



CDBG / HOME Section 3 Plan

Revised: July 2021

OVERVIEW

Each year the U.S. Department of Housing and Urban Development (HUD) invests billions of federal tax dollars into local communities for projects and activities that aid in creating healthy, strong, and sustainable communities. This investment not only provides for development and construction, but also can generate new employment, training and contracting opportunities for local low- and very low-income residents through contracts with local businesses that employ them.

Section 3 of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u) is a legal and practical tool that fosters local economic development, neighborhood economic improvement, and individual self-sufficiency for low- and very low-income persons. To comply with Section 3 requirements the City must ensure that employment and other economic and business opportunities generated in connection with HUD financial assistance, to the greatest extent feasible, is directed to public housing residents and other low-income persons, particularly recipients of government housing assistance (called Section 3 Workers), and business concerns that provide training and economic opportunities to low- and very-low income persons (called Section 3 Businesses).

It is the policy of the City of Palmdale (City) to implement the Section 3 requirements to the greatest extent feasible on HUD-assisted housing and community development funded activities that are subject to the Section 3 requirements. This is principally achieved through the contracting opportunities generated through the implementation of housing construction, housing rehabilitation and other public construction projects in the City. Contractors shall cooperate with the City and its representatives regarding compliance with Section 3 regulations and shall cause its employees and subcontractors to cooperate with the City in complying with Section 3.

A. Applicability

For Housing and Community Development funded activities (Section 3 Projects), Section 3 requirements apply to the following:

- 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 requirements 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.

Examples of HUD Housing and Community Development funding include Community Development Block Grants (CDBG), the HOME Investment Partnerships Program (HOME),

Housing Opportunities for Persons with AIDS (HOPWA), Section 811 Supportive Housing for the Disabled, Section 202 Supportive Housing for the Elderly, Emergency Soutlion Grants (ESG), the Neighborhood Stabilization Program (NSP), the Brownfield Economic Development Initiative (BEDI), Lead Hazard Control and Healthy Homes Programs, Disaster Recovery Programs, and the Choice Neighborhood Program.

B. Definitions

In accordance with 24 CFR Part 75, the following terms are defined to facilitate understanding of the terminology used to describe how the City will meet its obligation to implement Section 3 to the greatest extent feasible in connection with HUD-assisted projects.

Contractor: Any entity entering into a contract with (1) a recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or (2) a subrecipient for work in connection with a Section 3 Project.

Housing and Community Development Assistance: Any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of Community Development Block Grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

HUD: The U.S. Department of Housing and Urban Development.

Low-income Person: as defined in Section 3(b)(2) of the Housing Act of 1937 Act (42 U.S.C. 1437a(b)(2)), this term means a person whose income does not exceed 80 percent of the median for the area.

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

Nonmetropolitan County: Any county outside of a metropolitan area.

New Hires: Full-time employees for permanent, temporary or seasonal employment opportunities.

Public Housing Resident: Any individual who resides in public housing as a signatory on a public housing lease, or as a member of the family of the individual(s) who is the signatory on the public housing lease.

Recipient: Any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, public housing authority, or other public agency, public or private nonprofit organization.

Section 3 Business: A business concern meeting at least one of the following criteria, documented within the last six-month period:

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

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. These requirements shall not 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: The basic contract provisions set forth in 24 CFR 75.17 and 24 CFR 75.27 that must be included in Section 3 Covered contracts. The City may, at its discretion, enhance or strengthen the Section 3 Clause to achieve maximum feasible compliance with Section 3.

Section 3 Covered Assistance: Section 3 requirements 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 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.

Section 3 Worker: Any worker who currently fits or when hired within the past five years fits at least one of the following categories, as documented:

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
2. The worker is employed by a Section 3 business concern.
3. The worker is a YouthBuild participant.

The status of a Section 3 Worker shall not be negatively affected by a prior arrest or conviction. Nothing herein 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.

Targeted Section 3 Worker: For Housing and Community Development financial assistance, a Targeted Section 3 Worker is defined as:

1. A worker employed by a 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:
 - i. Living within the Service Area or the Neighborhood of the Project, as defined herein; or
 - ii. A YouthBuild participant.

Service Area or the Neighborhood of the Project: An area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Subcontractor: any entity (other than an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 Covered Assistance or a Section 3 Project, or arising in connection with Section 3 Covered Assistance or 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.

Very Low-income Person: as defined in Section 3(b)(2) of the Housing Act of 1937 Act (42 U.S.C. 1437a(b)(2)), this term means a person whose income does not exceed 50 percent of the median for the area.

YouthBuild Programs: Programs that receive assistance through the U.S. Department of Labor under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226), and that provide at-risk youth with training and educational opportunities in construction and other industries.

C. Implementation

The City seeks, to the greatest extent feasible, to meet the Section 3 regulatory requirements by awarding Section 3 contracts to contractors (includes subrecipients) and subcontractors participating on Section 3 Covered Assistance and Section 3 Projects, in an effort to create employment and business opportunities for low- and very low-income persons. City staff is assigned to monitor and implement the requirements of Section 3 in accordance with these Section 3 Guidelines.

The implementation of these Section 3 Guidelines should result in a reasonable level of success in the recruitment, employment, and utilization of Section 3 Workers by contractors working on Section 3 Projects and Section 3 Covered Assistance. The City will examine and

consider a contractor's or potential for success in providing employment and business opportunities to Section 3 residents prior to acting on any proposed contract award.

1. Section 3 Contracting Policy

a. Housing and Community Development Assisted Section 3 Projects

The City will implement Section 3 on all Housing and Community Development assisted Section 3 Projects, including but not limited to housing rehabilitation, housing construction, and other public construction projects assisted with HUD Housing and Community Development funds of \$200,000 or more. Section 3 covered procurements shall be implemented in accordance with this Section 3 Plan.

To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, the City shall ensure contracts for work awarded in connection with Section 3 Projects are provided to business concerns that provide economic opportunities to Section 3 Workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

Where feasible, priority for the contracting opportunities described above should be given to:

- (i) Section 3 Business Concerns that provide economic opportunities to Section 3 Workers residing within the service area or the neighborhood of the project, and
- (ii) Participants in YouthBuild programs.

2. Section 3 Employment & Training

a. Housing and Community Development Assisted Section 3 Projects

It is the City policy that to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, that recipients of Housing and Community Development funding shall ensure that employment and training opportunities arising in connection with Section 3 Projects are provided to Section 3 Workers within the metropolitan area (or nonmetropolitan county) in which the project is located. Where feasible, priority for opportunities and training should be given to:

- (i) Section 3 Workers residing within the service area or the neighborhood of the project, and
- (ii) Participants in YouthBuild programs.

Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the employment, training, and contracting requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

It is the responsibility of the City and its contractors to implement and document their good faith efforts to attain Section 3 compliance with HUD established Section 3 Worker and Targeted Section 3 Worker labor benchmarks. Any contractor that does not meet the Section 3 labor benchmarks must submit documentation to the City with its Section 3 Labor Summary Report that demonstrate the qualitative measures undertaken to attempt to meet the Section 3 labor benchmarks.

3. Contract Provisions

The Section 3 Contract Clause specifies the requirements for contractors performing work under Section 3 Projects. The Section 3 Clause must be included in all contracts and subcontracts for Section 3 covered projects and activities. The following contract provision requirements apply to each of the respective funding sources:

a. Housing and Community Development Section 3 Projects

- (i) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.
- (ii) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the employment, training, and contracting requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

4. Section 3 Procurement

The requirements of Section 3 are passed down from HUD to the City, and from the City to contractors (including subrecipients) and subcontractors participating on Section 3 Projects or Section 3 Covered Assistance. A contractor is any entity that contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 project. Such entities contracted to perform work may include:

- The State;
- A unit of local government;
- A public housing authority;
- A public body;
- A public or private non-profit agency;
- A private agency mortgagor;
- A sponsor;
- A builder or building contractor;
- A property manager;
- A community development organization; and
- Resident management or a resident council.

Under the federal procurement regulations applicable to the City at 2 CFR 200.318 et seq., most Section 3 covered procurements will be formal procurements involving a

Notice Inviting Bids that will be advertised in media of general circulation. The following statement shall be inserted in the bid advertisement:

This is a HUD Section 3 Project or Section 3 Covered Assistance. Contractors/ Subcontractors must comply with the employment, training and contracting opportunity requirements of Section 3 of the Housing and Community Development Act of 1968.

Within the bid document, staff will insert the “Section 3 Bid Package” which is comprised of the following documents:

- Section 3 Clause (Exhibit 1);
- Section 3 Pre-Bid Meeting Checklist (Exhibit 2);
- Section 3 Business Certification Form (Exhibit 3);
- Sample Qualitative Outreach Efforts for Contractors (Exhibit 4);
- Statement of Section 3 Qualifications (Exhibit 5);
- Section 3 Worker/Targeted Worker Certification Form by County of Residence (Exhibit 6); and
- Section 3 Contractor’s Labor Report Summary (Exhibit 7).

At least one (1) week prior to the bid opening, staff will conduct a Section 3 Pre-Bid Meeting to explain the Section 3 requirements to potential bidders. Using the Section 3 Bid Package forms and the Section 3 Pre-Bid Meeting Checklist found in Appendix B, staff will present relevant Section 3 information to potential bidders and answer their questions about documentation, outreach, and employment goals.

Contractors who are not Section 3 Business Concerns based on 51% ownership by current public housing residents or residents who currently live in Section 8-assisted housing, or 51% owned and controlled by low- or very low-income persons, and who anticipate bidding on City projects in the future are advised to incorporate the Section 3 Worker Certifications and Section 3 Targeted Worker Certifications into their new-hire packet so that they can become a Section 3 Business Concern at a point in time when over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 Workers. Companies that are not Section 3 Business Concerns at the time of the bid will be required to engage in and document certain outreach efforts that will assist them in meeting the HUD established Section 3 Worker and Targeted Section 3 Worker labor benchmarks (Statement of Section 3 Qualifications).

5. Section 3 Worker Hiring

The definition of a Section 3 Worker specifies that one of the eligibility qualification for such designation is that these individuals earn 80 percent or less of the Area Median Income for their county of residence. The Section 3 Worker Certification form must be updated by the City each year subsequent to HUD’s annual release of new income limits.

6. Targeted Section 3 Worker Hiring

Where Housing and Community Development funding is provided, the definition for a Targeted Section 3 Worker specifies that one of the eligibility qualification for such designation is that an individual currently or when hired, as documented within the past five years lives within the service area or the neighborhood of the project.

The service area or neighborhood of the project is defined to mean an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

For each Housing and Community Development funded Section 3 Project, the City shall determine the applicable service area and include the results of that determination within the bid package for use in determining employee designations as Targeted Section 3 Workers, business designations as Section 3 Business Concerns, and for measuring accomplishments in meeting the HUD Labor Hour Benchmarks for Targeted Section 3 Workers.

7. Section 3 Labor Hour Benchmarks

The City, Contractors, and other Recipients will be considered to have complied with the HUD Safe Harbor requirements of 24 CFR 75.13 for Section 3 Covered Assistance and 24 CFR 75.23 for Section 3 Projects if in the absence of evidence to the contrary, if they:

- a. Certify that they have followed the prioritization of effort contained in Section 1 – Section 3 Contracting Policy and Section 2 – Section 3 Employment and Training above; and
- b. Meet or exceed the applicable Section 3 labor hour benchmarks as described below.

For Housing and Community Development Section 3 Projects

- (i) The number of labor hours worked by Section 3 Workers divided by the total number of labor hours worked by all workers on a Section 3 Project in the recipient's program year. As of July 1, 2021, the benchmark is 25 percent.
- (ii) The number of labor hours worked by Targeted Section 3 Workers as defined in 24 CFR 75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 Project in the recipient's program year. As of July 1, 2021, the benchmark is 5 percent.

HUD will periodically revise the Section 3 benchmarks. When future revisions are published in the *Federal Register*, all relevant Section 3 forms and documentation shall be amended to reflect the updated benchmark values and effective date.

8. Section 3 Compliance Activities - Qualitative Measures

The City, Recipients and Subrecipients, and Contractors and Subcontractors have an obligation to provide employment and training opportunities generated by the Housing and Community Development assistance to Section 3 Workers. In addition, the

contracting requirements of the above Section 1 – Section 3 Contracting Policy must be met. HUD has provided a number of qualitative efforts that can be undertaken to assist all parties in enhancing Section 3 labor hour performance and in meeting the HUD labor hour benchmarks, which include but are not limited to the following:

- a. Engage in outreach efforts to generate job applicants who are Targeted Section 3 Workers.
- b. Provide training or apprenticeship opportunities.
- c. Provide technical assistance to help Section 3 Workers compete for jobs (e.g., resume assistance, coaching).
- d. Provide or connect Section 3 Workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- e. Hold one or more job fairs.
- f. Provide or refer Section 3 Workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
- g. Provide assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- h. Assist Section 3 Workers in obtaining financial literacy training and/or coaching.
- i. Engage in outreach efforts to identify and secure bids from Section 3 business concerns.
- j. Provide technical assistance to help Section 3 business concerns understand and bid on contracts.
- k. Divide contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- l. Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- m. Promote the use of business registries designed to create opportunities for disadvantaged and small businesses.
- n. Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

The City, Recipients and Subrecipients, Contractors and Subcontractors, and all other parties subject to the Section 3 requirements are required to fully document all qualitative efforts undertaken. In the event that either one or both of the HUD labor hour

benchmarks for Section 3 Workers and Targeted Section 3 Workers are not met, then documentation supporting the measures implemented to enhance Section 3 performance must be submitted to City.

Examples of documentation supporting the implementation of qualitative efforts might include: copies of direct mail solicitations, copies of internet and email outreach efforts, formal advertisements, flyer or brochures for meetings, sign-in lists for job fairs and other public meetings, agendas or meeting notes from meeting with contractors or businesses, or correspondence with Section 3 Business Concerns.

9. Section 3 Reporting

It is the City’s responsibility to report Section 3 accomplishments to HUD. The City is required to maintain documentation of actions taken to comply with the employment and training requirements of Section 3, the results of actions taken and impediments encountered. The City should maintain records of solicitation of bid proposals, selection material, and contract documents in accordance with Federal and State Law. This documentation should demonstrate all of the City’s efforts to achieve Section 3 labor hour benchmark compliance.

Section 3 report submissions are determined by the source of funding as reflected in the table below:

Funding Source	Report Submissions
Office of Community Planning and Development Programs	Grantees who receive funding such as Block Grant Assistance, HOME Funds, Housing Trust Funds, Continuum of Care, etc. will enter Section 3 information within the applicable closeout screens in IDIS, DRGR, or e-SNAPs as well as their annual reporting on the CAPER or APR.
Office of Lead Hazard Control and Health Homes Programs	Grantees receiving OLHCHH funding will report on their Section 3 activities within the Healthy Homes Grant Management System (HHGMS).
Office of Housing Programs	Grantees that participate in the Rental Assistance Demonstration Program will continue to report Section 3 activities within the RAD Resource Desk as prescribed by the latest RAD Notice
Office of Public and Indian Housing Programs	Public Housing Authorities will report in the Section 3 Reporting System (S3RS) portal

For Housing and Community Development Financial Assistance, Section 3 Projects are reported on in the applicant grant monitoring system such as IDIS or DRGR, etc., while benchmarks are reported on annually through the CAPER or APR unless otherwise provided by the grant. Where required, qualitative efforts on all projects completed within the program year are reported in a manner consistent with the program funding.

10. Section 3 Business Concern List

Effective with the adoption of this Section 3 Plan, the City will maintain a list of qualified Section 3 Business Concerns wishing to contract for federally-assisted housing rehabilitation, housing construction, and other public construction projects. The City will also utilize the HUD Section 3 Business Registry:

<https://portalapps.hud.gov/Sec3BusReg/BRegistry/SearchBusiness>,

or any other centralized Section 3 Business lists or databases offered by HUD that include contractors in the metropolitan area.

11. Section 3 Complaint Procedures

Complaints alleging failure to comply with the provisions of 24 CFR Part 75 may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.

12. Records

The City shall maintain documentation and ensure that its subrecipients, contractors, or subcontractors that employ workers maintains documentation to ensure that workers meet the definition of a Section 3 Worker or Targeted Section 3 Worker, at the time of hire or the first reporting period, in accordance with the following requirements:

- a. For a worker to qualify as a Section 3 Worker, one of the following must be maintained:
 - (i) A worker's self-certification that their income is below the income limit from the prior calendar year;
 - (ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
 - (iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
 - (iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
 - (v) An employer's certification that the worker is employed by a Section 3 business concern.
- b. For a worker to qualify as a Targeted Section 3 Worker, under eligible Housing and Community Development financial assistance:
 - (i) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

- (ii) An employer's certification that the worker is employed by a Section 3 business concern; or
- (iii) A worker's self-certification that the worker is a YouthBuild participant.

In addition, the City shall maintain documentation and ensure that its subrecipients, contractors, or subcontractors that employ workers maintains documentation detailing total labor hours worked, and Section 3 Worker and Target Section 3 Worker labor hours. Documentation of all qualitative efforts undertaken to enhance Section 3 performance must also be maintained by the City.

The foregoing compliance documentation shall be maintained for the time period required for record retention consistent with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR 200.334 which provides for retaining records for a minimum period of three years. HUD shall have access to all records, reports, and other documentation that demonstrates compliance with the Section 3 requirements.

EXHIBITS

1. Section 3 Clause
2. Section 3 Pre-Bid Meeting Checklist
3. Section 3 Business Certification Form
4. Sample Qualitative Outreach Efforts for Contractors
5. Statement of Section 3 Qualifications
6. Section 3 Worker/Targeted Worker Certification Form by County of Residence
7. Section 3 Contractor's Labor Report Summary

TASKS	Responsible Staff
1. Review and perform oversight of Section 3 contracting requirements.	Project manager for the Department implementing the Section 3 Project.
2. Review and perform oversight of Section 3 employment and training requirements.	Project manager for the Department implementing the Section 3 Project.
3. Review, implement, and perform oversight of Section 3 procurement requirements.	Project manager for the Department implementing the Section 3 Project.
4. Review of service area requirements for each Section 3 activity and integration into bid and other Section 3 documentation.	Project manager for the Department implementing the Section 3 Project.
5. Review Section 3 Business Concern documentation and determine eligibility.	Project manager for the Department implementing the Section 3 Project.
6. Review the Statement of Section 3 Qualifications to determine the capacity of the bidder to meet Section 3 obligations.	Project manager for the Department implementing the Section 3 Project.
7. Review Section 3 Worker and Targeted Section 3 Worker documentation and determine eligibility.	Project manager for the Department implementing the Section 3 Project.
8. Implement qualitative measures and perform reviews of qualitative measures implemented by contractors and other parties.	Project manager for the Department implementing the Section 3 Project.
9. Receive and process Section 3 accomplishment data and perform Section 3 reporting functions.	Grant Administrator - Department of Neighborhood Services.
10. Receive and process Section 3 complaints.	Grant Administrator - Department of Neighborhood Services.
11. Enter Section 3 accomplishment data in the HUD Integrated Disbursement and Information System prior to marking the activity "complete"	Grant Administrator - Department of Neighborhood Services.
12. Retention of Section 3 Project records	Project manager for the Department implementing the Section 3 Project.
Records to be Maintained:	City Contractor Applications / Bids DUNS and SAM registrations City licensing information, registration, and vendor requirements State contractor license verifications Notice of contract award - Departmental approvals All Section 3 Exhibits / documents received as part of a Section 3 Project
Retention Period:	5 years from submission of the Consolidated Annual Performance and Evaluation Report in which the Section 3 Project is reported as complete.



Section 3 Plan

Exhibit 1

EXHIBIT 1

Section 3 Clause

Federal Contract Provision

24 CFR Part 75

- a. This is a Section 3 covered project. Section 3 projects 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 detailed in 24 CFR 75(a)(2)(i). 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.
- b. 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 the U.S. Department of Housing and Urban Development (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.
- c. The parties to this contract will comply with HUD's regulations as set forth in 24 CFR Part 75, 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 75 regulations.
- d. The Section 3 requirements apply to all contractors and subcontractors performing work in connection with a Section 3 covered project. Contractor means any entity entering into a contract with (a) a recipient to perform work in connection with work in connection with a Section 3 project; or (b) a subrecipient for work in connection with a Section 3 project. Subcontractor means any entity that has a contract with a Contractor to undertake a portion of the contractor's obligation to perform work in connection with a Section 3 project.
- e. The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, 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 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of regulations under 24 CFR Part 75.
- f. 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 75 require employment opportunities to be directed, where not filled to circumvent the contractor's obligations under 24 CFR Part 75.
- g. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- h. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25

U.S.C. 4111(k) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the Section 3 requirements of 24 CFR Part 75.



Section 3 Plan

Exhibit 2

EXHIBIT 2

Section 3 Pre-Bid Meeting Checklist

Project Name		Project Number
Date	Time	Location

This presentation will familiarize you with the federal requirements applicable to this contract because it is funded in whole or in part with federal Community Development Assistance administered by the U.S. Department of Housing and Urban Development (HUD). Please be sure to ask me any questions you may have about these requirements before you leave today's meeting.

SECTION 3 EMPLOYMENT, CONTRACTING, AND TRAINING OPPORTUNITY PROGRAM

- Section 3 of the Housing and Community Development Act of 1968 requires that the City implement an employment, contracting and training opportunity program in connection with its HUD-funded housing construction, housing rehabilitation, or other public construction contracts. The goal of Section 3 is to provide employment and training opportunities to individuals that qualify as "Section 3 Residents."
- This is a Section 3 covered project. Section 3 projects 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 detailed in 24 CFR 75(a)(2)(i). 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 Section 3 requirements apply to all contractors and subcontractors performing work in connection with a Section 3 covered project. Contractor means any entity entering into a contract with (a) a recipient to perform work in connection with work in connection with a Section 3 project; or (b) a subrecipient for work in connection with a Section 3 project. Subcontractor means any entity that has a contract with a Contractor to undertake a portion of the contractor's obligation to perform work in connection with a Section 3 project.
- A Section 3 Worker is a worker who currently fits or when hired within the past five years (as documented) fits at least one of the following *categories*:
 - 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.
- For Housing and Community Development Financial Assistance – A Targeted Section 3 Worker is:
 - a. A worker employed by a Section 3 business concern; or
 - b. A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - (i) Living within the service area or the neighborhood of the project, which is defined as an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered

- on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census; or
- (ii) A YouthBuild participant.

- A Section 3 Business is a business concern meeting at least one of the following criteria, documented within the last six-month period:
 - a. is 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. is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- The City is required by HUD to implement Section 3 to the greatest extent feasible, which means that the City and its subrecipients, contractors and subcontractors must undertake all reasonable measures to meet the established HUD Labor Hour Benchmarks for Section 3 Workers and Targeted Section 3 Workers. The current HUD Section 3 minimum labor hour benchmarks are as follows:

Labor Hour Standard	Ratio Formula	Minimum %
Section 3 Workers	$\text{Section 3 Workers} \div \text{Total Labor Hours}$	25%
Targeted Section 3 Workers	$\text{Targeted Section 3 Workers} \div \text{Total Labor Hours}$	5%

Note that the Section 3 Labor Hours Worked reflected above should also include the Total Labor Hours worked for Targeted Section 3 Workers.

- Upon completion of the contract, the successful bidder will be required to provide the Contractor's Section 3 Labor Report Summary, a document summarizing labor hour accomplishments and detailing all efforts made to create contracting, employment and training opportunities for low-income residents in connection with this project. This form is also included in the bid document; however, it is to be submitted on July 1st or with your final Certified Payroll Report, whichever occurs first.

CONTRACTOR ELIGIBILITY

- All contractors' license status will be verified by the City with the Contractors State License Board.
- The City will verify the debarment status of all contractors through the U.S. General Services Administration's System for Award Management (SAM).
- The City will verify that all contractors have appropriate insurance in conformance with contract requirements.

FEDERAL PREVAILING WAGE: APPLICABLE NOT APPLICABLE TO THIS PROJECT

- This is a federally assisted construction contract. The Federal Labor Standards Provisions, including prevailing wage requirements of the Davis-Bacon and Related Acts will be enforced. In the event of a conflict between Federal and State wages rates, the higher of the two will prevail.
- The Federal Labor Standards Provisions, "HUD-4010 form," included in the Bid Document as a part of the prime contract, details the federal prevailing wage requirements applicable to this contract.

- The applicable Federal wage decision will lock-in 10-calendar days prior to the physical bid opening date.
- The hourly rate to be paid to each worker, as listed in the wage decision, may be higher than wages paid for private work.
- The hourly Fringe Benefit rate listed in the wage decision must be added to and paid as part of the workers hourly rate, or paid into an approved plan, as documented on the "Fringe Benefit Statement" form.
- The wage decision and notices must be posted at the job site in a place that is accessible to all employees.
- The "Public Works Payroll Report" form (WH-347 form or similar format) must be submitted on a weekly-basis.
- A "Statement of Compliance" form (WH-348 form or similar format) must be attached to each payroll report.
- All work classifications used in the "Weekly Certified Payroll Report" (CPR) must be listed in the wage decision.
- Classifications and rates used, but not listed in the wage decision must be approved in advance by HUD.
- "OTHER" deductions must be "Authorized" by the employee. A copy of this documentation must be attached to the first CPR where an "OTHER" deduction appears for an employee.

EQUAL EMPLOYMENT OPPORTUNITY

- Contractor(s) [\$10,000 or more] must implement the requirements outlined in the "EEO Clause" of your contract.
- Notification will be made by the City to the DOL Office of Federal Contract Compliance Programs of all contracts and subcontracts of \$10,000 or more.

The City will actively monitor this project for compliance with the aforementioned requirements.

Name/Signature of Presenter

Date

Section 3 Compliance Instructions for Bidders

During the procurement and contracting process for this project:

1. Review the Section 3 Clause
2. Review the Section 3 Pre-Bid Meeting Checklist
3. Complete the Section 3 Business Certification Form and return it with your bid
4. During the project, consider and implement Qualitative Outreach Efforts for Contractors as appropriate
5. Complete the Statement of Section 3 Qualifications and return it with your bid
6. Facilitate completion of the Section 3 Worker / Targeted Worker Certification Form(s) for each employee to be counted as either a Section 3 Worker or a Section 3 Targeted Worker on this project and return these forms with your bid

If selected for the prime contract, incorporate Section 3 into subcontracts and require submission of items 2-6 below from each subcontractor or sub-tier contractor:

1. Section 3 Clause
2. Section 3 Pre-Bid Meeting Checklist
3. Section 3 Business Certification Form
4. Qualitative Outreach Efforts for Contractors
5. Section 3 Worker / Targeted Worker Certification Form(s)
6. Section 3 Contractor's Labor Report Summary (to be submitted with the final payroll report)

During the project:

1. Continue implementing Section 3 as part of your hiring practices
2. Maintain records of hours worked by type of worker (Section 3 Worker, Section 3 Targeted Worker, other workers) to facilitate reporting

After the project is complete:

1. Collect a Section 3 Contractor's Labor Report Summary from all participating subcontractors and sub-tier contractors.
2. Prepare the prime contractor's Section 3 Contractor's Labor Report Summary form
3. Submit all Section 3 Contractor's Labor Report Summary forms to the City



Section 3 Plan

Exhibit 3

EXHIBIT 3

Section 3 Business Certification Form

Federal Compliance Form – To be submitted with Bid to be Responsive to Section 3

Project Name Project Number Bid/Contract Amount

Business Name

Business Address

Telephone Number Contractor's License Number Federal Employer Identification Number DUNS Number

1. The above named business is a Section 3 Business Concern based on the following qualifications:

51 percent owned and controlled by low- or very low-income persons
Number of Low- or Very Low-income Owners ÷ Number of Owners = %
(Attach Resident Certifications for all Section 3 owners claimed and a list of all other non-income eligible owners)

Over 75 percent of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers
a. Total Number of Labor Hours for the prior three-month period
b. Number of Labor Hours for the prior three-month period performed by Section 3 Workers
c. b ÷ a = %
(Attach Summary Labor Report Form for the prior three-month period)

At least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing
Number of Section 3 Resident Owners ÷ Number of Owners = %
(Attach Resident Certifications for all Section 3 owners claimed)

2. The above named business is not a Section 3 Business Concern, but commits to meeting the Section 3 goal on this project by:

Making a Written Commitment
Our company declares its intention to incorporate Section 3 into our normal hiring practices beginning with all openings effective on or after the date of contract award, with the goal of becoming a Section 3 Business Concern; and comply with the employment and training, and contracting prioritization efforts of 24 CFR 75.19.

On this project, our company and its subcontractors will collectively meet the following Section 3 minimum labor hour benchmarks:

Table with 3 columns: Labor Hour Standard, Ratio Formula, Minimum %. Rows include Section 3 Workers (25%) and Targeted Section 3 Workers (5%).

We have attached the Statement of Section 3 Qualifications, and Business Certifications for all subcontracts claimed; and agree to conduct and document outreach efforts to hire Section 3 Workers and Targeted Section 3 Workers, and collect Section 3 Worker and Section 3 Targeted Worker Certifications, and document their labor hours as well as total labor hours throughout the duration of the project.

The undersigned declares that the above information is complete and correct.

Printed Owner/Principal Name Owner/Principal Signature Date



Section 3 Plan

Exhibit 4

Sample Qualitative Outreach Efforts for Contractors Seeking to Hire Section 3 Workers and Targeted Section 3 Workers

A Section 3 responsive bidder who commits to hire Section 3 Residents by directing employment and training opportunities toward low- and very low-income persons, particularly those who are recipients of government assistance for housing, may use any combination of outreach efforts to meet the Section 3 commitment made when a Statement of Section 3 Qualifications is submitted.

REMEMBER: All employees of a business/firm that work on a Section 3 Project count toward meeting your Section 3 goals—Section 3 New Hires do not have to be construction workers, they just have to work on the Section 3 Project.

The following represent sample measures that can be undertaken to expand your Section 3 Worker and Targeted Section 3 Worker hiring;

- Engage in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- Provide training or apprenticeship opportunities.
- Provide technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- Provide or connect Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- Hold one or more job fairs.
- Provide or refer Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
- Provide assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- Assist Section 3 workers in obtaining financial literacy training and/or coaching.
- Engage in outreach efforts to identify and secure bids from Section 3 business concerns.
- Provide technical assistance to help Section 3 business concerns understand and bid on contracts.
- Divide contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Promote the use of business registries designed to create opportunities for disadvantaged and small businesses.
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

Remember to document all of your efforts for retention within your project files and for submission to the City.



Section 3 Plan

Exhibit 5

EXHIBIT 5

Statement of Section 3 Qualifications

Contractor name and address		Project number:	Dollar amount of contract:
		Contact person and title:	
		Contact person email address:	
Phone: (include area code)	Contractor's license number and class:	Federal EIN:	Date report submitted:
Date(s) covered:		Do you currently qualify as a Section 3 Business Concern? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Part I: Past Performance under Section 3 Projects

<p>Has your firm previously performed work on Section 3 projects? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please complete the attached spreadsheet detailing your Section 3 accomplishments for the last year</p>

Part II: Efforts to Meet Section 3 Worker and Targeted Work Labor Hour Obligations

<p>Please specify the commitments that you have made to meet your Section 3 Worker and Targeted Work Labor Hour Obligations</p> <p><input type="checkbox"/> We have a sufficient number of verifiable Section 3 Workers and Targeted Section 3 Workers currently employed, which based on the labor hour projections for this project, will meet or exceed both of the HUD Minimum Labor Hour Thresholds of 25% for Section Workers and 5% for Targeted Section 3 Workers.</p> <p><input type="checkbox"/> We have contractual commitments with Section 3 Business Concerns, which when combined with labor hour projections for our staff and those of the Section 3 Business Concerns for this project, will meet or exceed both of the HUD Minimum Labor Hour Thresholds of 25% for Section Workers and 5% for Targeted Section 3 Workers.</p> <p><input type="checkbox"/> We will engage in outreach efforts to identify and secure bids from Section 3 Business Concerns, which when combined with labor hour projections for our staff and those of the Section 3 Business Concerns for this project, will meet or exceed both of the HUD Minimum Labor Hour Thresholds of 25% for Section Workers and 5% for Targeted Section 3 Workers.</p> <p><input type="checkbox"/> We commit to performing the following targeted outreach activities to expand the number of Section 3 Workers and Targeted Section 3 Workers to a level which based on the labor hour projections for this project, will meet or exceed both of the HUD Minimum Labor Hour Thresholds of 25% for Section Workers and 5% for Targeted Section 3 Workers (list all outreach activities to be performed):</p>

We commit to performing the following measures designed to ensure that the labor hours performed by Section 3 Workers and Targeted Section 3 Workers for this project, will meet or exceed both of the HUD Minimum Labor Hour Thresholds of 25% for Section Workers and 5% for Targeted Section 3 Workers (provide a detailed description of the measures to be implemented):

Part III: Labor Utilization Projections for Section 3 Workers and Targeted Section 3 Workers

Please complete the following information for the project for which this bid proposal is being submitted:

Current Staffing	
Total Number of Personnel that will be working on this Project	
Number of currently employed Section 3 Workers that will be working on this Project	
Number of currently employed Targeted Section 3 Workers that will be working on this Project	

Projected Labor Utilization Includes Current and New Hires, Subcontractors, and Work performed by Section 3 Business Concerns	
a. Total Projected Labor Hours for all Project Personnel	
b. Total Projected Labor Hours for Section 3 Workers	
c. Total Projected Labor Hours for Targeted Section 3 Workers	
Projected Labor Hours by Section 3 Workers as a percentage of Total Labor Hours (b ÷ a)	%
Projected Labor Hours by Targeted Section 3 Workers as a percentage of Total Labor Hours (c ÷ a)	%

Part IV: Efforts performed to generate economic opportunities and assist in meeting Section 3 Labor Hour Requirements

Please indicate which of the following measure have been completed prior to the submission of this bid:	
<input type="checkbox"/>	Trained and/or Employed _____ Section 3 Workers and _____ Targeted Section 3 Workers (attach Section 3 Worker Certifications and Targeted Section 3 Worker Certifications)
<input type="checkbox"/>	Awarded subcontracts to _____ Section 3 Business Concern(s). (attach Section 3 Business Concern Certifications)
<input type="checkbox"/>	Attempted to recruit Section 3 Workers through: <ul style="list-style-type: none"> <input type="checkbox"/> Advertising through local media, television, radio, newspaper (attach copy of advertisement) <input type="checkbox"/> Signs prominently displayed at the project site <input type="checkbox"/> Contacts with Community Organizations (attach correspondence) <input type="checkbox"/> Contacted management to notify residents of job availability and posted or distributed flyers at public housing authority (Attach list)
<input type="checkbox"/>	Participated in a HUD program or other program which promotes the training or employment of low-income individuals (attach supporting documentation)
<input type="checkbox"/>	Participated in a HUD program or other program which promotes the award of contracts to Section 3 Business Concerns
<input type="checkbox"/>	Contacted agencies administering HUD Youth-Build programs. (Attach correspondence documentation)
<input type="checkbox"/>	Maintained a file of eligible qualified low-income Residents and qualified Section 3 Business Concerns for future employment
<input type="checkbox"/>	OTHER: (Describe and attach supporting documentation)

Title 18, Section 1001 of the U.S. Code provides that it is a felony for any person to knowingly and willingly make false or fraudulent statements to any department of the United States Government. I, the undersigned, hereby certify that all statements contained herein and in its respective attachments are true and correct to the best of my knowledge and belief.

Under the penalty of perjury, I certify that the above information is true and correct.

Printed Name

Title

Signature

Date

Section 3 Accomplishments
 (Please include all Section 3 Projects in which you participated during the last 12 months)

Project Name	Construction Dates	Funding Entity	Funding Entity Contact Information (Name, Phone and email)	Were All Section 3 Obligations Met for this Project?
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No



Section 3 Plan

Exhibit 6

**SECTION 3 WORKER and TARGETED SECTION 3 WORKER CERTIFICATION
COMMUNITY DEVELOPMENT FINANCIAL ASSISTANCE**

Employee Residing in Los Angeles County

Submit with Bid if Box 1 is checked on Section 3 Business Certification or for New Hires

Employee Name

Date Hired (Month/Date/Year)

Employee Address

I hereby certify that I am a Section 3 Worker based on currently meeting, or meeting when hired within the past five years at least one of the following qualification(s) - check all that apply:

1. I am a low-income resident of the metropolitan area and:

For new hires:

<input type="checkbox"/> My current annual income is \$66,250 or less	2021 Income Limit
---	-------------------

For employees hired within the last five (5) years, please specify if you met the applicable income requirement for the year in which you were hired (based on previous year income):

Year Hired	Applicable Income Limit	Income Standard
2020	<input type="checkbox"/> My annual income for 2019 was \$58,450 or less	2019 Income Limit
2019	<input type="checkbox"/> My annual income for 2018 was \$54,250 or less	2018 Income Limit
2018	<input type="checkbox"/> My annual income for 2017 was \$50,500 or less	2017 Income Limit
2017	<input type="checkbox"/> My annual income for 2016 was \$48,650 or less	2016 Income Limit
2016	<input type="checkbox"/> My annual income for 2015 was \$46,500 or less	2015 Income Limit

2. I am a YouthBuild participant

Under the provisions of Title 18, Section 1001 of the U.S. Code, it is a felony for any person to knowingly and willingly make false or fraudulent statements to any department of the United States Government. I, the undersigned, hereby certify that all statements contained herein, are true and correct to the best of my knowledge and belief. I understand the information I provide in this certification is subject to verification, and I agree to provide necessary documentation if requested.

Under the penalty of perjury, I certify that the above information is true and correct.

Employee Signature

Date

EMPLOYER CERTIFICATION

Employee Name: _____

Company Name: _____

Our company: is a Section 3 Business Concern, or is not a Section 3 Business Concern

The above-named employee was hired on: _____

The above-named employee's job title is: _____

If the company is not a Section 3 Business Concern and the specified employee does not meet any of the above criteria for designation as a Section 3 Worker, please complete the following:

SECTION 3 WORKER:

- The worker's income from our company is below the income limit when based on a projection of the worker's wage rate annualized on a full-time basis, or
- The worker's income from our company exceeds the income limit when based on a projection of the worker's wage rate annualized on a full-time basis.

TARGETED SECTION 3 WORKER:

- The above specified employee lives within one mile of the location of the Section 3 project for which this certification is being submitted (or if fewer than 5,000 people live within one mile of the project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.)

Under the provisions of Title 18, Section 1001 of the U.S. Code, it is a felony for any person to knowingly and willingly make false or fraudulent statements to any department of the United States Government. I, the undersigned, hereby certify that all statements contained herein, are true and correct to the best of my knowledge and belief. I understand the information I provide in this certification is subject to verification, and I agree to provide necessary documentation if requested.

Employer Certification:

Printed Name Title

Signature Date

FOR OFFICE USE ONLY

To be determined eligible as a Section 3 Worker, the worker must currently fit 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.

To be determined eligible as a Targeted Section 3 Worker, the worker must meet one the following criteria:

- a. Be employed by a Section 3 business concern; or
- b. Currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - (i) Living within the service area or the neighborhood of the project [within one mile of the location of the Section 3 project for which this certification is being submitted (or if fewer than 5,000 people live within one mile of the project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.)]; or
 - (ii) A YouthBuild participant.

Based on the information contained herein, the worker identified in this certification qualifies as:

- a Section 3 Worker
- a Targeted Section 3 Worker
- Does not qualify as either a Section 3 Worker or a Targeted Section 3 Worker



Section 3 Plan

Exhibit 7

EXHIBIT 7

**Community Development Financial Assistance
Summary Labor Report**

Project Name

The labor hours reported in this table must include the total number of labor hours worked with Housing and Community Development financial assistance for the above specified project, including labor hours worked by any contractors and subcontractors.

Labor hours for Section 3 Workers and Targeted Section 3 Workers that are classified as professional services are to be reported within their respective columns; however the total professional services labor hours are not to be included in the "All Workers Total Labor Hours Worked" Column.

Labor Hours Report for the Project funded with Community Development Financial Assistance			
Contractors and Subcontractors <small>List the names of all contractors and subcontractors performing work on the above specified project. (attach additional pages, if required)</small>	All Workers Total Labor Hours Worked	Section 3 Workers Total Labor Hours Worked*	Targeted Section 3 Workers Total Labor Hours Worked
Totals			

* Please note that the Section 3 Labor Hours Worked reflected above should also include the Total Labor Hours worked for Targeted Section 3 Workers. This also applies to the Labor Hours Calculation table below for determining compliance with HUD Benchmarks minimums.

Section 3 Labor Hour Calculations

Based on your entries above, please calculate the following labor hour standards for your Housing and Community Development project:

Labor Hour Calculations			
Labor Hour Standard	Ratio Formula	%	2021 HUD Benchmark Minimums
Section 3 Workers	Section 3 Worker's Labor Hours ÷ Total Labor Hours		25%
Targeted Section 3 Workers	Targeted Section 3 Worker's Labor Hours ÷ Total Labor Hours		5%

Prioritization of Employment and Training, and Contracting

Employment and training

- I certify that to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, that we have ensured that employment and training opportunities arising in connection with this Section 3 project are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.
- I certify that where feasible, priority for opportunities and training described in the above paragraph were given to:
 - a. Section 3 workers residing within the service area or the neighborhood of the project, and
 - b. Participants in YouthBuild programs.

Contracting

- I certify that to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, that we have ensured that contracts for work awarded in connection with this Section 3 project were provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.
- I certify that where feasible, priority for contracting opportunities described in the above paragraph were given to:
 - a. Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
 - b. YouthBuild programs.

If both of your labor hour percentage calculations for Section 3 Workers and Targeted Section 3 Workers are below the respective 2021 HUD Section 3 Benchmarks and you have met all of the prioritization of employment and training, and contracting requirements, please sign the certification below for the information entered above, and complete Section 2 of this form below.

If both of your labor calculation percentages for Section 3 Workers and Targeted Section 3 Workers meet or exceed the 2021 HUD Benchmark minimums, then please sign the certification below:

Under the penalty of perjury, I certify that the above information is true and correct.

Printed Name	Title
Signature	Date

SECTION 2

Please indicate which of the following qualitative Section 3 compliance activities that you or your subcontractors performed have:

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers
- Provided training or apprenticeship opportunities
- Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching)
- Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services
- Held one or more job fairs
- Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care)
- Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training
- Assisted Section 3 workers to obtain financial literacy training and/or coaching
- Engaged in outreach efforts to identify and secure bids from Section 3 business concerns
- Provided technical assistance to help Section 3 business concerns understand and bid on contracts
- Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns
- Promoted use of business registries designed to create opportunities for disadvantaged and small businesses
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act
- Other (please specify): _____

- Other (please specify): _____

PLEASE attach documentation that supports the performance of the above specified measures by contractors and subcontractors, and sign the certification below:

Under the penalty of perjury, I certify that the above information is true and correct.

Printed Name

Title

Signature

Date