions and posting ad in common areas of housing developments and all public housing management offices.
- c) Contacting resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities

OUTREACH EFFORTS FOR CONTRACTING

When contracting opportunities arise in connection with the Public Housing, the Housing Commission may employ some of the following strategies to notify Section 3 Business Concerns of Section 3 contracting opportunities, including but not limited to:

1. Adding Section 3 language to all RFPs, procurement documents, bid offerings and contracts.
2. Coordinating pre-bid meetings to inform Section 3 Business Concerns of upcoming contracting opportunities. The Housing Commission will explain and answer questions related to Section 3 policy.
3. Providing written notice of contracting opportunities to known Section 3 Business Concerns within our jurisdiction. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to bid invitations.
4. Coordinating with the prime contractor to publicize contracting opportunities for small businesses.
5. Coordinating within our jurisdiction with business assistance agencies and contractor associations to inform them of contracting opportunities and request their assistance in identifying Section 3 business concerns. Could include local community development organizations, business development agencies (Chamber of Commerce), and minority contracting associations.

Section 3 Provisions/Contract Language

The Housing Commission will include standard Section 3 language in all of its contracts to ensure compliance with regulations in 24 CFR Part 75. The Housing Commission will take appropriate actions upon finding that a contractor is in violation of 24 CFR Part 75 and does not knowingly contract with any contractor that has been found in violation of the Section 3 regulations.

In addition, contractors and subrecipients are required to include language in all Section 3 covered contracts or agreements for subcontractors to meet the requirements of 24 CFR Part 75.9

Reporting Requirements

For Section 3 covered contracts, contractors annual reporting must be done for the following:

1. Once a project is completed, contractors must submit a final Section 3 cumulative report for the program year.
2. Upon the completion of a project the Housing Commission will conduct a final review of the project's overall performance and compliance.
3. The Housing Commission will submit the Section 3 data into HUD's Section 3 database at the end of each fiscal year (June 30th).

Section 3 Recordkeeping Requirements

Recipients must maintain documentation, or ensure that a subrecipient, contractor or subcontractor maintains documentation, to ensure workers meet the definition of a Section 3 worker.

Documentation includes:

1. Worker's self-certification that their income is below the income limit from the prior calendar year;
2. Worker's self-certification of participation in a means-tested program such as public housing or Section 8;
3. Certification from a PHA or Section 8 program manager that the worker is a participant in such a program;
4. Employer's certification that the worker's income from that employer is below the income limit;
5. Employer's certification that the worker is employed by a Section 3 business concern;
6. Worker's certification that the worker is a YouthBuild Participant.

Recipients must maintain documentation, or ensure that a subrecipient, contractor or subcontractor maintains documentation, to ensure workers meet the definition of a Targeted Section 3 worker.

Documentation includes:

1. Worker's self-certification of participation in a means-tested program such as public housing or Section 8;
2. Certification from a PHA or Section 8 program manager that the worker is a participant in such a program;
3. Employer's certification that the worker is employed by a Section 3 business concern;

4. Worker's certification that the worker is a YouthBuild participant.

Employment of Section 3 Program Participants

If a resident is referred to a contractor and does not perform satisfactorily due to poor work habits (i.e., tardiness, absenteeism, alcohol/drugs, abusive language, fighting, etc.) she/he will be allowed two additional opportunities to be referred to other contractors. If after that time the resident still does not perform satisfactorily, they will be removed from the eligible participant list.

Residents experiencing problems with contractors should first communicate the problem to the employer. If the problem cannot be solved between the employee and employer, the Housing Commission representative will meet with the parties involved to assist in trying to resolve the problem. Residents and employers (contractors or subcontractors) should document problems whenever they occur and record any and all efforts to correct them. The written documentation of the problem should be submitted to the Housing Commission.

In order to qualify for employment with contractors, public housing residents must have their name(s) on a Housing Commission lease, be current on rent, be at least eighteen years of age, and not be involved in any legal action. (Current documented eviction, criminal and drug activity, or trespassing).

Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, the Housing Commission encourages submittal of such complaints to the Housing Commission designee as follows:

1. Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR Part 75.
2. Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
3. An investigation will be conducted if complaint is found to be valid. The Housing Commission will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
4. The Housing Commission will provide written documentation detailing the findings of the investigation. The Housing Commission will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than thirty (30) days after the filing of complaint. If complainants wish to have their concerns considered outside of the Housing Commission a complaint may be filed with:

The HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office. These offices can be found through the HUD website, www.hud.gov.

Complainants may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about complainant rights, please contact EEOC at: www.EEOC.gov.

The Department of Labor Office of Federal Contract Compliance Programs (OFCCP) enforces, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal government. More information about the services they provide can be obtained at: <http://www.dol.gov/ofccp/>.

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

Definitions

Applicant – Any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.

Assistant – the Assistant Secretary for Fair Housing and Equal Opportunity.

Business Concern – a business entity formed in accordance with State law, and which is licensed under State, County or municipal law to engage in the type of business activity for which it was formed.

Contractor - any entity entering into a contract with a recipient, or subrecipient, to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project.

HUD Public Housing and Public Housing Agency – Defined in 24 CFR part 5.

Housing Development – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD’s public housing program regulations codified in 24 CFR Chapter IX.

JTPA – The Job Training Partnership Act (29 U.S.C. 1579 (a)).

Labor Hours – the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person – an individual as defined in Section 3 (b)(2) of the 1937 Act, at or below 80% Area Median Income (AMI) for that area. Note that Section 3 worker eligibility uses individual income rather than family/household income.

Material supply contracts – Contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Metropolitan Area – a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

Professional services - Non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance - Assistance as defined:

1. Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);

2. Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;
3. Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and
4. The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance.

Public housing project - defined in 24 CFR 905.108.

Recipient – any entity which receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects including, but is not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization. It does not include contractors or any intended beneficiary under the HUD program to which Section 3 applies, such as a homeowner or a Section 3 worker.

Section 3 – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Business Concern – a business concern:

1. A business concern meeting at least one of the following criteria, documented within the last six-month period:
 - a. At least 51 percent owned and controlled by low- or very low-income persons;
 - b. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
 - c. A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
2. The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.
3. Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 Clause

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 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.
- D. 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.
- E. 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.

Section 3 project - A Section 3 project means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

The HUD Secretary must update the thresholds not less than once every 5 years based on a national construction cost inflation factor through Federal Register notice. When the HUD Secretary finds, it is warranted to ensure compliance with Section 3, the Secretary may adjust, regardless of the national construction cost factor, such thresholds through Federal Register notice.

The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

Section 3 worker -

1. Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - a. The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
 - b. The worker is employed by a Section 3 business concern.
 - c. The worker is a YouthBuild participant.

2. The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.
3. Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing - Housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Subcontractor - Any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient – a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. (2 CFR 200.93)

Targeted Section 3 worker – A Targeted Section 3 worker for public housing financial assistance means a Section 3 worker who is:

1. A worker employed by Section 3 business concern; or
2. A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - a. A resident of public housing or Section 8-assisted housing;
 - b. A resident of other public housing projects or Section 8-assisted housing managed by the Housing Commission that is providing the assistance; or
 - c. A YouthBuild participant.

An individual is not excluded if they have had a prior arrest or conviction.

Very low-income person – An individual income is 50% or below the Area Median Income of an area (Section 3(b)(2) of the 1937 Act).

YouthBuild programs – YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226), National Affordable Housing Act under subtitle D of Title IV, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

Section 3 Business Concern Certification for Contracting

Instructions: Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status. Or you may self-register in the HUD Business registry at <http://www.hud.gov/Sec3Biz>.

Business Information _____

Name of Business _____

Address of Business _____

Name of Business Owner _____

Phone Number of Business Owner _____

Email Address of Business Owner _____

Preferred Contact Information

Same as above

Name of Preferred Contact _____

Phone Number of Preferred Contact _____

Type of Business (select from the following options):

Corporation Partnership Sole Proprietorship Joint Venture

Select from ONE of the following three options below that applies:

At least 51 percent of the business is owned and controlled by low- or very low-income persons (Refer to income guidelines).

At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers (Refer to definition).

Business Concern Affirmation

I affirm that the above statements (on the frontside of this form) are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to the Housing Commission may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Print Name: _____

Signature: _____ Date: _____

*Certification expires within three years of the date of signature. Information regarding Section 3 Business Concerns can be found at 24 CFR 75.5.

<p>FOR ADMINISTRATIVE USE ONLY</p> <p>Is the business a Section 3 business concern based upon their certification?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.</p>

Section 3 Income Limits

Eligibility Guidelines

The worker's income for fiscal year 2022 must be at or below **\$50,150** for an individual (household of 1) regardless of actual household size.

Section 3 Worker Definition:

- A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- Employed by a Section 3 business concern; or
- A YouthBuild participant.

Targeted Section 3 Worker Definition:

- Employed by a Section 3 business concern or
- Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - A resident of public housing; or
 - A resident of other public housing projects or Section 8-assisted housing; or
 - A YouthBuild participant

Exhibit 2

Section 3 Worker and Targeted Section 3 Worker Self-Certification

The purpose of HUD's Section 3 program is to provide employment, training and contracting opportunities to low-income individuals, particularly those who are recipients of government assistance for housing or other public assistance programs. **Your response is voluntary, confidential, and has no effect on your employment.**

A Section 3 worker seeking certification shall self-certify and submit this form to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 Worker as defined in 24 CFR Part 75.

Employee Name: _____

1. Are you a resident of public housing or a Housing Choice Voucher Holder (Section 8)? YES NO

2. Are you a resident of the St Clair County? YES NO

3. Is your annual individual income less than \$50,150 per year? YES NO

Select from *ONE* of the following two options below:

I qualify as a (defined on the reverse side of this form):

- Section 3 Worker (as defined on the Section 3 Worker Certification Form)

- Targeted Section 3 Worker (as defined on the Section 3 Worker Certification Form)

Employee Affirmation

I affirm that the above statements (on frontside of this form) are true, complete, and correct to the best of my knowledge and belief. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Employee Address: _____

Print Name: _____ Date Hired: _____

Signature: Date: _____

FOR ADMINISTRATIVE USE ONLY

Is the employee a Section 3 worker based upon their self-certification? YES NO

Is the employee a Targeted Section 3 worker based upon their self-certification? YES NO

Was this an applicant who was hired as a result of the Section 3 project? YES NO

If Yes, what is the name of the company? _____

What was the date of hire? _____

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.

Section 3 Income Limits

Eligibility Guidelines

The worker's income for fiscal year 2022 must be at or below **\$50,150** for an individual (household of 1) regardless of actual household size.

Section 3 Worker Definition:

- A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- Employed by a Section 3 business concern; or
- A YouthBuild participant.

Targeted Section 3 Worker Definition:

- Employed by a Section 3 business concern or
- Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - A resident of public housing; or
 - A resident of other public housing projects or Section 8-assisted housing; or
 - A YouthBuild participant

SECTION 3 EMPLOYMENT AND TRAINING OPPORTUNITIES

RESIDENT QUESTIONNAIRE

The Housing Commission is committed to complying and supporting HUDsSection 3 Employment and Training Program Regulations.

The Housing Commission would like to extend to you the option to be considered for Training and Employment should the opportunity arise, as defined in theSection 3 Regulation at 24CFR Part 75. You may do this by completing the Questionnaire below and the Section 3 Resident Certification on the Reverse side.

Name: _____

Address: _____

-
1. Are you interested in being considered for employment and/or training through Companies who contract with the Housing Commission, should the opportunity arise? () YES () NO
 2. Are you interested in being considered for employment and/or training through the Housing Commission, should the opportunity arise? () YES () NO
 3. Please indicate below, the types of Employment opportunities you may be interested in. (Please mark all that apply.)
 - Accounting
 - Administrative/Office/Clerical
 - Carpenter
 - Electrician
 - Excavation
 - IT - (Information Technology)
 - Janitorial/cleaning
 - Landscaping
 - Maintenance (General)
 - Mason/Concrete
 - Mechanical
 - Operating Engineer
 - Painter
 - Plumbing
 - Purchasing
 - Roofing
 - Snow Removal
 - Trucking (Hauling)
 - Other: _____

You may attach a copy of your resume.