

Southside Community Development & Housing Corporation
1624 Hull Street
Richmond, Virginia 23224

SECTION 3 POLICY

This policy is developed for the Southside Community Development & Housing Corporation (hereafter referred to as SCDHC) for its exclusive use as a sub-recipient and its contractors and sub-contractors of HUD certain financial assistance such as CDBG, HOME, Homeless NSP and other funds as provided. This policy shall be binding upon all contracting, sub-contracting and administrative agreements. Inside this policy it expresses the term “city” in multiple areas. City shall mean the city of Richmond, VA, its residents or legal boundaries only.

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BACKGROUND ON THE SECTION 3 REGULATION

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, is to “ensure that employment and other economic opportunities generated by certain HUD financial funding shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low and very low-income persons, particularly those who are recipients of government funding for housing, and to Business Concerns which provide economic opportunities to low- and very low-income persons.”

Consistent with 24CFR Part 135, as a recipient of HUD funding, the Southside Community Development & Housing Corporation requires fulfillment of Section 3 obligations on all contracts that make use of that assistance. These policies are implemented regardless of the contract amount or whether it is designated as housing construction, housing rehabilitation, lead based paint abatement or other public construction project. SCDHC works to ensure the provision of employment, training, contracting, and other economic opportunities to its residents and other low income persons. In doing so, SCDHC utilizes Section 3 as a means of promoting stability and self-sufficiency to Section 3 Residents. Implementation procedures may be amended periodically by SCDHC to insure that the policy requirements are being met and/or to enhance the efficiencies of compliance.

I. APPLICABILITY

Section 3 of the Housing and Urban Development Act of 1968 by the Housing and Community Development Act of 1992. Section 3, as amended, requires that economic opportunities generated by certain HUD financial assistance for housing (including public and Indian housing) and community development programs shall, to the greatest extent feasible, be given to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons.

Section 3 requirements apply to all projects and activities funded whole or in part with covered funds and the entire project budget is then a subject to Section 3.

II. DEFINITIONS

Please refer to the 24 CFR 135.5 for a full list of prevailing definitions found in the regulation.

NEW HIRES: full-time employees for permanent, temporary or seasonal employment opportunities for any specific SCDHC related contract.

RESIDENT OWNED BUSINESS (ROB): A ROB is a Business Concern owned or controlled by Public Housing Residents, or low income Residents of the city that are: (a) at least 51% owned and operated by one or more public housing residents; and (b) whose management and daily business operations are controlled by one or more such individuals. For purposes of Section 3 compliance, a ROB must also meet the definition of a Section 3 Business Concern as described below.

EMPLOYMENT OPPORTUNITIES GENERATED BY SECTION 3 COVERED ASSISTANCE: All employment opportunities generated by the expenditure of Section 3 covered funding (i.e. operating funding, development funding, and modernization funding) and with respect to Section 3 covered housing and community development funding, all employment opportunities arising in connection with Section 3 covered projects, including management and administrative jobs (including architectural, engineering, or related professional services and jobs directly related to administrative support of these activities) connected with the Section 3 covered project.

RECIPIENT: Any recipient which receives Section 3 covered funding, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian Tribe, 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. Recipient also includes any successor, assignee, or transferee of any such recipient, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include Section 3 contractors.

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

SECTION 3 BUSINESS CONCERN: As defined by HUD, a Section 3 Business Concern is one:

- A. That is Fifty-one (51%) percent or more owned by Section 3 Residents; or
- B. Whose permanent, full-time employees includes persons, at least 30 percent of whom are current Section 3 Residents, or were Section 3 Residents within three (3) years of the date of first employment with the Business Concern if the contractor is working on a redeveloped or replacement asset; or
- C. That provides evidence of a commitment to subcontract a minimum of 25 percent of the total contract award amount (including any modifications) to Section 3 Business Concern s as defined in A or B. Example: If the Contract Amount is = \$1,000,000, contractor must subcontract at least 25% or \$250,000 to Section 3 Business Concern (s) as defined in A or B in this part.

SECTION 3 CLAUSE: The contract provisions and sanction set forth in 24 CFR 135.38

SECTION 3 COVERED ACTIVITY: Any activity that is funded by Section 3 covered funding.

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SECTION 3 COVERED ASSISTANCE: Section 3 applies to the following HUD assistance (section 3 covered assistance):

(1) Public and Indian housing assistance. Section 3 applies to training, employment, contracting and other economic opportunities arising from the expenditure of the following public and Indian housing assistance:

(i) Development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);

(ii) Operating assistance provided pursuant to section 9 of the 1937 Act; and

(iii) Modernization assistance provided pursuant to section 14 of the 1937 Act;

The requirements of part 135 apply to recipients of covered section 3 housing and community development assistance for which the amount of the assistance exceeds \$200,000; and these requirements apply to contractors and subcontractors performing work on projects funded by housing and community development assistance for which the recipient's award exceeds \$200,000, and the contract or subcontract exceeds \$100,000. If the recipient's award of assistance exceeds \$200,000, but the contracts and subcontracts do not exceed \$100,000, then only the recipient is subject to the section 3 preference requirements. The recipient's responsibility includes awarding contracts, to the greatest extent feasible, to section 3 business concerns.

SECTION 3 COVERED CONTRACT: A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered funding or for work arising in connection with a Section 3 Covered Project. "Section 3 Covered Contracts" do not include contracts for the purchase of supplies and materials except, whenever a contract for materials includes the installation of the materials, the contract constitutes a "Section 3 Covered Contract".

SECTION 3 COVERED PROJECT: The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development funding.

SECTION 3 JOINT VENTURE: An association of Business Concerns, one of which qualifies as a Section 3 Business Concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the Business Concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 Business Concern:

- Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- Performs at least 25% of the work and is contractually entitled to compensation proportional to its work.

LOW INCOME PERSON: Families (including single persons) whose incomes do not exceed 80% of the median income for the project area.

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VERY LOW INCOME PERSON: Families (including single persons) whose incomes do not exceed 50% of the median family income for the project area.

Please refer to www.huduser.org/portal/datasets/il.html for current, local Income Limit information.

- ❖ Select current year.
- ❖ Select “Access Individual Income Limit area”
- ❖ Select “click here for FY 2012 IL Documentation” (where XXXX is the current fiscal year)
- ❖ Select State & County

III. GOALS OF THE SECTION 3 REGULATION

SCDHC's Section 3 protocol seeks to aid Section 3 residents to the greatest extent feasible in three ways, listed in order of preference:

A. Hiring low- and very low-income workers

Attempt to hire at least 30% of the aggregate number of full-time new hires by SCDHC and its contractors must be Section 3 residents, with a preference for residents at the development where the work is being performed or in the area where the work is being performed.

B. Awarding contracts to Section 3 business concerns

Attempt to award at least 10% of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing, or for building trades work arising in connection with housing rehabilitation, housing construction, and other public construction, must be awarded to Section 3 business concerns. Attempt to award at least 3% of the total dollar amount of all other Section 3 covered contracts.

C. Providing other economic opportunities

If the two goals above cannot be met by SCDHC or its contractors, other training and employment opportunities can be provided to substitute for goals A and B. Firms may provide other economic opportunities and will be responsible for soliciting and contracting a qualified firm experienced in providing a Department of Labor Approved curriculum consistent with Section 3 requirements [135.11] in the area of resident training in the following areas:

- Employment Readiness and Professional Development
- Section 3 Small Business Concern Development Training
- Building Construction Trades Classroom Training
- Other direct skills trainings unrelated to public housing solicited commodities

These are described further in section VII below.

IV. SCDHC Responsibilities

SCDHC, as the recipient of HUD funding, accepts the responsibility of not only enforcing the Section 3 requirements, but also pro-actively facilitating compliance with Section 3. SCDHC fulfills this responsibility in the following ways:

- A) Notify Section 3 residents of opportunities through developing a separate Memorandum of Agreement (MOA) with the Richmond Redevelopment and Housing Southside Community Development & Housing Corporation (SCDHC) (RRHA) to handle all direct resident recruitment and outreach as required to properly and timely give notice to all of their low and very low income

residents via some of the following protocols and others as they deem appropriate and consistent with the federal regulation. Additionally, RRHA will maintain such lists of interested and qualified residents for any opportunities with SCDHC and will be required to report those persons and their specific efforts on the required database and/or form as determined by SCDHC via its agreement with the City of Richmond for funding.

- B) Posting job openings in the offices of procurement and community development, and in local media;
- C) Conveying that the contract work is a Section 3 Covered Contract in any advertisement for bids and proposals
- D) Notifying contractors in each pre-bid meeting of the Section 3 requirements;
- E) Incorporating the HUD mandated Section 3 clauses in all contracts;
- F) Providing Resident Certification and Affidavit forms for employment at SCDHC offices and allowing applications to be submitted at appropriate SCDHC locations;
- G) Encouraging the training of Section 3 residents through SCDHC contractors;
- H) Facilitating an opportunity annually for contractors to meet interested Section 3 residents for employment. A list can be developed as a resource for SCDHC and contractors when seeking to hire Section 3 workers
- I) Facilitating an opportunity annually for small contractors to meet large prime contractors interested in bidding work awarded by SCDHC;
- J) Documenting actions taken to comply with Section 3 requirements including all results and impediments;
- K) Reporting annually on its efforts regarding Section 3 implementation (Form-60002);
- L) Refusing to award contracts to businesses or persons who have previously violated Section 3 requirements;
- M) Posting all job sites funded by SCDHC with a location or phone number of whom and how to apply for any opportunities for employment, training or contracting.

V. Contractor Responsibilities

The 30% new hiring goal and 10% & 3% contracts awarded goal are the only safe harbors whereby a contractor will have complied with Section 3. If the two goals above cannot be met by the contractor, other training and employment opportunities can be provided to substitute for those goals, but documentation should be submitted explaining why those numerical goals could not be met. If a contractor substitutes economic opportunities for its achievement of the numerical goals, their efforts need to be equivalent to those that would be required to meet those goals. The acceptability of these efforts will be determined by SCDHC, or in cases of a complaint, by HUD.

Examples of activities to demonstrate these efforts are listed in the appendix to part 135 of the Code of Federal Regulations—24 CFR Part 135. Section A above of this document applies to fulfilling the first goal of hiring 30% Section 3 residents, and Section B applies to fulfilling the second goal of awarding 10% & 3% of contracts to Section 3 business concerns. Examples include distributing or posting flyers advertising positions to be filled, posting opportunities in a timely manner on SCDHC's

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website (if applicable), contacting SCDHC or PHA for a list of Residents that may have been compiled that have expressed interest in Section 3 employment, notify PHA about open positions, holding job informational meeting for residents, etc. Contractors must submit with any bid or proposal an action plan describing the implementation of Section 3. Omission of this document with a bid or proposal makes that contractor non-responsive, and therefore ineligible to be awarded a contract.

VI. Preferences and Eligibility

Note: All persons that are recipients of housing assistance by the government are Section 3 Residents and Public housing residents are a top priority Section 3 Resident. The businesses owned by public housing residents are also top priority business concerns. When employment or contracting opportunities are offered and all requirements are met and remain equal, public housing residents/businesses within the City of Richmond shall be provided preference over other Section 3 residents/business concerns and non-section 3 residents/business concerns.

- A) Regarding the hiring of Section 3 residents, Preference shall be given to those residents who live at the project site where the Section 3 covered assistance is expended and all other projects owned or managed by SCDHC or by covered assistance.

Tier I Section 3 Residents shall be as prescribed below:

- I. Persons assisted with housing by the federal government in the neighborhood within the target area where the project is located.

Tier II Section 3 Residents shall be as prescribed below:

- II. Low and very low income persons within the city and Youthbuild

If no Section 3 residents are available from the project site where the project is located or any other project funded or financed by the City of Richmond or SCDHC, the contractors shall give Preference to any non-Section 3 Resident without regard for their residency.

- B) Regarding the contracting opportunities for Section 3 business concerns, preference shall be given to business concerns owned at least 51% by any City residents of where the project is located and where the covered assistance is expended. Next, any City residents of any other property owned or managed by the PHA that is expending the Section 3 covered assistance. Last, Section 3 business concerns that are owned at least 51% by residents of the City of Richmond or PHA shall be sought. If no Section 3 Resident Owned Business concern is available from either, the contractors shall give Preference to any non-Section 3 business concern.
- C) Regarding eligibility, a Section 3 resident seeking employment must fulfill the requirements of the sought position and, if asked, must provide evidence of their Section 3 status (e.g., receipt of public assistance, tax return). A Section 3 business concern seeking to win a contract must fulfill the requirements of the contract and, if asked, provide evidence of their Section 3 status.

VII. Other Economic Opportunities

For contracts or all purchase orders, other economic opportunities may only be used where a contractor or sub-recipient can not comply with the hiring or subcontracting goals set forth in the Preference Tier structure in paragraph VI. Whenever the other economic opportunities are employed they must equal or exceed 3% of the total contract value including any change orders.

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VIII. Complaints and Compliance

Any Section 3 resident or business concern that feels that the Section 3 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following address (or as otherwise directed by HUD):

Assistant Secretary for Fair Housing and Equal Opportunity
Department of Housing and Urban Development
Philadelphia Regional Office of FHEO
U.S. Department of Housing and Urban Development
The Wanamaker Building
100 Penn Square East, 12th Floor
Philadelphia, Pennsylvania 19107-3380
(215) 861-7646 or 1-888-799-2085 or TTY (215) 656-3450

The complaint must be in writing and be received within 180 days from the date of the action upon which the complaint is based. It should include the complainant's name and address, SCDHC or contractor's name and address, and a description of the acts in question. The complainant will receive a response from HUD within 10 days in which further investigation will be explained.

Attachments

24 CFR Part 135 - Section 3 Regulation

SOUTHSIDE COMMUNITY DEVELOPMENT & HOUSING CORPORATION

STANDARD SECTION 3 OPERATING PROCEDURES

Policy Effective Date: _____, 20__
_____, 20__

Procedural Change Date:

Procedure Title: Section 3

This operating procedure is tied to the Operating Policy on Section 3 designed to achieve and maintain compliance with the HUD Act of 1968 revised 1992 and 1994.

The procedures contained within are relative to the Section 3 daily operations in:

- Hiring
- Procurement
- Contracting
- Compliance Management
- Solicitation Package and Certification Documents

Section 1 - Hiring

This procedure encompasses all employment types including full time, part time, long term, short term, temporary and special assignments. In the process of seeking new employees for SCDHC, the following procedures should be followed to create as many employment opportunities for Tier I HUD direct recipients:

Step 1 Refer to any list of graduates from any employment readiness training programs sponsored by SCDHC. Notify those Tier I persons first of any employment opportunities and invite them to apply for the position. Only make direct contact below Tier I or beyond persons when no Tier I residents can be secured through any other means listed below.

Step 2 Post the position in community media sources that are generally available to low income residents and the general public.

Step 3 When timing allows, place a notice of the position(s) in any newsletters, notices or bulletins.

Step 4 Place an advertisement in the local newspaper of the open position. Be certain to list that the position is a **“Section 3 Covered Position and that HUD Recipients are encouraged to apply”**.

Step 5 In reviewing all applicants, be certain to first select candidates that best fit the position requirements, if a Tier I resident is identified as a qualified candidate all things being equal with others in consideration, a preference should be given to SCDHC Residents for employment.

Step 6 As a means of compliance, we may establish a relationship and requirement with any temporary employment agency contractor that any person identified for placement with SCDHC complete SCDHC’s Self Certification form clarifying their qualifications as a city Resident. Any person certifying as a city Resident must be given preference for any assignment with SCDHC providing they meet all other position requirements.

Section 2 - Procurement

This policy on procurement procedures is relative only to Section 3 and is not designed to re-write the approved procurement policy for SCDHC.

Whenever a service or service contract is solicited, these steps must be followed to provide priority in contracting to a Section 3 Resident Owned Business Concern (ROB) in line with SCDHC's approved Section 3 Policy.

ROB Verification Whenever ROB status is sought, SCDHC staff shall request address and ownership verification of the 51% Owner/Operator rule as stated in the HUD Act of 1968. Use of the "Section 3 Self-Certification Form" attached to this policy is an acceptable statement of address and business data, when presented along with all other required incorporation documents including any Letter of Issuance of a Federal Employer Identification Number (FEIN) and state Articles of Incorporation.

Step 1 During the development process of any solicitation or work project, there should be a determination as to whether or not the work can be and/or should be isolated to Resident Owned Businesses (ROB's) under the **24CFR Part 963.12 Alternative Procurement Method**. If so, than Steps 2-8 should be followed with respect for **ROB's ONLY**. Keep in mind, a qualified ROB can be one that is a Joint Venture Partnership where a non-ROB can participate at no more than 49% ownership, operations and profit. A statement where both parties have committed to these terms is required as validation of ROB status.

Step 2 Refer to any list of graduates from any small business development training programs sponsored by or in partnership with SCDHC. Notify any of those persons that are known to have a small business of any contract opportunities first and invite them to pick up a bid package. Though the work being solicited is not directly in line with their capabilities or line of work, they may be able to secure some sub-contracting opportunities. Encourage them to attend any pre-bid meetings to meet and introduce themselves and business concern to other contractors.

Step 3 Post notice of the solicitation in community media sources where public housing and low income residents normally meet and provide notice to the local public housing Southside Community Development & Housing Corporation (SCDHC).

Step 4 SCDHC its sub-recipients and contractors must place a notice of the contracting opportunity(ies) in any public housing resident newsletters, notices or bulletins.

Step 5 SCDHC its sub-recipients and contractors must place an advertisement in the local newspaper of the contract opportunity(ies). The ad must include a notice that the contract opportunity is a **“Section 3 Covered Contract and that HUD Resident Owned Business Concerns are encouraged to apply”**.

Step 6 All procurements must include the attached **“Section 3 Action Plan and Certification”** for contractors to complete and return with their responses. Any response that is received without the completed form, signed and notarized should be considered non-responsive and the response rejected.

Step 7 In reviewing the solicitation responses, any contractors that are identified as qualified Section 3 Concerns should be reviewed and if legitimate, granted a preference in contracting according to the HUD example on the policy attachment titled, **“Examples of Procurement Procedures That Provide for Preference for Section 3 Business Concerns”**.

Step 8 All solicitations shall require that respondents convey prior compliance with Section 3 on any HUD funded contract. **If the contractor has not complied on any HUD funded contract issued since January 2011, they should be considered non-responsive** and not eligible for award unless they are certifying as a current Section 3 Concern or committing to hire at least one (1) Tier I Resident for the life of the contract to be awarded.

Step 9 All solicitations must include a **Certification of prior compliance with HUD Section 3 as a requirement for participation in the current solicitation**. The respondent should be required to list any HUD funded contracts they worked on in the past three years and list how they complied with Section 3. See the attached form titled: **“Previous Compliance Certification”**.

Section 3 - Contracting

Step 1 The following language is to be added to all new contracts effective immediately:

“All contractors claiming a preference in contracting by meeting any of the three qualifications including; a Resident Owned Business, Hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. SCDHC, its sub-recipients and contractors shall execute these remedies to achieve compliance in this order:

- A. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail by the compliance management contractor notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.

- B. If at any time a contractor fails to bring the contract into compliance, SCDHC must withhold all future payments until the contract is in compliance.

- C. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to SCDHC why it cannot meet compliance. SCDHC must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If SCDHC deems the cause to be unacceptable, at its option, can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or

- D. If the contractor fails to take any corrective action to bring the contract into compliance within 7 business days from the most recent notice of non-compliance, or SCDHC does not accept any of their corrective plans and justifications for non-compliance, SCDHC must terminate the contract immediately. **All funds due to the contractor shall be held** and a financial workout of the agreement shall proceed within 24 hours of termination.

Step 2 Any contractor claiming to meet Section 3 compliance by committing to hire residents or fund training itself **shall meet compliance within seven (7) calendar days of contract start** or SCDHC shall halt all work related to the agreement and the actions listed in steps 1-4 in this section shall apply.

Section 4 - Compliance Management

The Southside Community Development & Housing Corporation (SCDHC) will self-manage its compliance through the monitoring of all contractors payrolls to ensure no new hires occur without proper notice to Section 3 residents. They will also monitor all pay applications of contracts to ensure no new hire of contractors have occurred without proper notice being provided to other Section 3 or potential Section 3 contractors.

Section 5 - Solicitation Package and Certification Documents

The following compliance package includes all the required forms that meet the Section 3 regulation and should be included in ALL solicitations despite the contract value.

Procedural Q and A for Residents and Contractors

Q1 What is the Section 3 Regulation?

A1 Section 3 requires that when triggered, recipients (housing authorities, cities, counties, states and non-profits to name a few), contractors and sub-contractors **MUST** first target all training, employment and contracting opportunities to our residents first, then other low and very low income persons that reside in the County. These requirements are only in affect when working on Southside Community Development & Housing Corporation (SCDHC) active contracts. Therefore, and in compliance with the regulation, we have adopted a new Section 3 policy.

Q2 How do contractors trigger the regulation?

A2 Section 3 requirements are triggered by a “need” for new hires (whether individual employees, contractors or subcontractors). So any time you are bidding or performing contract work for SCDHC you must always comply with Section 3 requirements as listed in A4 below.

Q3 Does Section 3 require contractors to hire residents on every contract?

A3 No. If the regulation is not triggered the contractor has no obligation to hire.

Q4 If the contractor triggers the regulation what are they required to do?

A4 The contractor is required to do all three of the following:

- To give extra or greater **NOTICE** to residents of the opportunity for employment, training or contracting which ever they have available
- They must do something to **ENCOURAGE** the resident to apply for the opportunity
- The must do something toward **FACILITATING** the employment of contract being awarded to the resident

Q5 What if the contractor cannot find any qualified residents for the opportunity?

A5 The contractor can then look outside the resident base for other Section 3 persons or contractors and eventually non-Section 3 qualified persons or contractors. But the contractor **MUST** be able to demonstrate by proof of actions that they tried and what the results were.

Q6 How long and by what methods does the contractor have to notify residents?

A6 Dependent on the opportunity the search and notice periods will vary. As a rule, we recommend one week. The methods they employ will vary as well from flyers to working off of resident lists of interested or trained persons, workforce investment initiatives, running ads, posting the job sites, web postings, posting notices in management offices and more.

Q7 Do Section 3 residents have to have an address with the PHA to be a Section 3 resident for the City of Richmond?

A7 Yes. All low income persons in the City of Richmond are considered Section 3 Residents and the regulation states that resident bear the responsibility to prove they qualify. Therefore, you may be asked for proof of residency. All City of Richmond public housing residents and voucher holders are automatically Tier I Section 3 Residents and all other low income persons in the County are Tier II.

Q8 What if the contractor has a full crew and has no need to hire or sub-contract at the start of the contract but during the course of the contract a “need” arises for additional personnel or sub-contract services?

A8 If at the start of the contract there is no need for additional personnel the contractor proceeds with business as usual. However, if at any time during the contract a

“need” for a new hire person or contract develops, the contractor must follow the requirements in A4. At a minimum the contractor must post a notice at the management office of the property they are working on so those residents have access to applying for the opportunity.

Q9 If a Section 3 resident is hired but isn’t working out does the contractor have to maintain them on payroll.

A9 No. All Section 3 residents seeking employment with a contractor working on an SCDHC contract must follow and meet the standard hiring and employment protocols of that company. If they don’t work out, the contractor should follow their normal disciplinary process. However, if the dismissal results in a need to replace a person, the contractor must follow the requirements in A4 above.

Q10 What is a Section 3 Business Concern and how do they receive Preference in contract award?

A10 *A business that meets these certification definitions must receive Preference in contracting:*

1. Is 51% or more owned by Section 3 residents;
2. Employs Section 3 residents for at least 30% of its full-time, permanent staff; or **(During the entire life of the contract)**
3. Provides evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract.

Q11 What is the advantage of a contractor electing a Preference to become a Section 3 Business Concern (S3BC) on the Self-Certification and Action Plan form?

A11 The advantage of electing a Preference is that if the contractor meets all the requirements of the solicitation that contractor **MUST** be awarded the contract over non-Section 3 Preference contractors. The regulation is designed to reward contractors that hire low income people or award sub-contracts to the businesses they own or that substantially employ them at 30% or more.

Southside Community Development & Housing Corporation

1624 Hull Street
Richmond, Virginia 23224

Mandatory Section 3 Solicitation Package

The Section 3 information contained in the following pages is to be inserted in its entirety into every solicitation for work or contracts by Southside Community Development & Housing Corporation (SCDHC), its contractors and sub-contractors. All required forms and the Section 3 Clause are already included along with instructions to all contractors bidding work.

All contractors requiring any sub-contractors **MUST** issue this package and receive these completed required forms before issuing any contracts Pages 18-24:

- Section 3 Certification and Action Plan
- Required Previous Section 3 Compliance Certification
- Assurance of Compliance

If the contractor is claiming certification as a 51% ROB or is certifying as a 30% employer the following form must be returned for all employees that meet the low- or Very low income requirement (Page 25 and 26):

- Resident Self-Certification and Skills Data Form

Remember, there must be a reasonable (3) bids for all contracts and the residents of the City of Richmond or PHA must be informed of the opportunity and given every chance to submit bids before an award is made.

Any contractor not meeting these requirements will have violated the Section 3 regulation and their contract may and likely will be terminated. If any contractor is terminated for failure to meet Section 3 requirements they will not be able to win awards on any other HUD funded contracts anywhere.

Section 3 Clause

Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

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

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

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

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

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations

of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

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

Section 3 Solicitation Overview and Instructions for Contractors

Southside Community Development & Housing Corporation (SCDHC)'s Section 3 policy requires that when the **Section 3 regulation is triggered by a need for new hires (whether individual employees, contractors or sub-contractors)**, every effort within the contractor's disposal must be made to the greatest extent feasible to offer all available employment and contracting opportunities to its residents based on the tiers below. Only when the regulation is triggered by a contractor and they are unable to offer employment or contracting. The contractor may offer employment related training to PHA residents. The training must be in an amount equal to or exceeding 3% of the total contract award.

I. Tiers for offering all opportunities to Section 3 Residents and Resident Owned Businesses

1. **Tier I** are Public Housing Authority residents/resident owned businesses at the property where the work is being performed or any assisted housing
2. **Tier II** are Other Residents/resident businesses of the City of Richmond
3. **Tier II** are other low and very low income persons and Youthbuild participants in Southside Community Development & Housing Corporation (SCDHC)'s or the City of Richmond service area

II. What is a Section 3 Business Concern and how do they receive Preference in contract award?

A business that meets these certification definitions must receive Preference in contracting:

4. Is 51% or more owned by Section 3 residents;
5. Employs Section 3 residents for at least 30% of its full-time, permanent staff; or (**During the entire life of the contract**)
6. Provides evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract.

III. Important Items to remember about receiving Preferences in contract award

- Anytime you can elect to hire at 30% of the Public Housing Authorities resident as your total New Hires, or

- Sub-contract at least 25% of your total award to a Section 3 Business Concern
- YOU MUST MAINTAIN THOSE PREFERENCE LEVELS DURING THE ENTIRE CONTRACT OR RISK HAVING THE CONTRACT TERMINATED FOR FAILURE TO COMPLY

IV. Other Methods of Compliance

Contractors can provide an array of trainings to Section 3 residents that are employment related, skills enhancing or employment readiness in nature. Here are the methods of achieving compliance through this method:

1. Contractor must develop a solid professional curriculum and it must be approved by a qualified state Department of Labor or Southside Community Development & Housing Corporation (SCDHC).
2. Contractor may identify a person or persons that are qualified to provide the training within their staff.
3. Contractors can partner with other groups that provide the desired training and pay them directly for the service.
4. The contractor can sub-contract the Section 3 compliance training to an outside firm specializing in training and educational programs to Section 3 residents.

V. All Contracts and All Contractors must meet Section 3 compliance by:

- A. Giving notice of any and all opportunities for employment and contracting to the local PHA and other low and very low income area residents and businesses by running ads, distributing flyers, community announcements, letter to targeted persons, newsletters, etc. as far in advance of the opportunity as possible.

- B. Clearly stating the requirements for applying for and achieving the opportunity and that the project is paid by “Section 3 Covered funds under the HUD Act of 1968”.
- C. Utilizing the Section 3 Clause when soliciting any work.
- D. Hold informational or “How to Apply” meetings when possible prior to requesting bids or taking applications so the residents or businesses are encouraged to apply for the opportunity.
- E. Help link residents or businesses to local resources that may be available to help prepare them for applying for and achieving the opportunity.
- F. Work with the Southside Community Development & Housing Corporation (SCDHC) in developing a communication and follow up process to track and report all Section 3 application and hiring activities to ensure the reporting of compliance efforts, and that contracting and sub-contracting are accurate.
- G. Provide Preference in hiring and contracting to Section 3 applicants and contractors when all factors are equal for the opportunity including price and salary requests.
- H. **Contractors must provide this package to all sub-contractors when soliciting bids;** meet all the same processes in A-F; and provide Preference to all sub-contractors meeting the definitions as stated in Item II on page 14 in that order of priority when all factors remain equal between Section 3 and non-Section other respondents.
- I. In order for Preference as a Section 3 Contractor to be factored into the award decision, ALL elements of the solicitation criteria must be equal between contracts. This mean price and all other factors must be equal. Then the contractor that has elected Preference on the Certification and Action Plan form and meets that specific rule will be awarded the contract.

Example:

Revised: February 2020

Bill's electrical and Sue's Electrical bid a job where Southside Community Development & Housing Corporation (SCDHC) has a budget of \$500,000. Bill bids \$480,000 and elects a Preference as a Section 3 business concern because he qualifies as a 51% Resident Owned Business. Sue bids \$450,000 but does not elect any Preference. Both companies met all the other requirements. Sue will be awarded the contract because Bills bid was higher.

Section 3 Contract Compliance Cure and Termination Processes

This language is a component of contract compliance with the work you are responding to in this solicitation. It is being placed in the Section 3 compliance section for ease of reference and due notice. The full requirements are provided in the Section 3 Clause found elsewhere in this package or in the HUD forms 5370-C or 5370 C1 as may be applicable.

All contractors claiming a Preference in contracting by meeting any of the three qualifications including; a Resident Owned Business, Hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. Any contractor triggering the regulation by doing any hiring or contracting once they are awarded the contract through execution must comply with the Section 3 requirements by executing the efforts on their Certification and Action Plan in accordance with Southside Community Development & Housing Corporation (SCDHC)'s Section 3 Action Plan.

Southside Community Development & Housing Corporation (SCDHC) shall execute these remedies to achieve compliance in this order:

- A. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail by the compliance management contractor notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.
- B. If at any time a contractor fails to bring the contract into compliance, Southside Community Development & Housing Corporation (SCDHC) must withhold all future payments until the contract is in compliance.
- C. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to Southside Community Development & Housing Corporation (SCDHC) why it cannot meet compliance. Southside Community Development & Housing Corporation (SCDHC) must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If Southside Community Development & Housing Corporation (SCDHC) deems the cause to be unacceptable, at its option, can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or
- D. If the contractor fails to take any corrective action to bring the contract into compliance within 7 business days from the most recent notice of non-compliance, or Southside Community Development & Housing Corporation (SCDHC) does not accept any of their corrective plans or justifications for non-compliance, Southside

Community Development & Housing Corporation (SCDHC) must terminate the contract immediately. **All funds due to the contractor shall be held** and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non-Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

Any contractor claiming to meet Section 3 compliance by committing to hire residents, fund training itself **shall meet compliance within seven (7) calendar days of contract start** or Southside Community Development & Housing Corporation (SCDHC) shall halt all work related to the agreement and the actions listed in steps A-D in this section shall apply.

The contractor understands and agrees that a compliance management firm or City of Richmond staff will be used to conduct routine and certified payroll reviews to ensure compliance. Contractor agrees to provide the payroll data in an Excel or Word format each time the payroll is processed throughout the contract.

Contractor Signature

Date

Southside Community Development & Housing Corporation (SCDHC)
Bidder/Offeror/Proposer - Exhibit _____

Required Section 3 Certification and Action Plan

Name of Business _____

Address of Business _____

Type of Business (Check One): Corporation Partnership Sole Proprietorship Other

Business Activity: _____

All firms and individuals intending to do business with Southside Community Development & Housing Corporation (SCDHC) MUST complete and submit this Action Plan and submit it with the bid, offer, or proposal. Any solicitation response that does not include this document (completed, signed, and notarized) will be considered non-responsive and not eligible for award.

I am Certifying as a Section 3 Concern and requesting Preference accordingly (Select only One Option):

1. A business claiming status as a Section 3 Resident-Owned Business Concern (ROB) entity:

Initial here to select this option _____

Provide Certification for Section 3 Residents and proof that they own a minimum 51% of the business

2. A business claiming Section 3 status, because at least 30% of the existing or newly hired workforce for this specific contract will be Section 3 residents throughout the entire contract period. If a Prime or General Contractor is electing this option, the 30% employment requirement will be for the entire project including all the sub-contractors employees:

Initial here to select this option _____

Check all methods you will employ to secure Section 3 Residents/Persons

- Distribute Flyers door-to-door to ALL local public housing authorities
- Post notice on the Southside Community Development & Housing Corporation (SCDHC)'s web site

- Run multiple advertisements in the local paper announcing the hiring opportunities
- Post signs at the entrance to the job site that it is a Section 3 covered project
- Notify residents and local community organizations including shelters and churches
- Defer to any list of Employment Readiness trained residents provided by the Southside Community Development & Housing Corporation (SCDHC)
- Other: _____

I anticipate my total number of employees for this contract to be ____ and ____ will be qualified Section 3.

3. A business claiming Section 3 status by subcontracting 25% of the dollar award to qualified Section 3 Business:

Initial here to select this option _____

- Provide a list of intended subcontract Section 3 business(es) with subcontract amount
- Provide certification & all supporting documentation for each planned subcontract Section 3 Business

I am NOT certifying as a qualified Section 3 Business Concern but if I trigger the regulation by doing any sub-contracting or hiring I will comply by (Select from below):

4. I commit to hiring and maintaining throughout the life of any contract awarded as part of this solicitation (Including and changes or modifications) at least ____ Tier I Section 3 Residents from the housing authorities lease holders or housing choice voucher holders administered by this county. Only if no Tier I residents can be secured, the contractor may hire other low and very low income persons within the service area. Sufficient written justification will be required as to why no Tier I Resident could be hired.

Check all methods you will employ to secure Section 3 Residents/Persons

- Distribute Flyers door-to-door to ALL local public housing authorities
- Post notice on Southside Community Development & Housing Corporation (SCDHC)'s web site

- Run multiple advertisements in the local paper announcing the hiring opportunities
- Post signs at the entrance to the job site that it is a Section 3 covered project
- Notify residents and local community organizations including shelters and churches
- Defer to any list of Employment Readiness trained residents provided by Southside Community Development & Housing Corporation (SCDHC)
- Other: _____

Initial here to select this option _____

5. I will commit to funding, from my contract, a qualified Section 3 training in place of Employment or Contracting in the amount of 3% or more of my total contract award as required by Southside Community Development & Housing Corporation (SCDHC)'s policy. That training will commence within ten (10) days of contract start. My training will be:

- Employment Readiness Training (*List Training*) _____ for up to ____ residents
- Employment Skills Classroom (*List Training*) _____ for up to ____ residents
- Employment Skills Job Site (*List Training*) _____ for up to ____ residents
- Other Site (*List Training*): _____ for up to ____ residents

(Contractor understands that if Job Site training is completed by having the trainee complete work comparable to HUD defined employment categories, the trainees must be paid Davis-Bacon wages and covered under their workers compensation insurance)

Initial here to select this option _____

6. I will do the following to meet compliance that meet the 3% for all contracts other economic requirements.

Initial here to select this option _____

My selected method of compliance is # _____ from above options #4 - #6.

If Contractor does not anticipate triggering the regulation, check this box and initial by the reason below.

Revised: February 2020

_____ I do not anticipate any new hires on this contract.

_____ I do not anticipate any new contracting by my firm on this contract.

Southside Community Development & Housing Corporation (SCDHC)
Bidder/Offeror/Proposer – Exhibit _____
Required Previous Section 3 Compliance Certification

Name of Business

Address of Business

Type of Business (Check One): Corporation Partnership Sole Proprietorship Other

Business Activity:

All firms and individuals intending to do business with Southside Community Development & Housing Corporation (SCDHC) **MUST** complete and submit this certification of prior compliance with their bid, offer, or proposal. Any solicitation response that does not include this document will be considered non-responsive and not eligible for award.

I am certifying that I have complied with the HUD Section 3 Regulations in my past contracts when required by employing the following:

1. I was a Section 3 Resident-Owned Business (ROB). List the Contracts Work and HUD Funded Entity:

_____	_____
_____	_____
_____	_____

2. I complied with Section 3 by employing at least 30% of the newly hired workforce for these contracts and maintained them throughout the entire contract period:

List the contracts worked and the HUD funded entity:

_____	_____
_____	_____
_____	_____

3. I complied with Section 3 by subcontracting 25% of the total dollar award to a qualified Section 3 Business:

List the contracts worked and the HUD funded entity and Section 3 Concern you sub-contracted to:

_____	_____

_____	_____

_____	_____

4. I complied with Section 3 on a previous HUD funded contract by doing these things and with these entities:

(What was done?)

List Entities you worked for and contact person name and number:

_____	_____

_____	_____

_____	_____

5. I have never done any HUD funded contracting. Check this box

6. I completed HUD Section 3 covered contracts in the past three years but was not required to meet compliance. Check this box and initial by the corresponding reason below.

_____ I did not trigger the regulation by doing any new hires on the contract(s).

_____ I did not trigger the regulation by doing any new contracting by on the contract(s).

Assurance of Compliance Certification

Section 3 Action Plan

Housing and Urban Development Act of 1968

(12 U.S.C. 1701 U)

RE: Southside Community Development & Housing Corporation (SCDHC)

C o n t r a c t N a m e o r N u m b e r :

Purpose: To ensure that regulations promulgated under 24 CFR Part 135 Employment Opportunities for Businesses and Lower Income Persons in Connection with Assisted Projects and the Section 3 Plan and Policy of Southside Community Development & Housing Corporation (SCDHC) to the greatest extent feasible is adhered to, and to serve as the ‘assurance of compliance’ certification and action plan as required in the bid documents, supplemental general conditions, and HUD Forms 5370 or 5370C for the contract for any work with Southside Community Development & Housing Corporation (SCDHC).

Description of the project’s work detail: The project work will be as listed in the final scope of work in the contract with Southside Community Development & Housing Corporation (SCDHC) including any change orders.

Subcontractor(s): _____	Subcontractor(s): _____

Use an additional sheet if required.

Preliminary Statement for Work Force Needs: Though employment readiness training is our preferred method of Section 3 compliance, it is our intent to identify any short-term and long-term employment or contracting opportunities for qualified Section 3 persons and concerns during the course of our contract with Southside Community Development & Housing Corporation (SCDHC). Please list the status of all planned employment position and opportunities for this contract. **Preference for all opportunities must be given to public housing residents if they qualify.** If awarded a contract I will have to provide a list of my aggregate workforce on this project. Any changes to that workforce during the project will constitute new hires.

<u>Category</u>	<u># of Project Workforce Positions</u>	<u>Status of All Positions</u>
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Skilled

Semi-Skilled Labor

Trainees

Laborers

“To the Greatest Extent Feasible”:

The Contractor has identified ___ # of **OPEN** positions with respect to this contract. The positions are filled by the _____ (Position title) of the Contractor.

Should the scope of work or duties of the contractor change to a degree requiring a modification of the work force needs, the contractor shall put forth a good faith effort to fill vacant positions with input from Southside Community Development & Housing Corporation (SCDHC) and/or very low-income area residents.

Documentation of “To the Greatest Extent Feasible”:

The contractor will work with the Southside Community Development & Housing Corporation (SCDHC) Project Manager and staff to notify residents of any opportunities afforded under our contract. The contractor will partner with Southside Community Development & Housing Corporation (SCDHC) by giving preference of any employment opportunities to the Section 3 persons or concerns that have successfully completed the authorities most recent or previous employment readiness type training. It is the contractor’s intent to partner with Southside Community Development & Housing Corporation (SCDHC) in selecting new employees or businesses from the list they provide, or to execute its own company sponsored training. The contractor will seek to have Southside Community Development & Housing Corporation (SCDHC) provide a referral for a qualified training firm that can also provide technical assistance in working with the Section 3 covered persons and/or businesses to advise the contractor on how best to comply with the HUD regulations.

The contractor shall recruit or attempt to recruit from the Section 3 area the necessary number of low-income and very low-income residents through documentation of the following:

1. Local media advertising
2. Signs placed at the proposed site for the project and Southside Community Development & Housing Corporation (SCDHC)’s offices and flyers hand delivered to all local public housing apartments
3. Maintain a list of all low-income area residents who have applied, either on their own or from referral from any source and employ such person if otherwise eligible and if a trainee vacancy exists.
4. Provide evidence that the contractor has not filled vacant employment positions in its workforce immediately prior to undertaking work in an attempt to circumvent Section 3 regulations.
5. Review and determine if low-income and very low-income residents meet minimum hiring qualifications. Applicants meeting such minimum qualifications, but not hired due to lack of job openings or for other operations reasons, will be placed on a priority hiring list and offered positions upon the occurrence of the first available appropriate job opening.

Utilization of Businesses Located or Owned in Substantial Part by Persons Residing in the Area:

The contractor does ___ does not ___ intend to subcontract any of the work identified in the scope of work cited in the bid specifications, scope of work or General Conditions.

Should the scope of work or needs of the contractor change, the contractor shall, to the greatest extent feasible, assure that subcontracts be awarded to business concerns within the Section 3 covered area, or to business concerns owned in the substantial part (at least 51%) by persons residing in the Section 3 covered area.

Record Keeping:

The contractor shall maintain on file all records related to employment and job training of low-income and very low-income residents or other such records, advertisements, legal notices, brochures, flyers, publications, assurances of compliance from subcontractors, etc, in connection with this contract. If there is a report that is needed as part of the submission you agree to provide it timely. The contractor shall, upon request, provide such records or copies of records to Southside Community Development & Housing Corporation (SCDHC), its staff, or agents.

Reports:

The contractor shall provide reports as required in connection with the contractor specifications. All certified and regular payrolls shall clearly detail which employees qualify under Section 3.

Certification:

The contractor will certify that any vacant employment positions, including training positions that filled:

- 1) After the contractor is selected but before the contract is executed, and
- 2) With persons other than those to who the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the subcontractor's obligations under 24 CFR Part 135.

Grievance and Compliance:

The contractor or subcontractor hereby acknowledges that they understand that any low-income and very low-income resident of the project area, for him/her or as representatives of persons similarly situated, seeking employment or job training opportunities in the project area, or any eligible business concerns seeking contract opportunities may file a grievance if a good faith effort was not followed. The grievance must be filed with HUD not later than one hundred eighty (180) calendar days from the date of the action (or omission) upon which the grievance is based.

I attest that the above information is true and correct.

Signature	Print Name	Title	Date
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STATE OF _____)

_____ COUNTY)

I, the undersigned county, a Notary Public in and for said County and in said State, hereby certify that, _____, whose name as _____ of _____ is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as _____, and with full county, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

SECTION 3 SELF-CERTIFICATION AND SKILLS DATA FORM

The purpose of this form is to comply with HUD Section 3 administration and certification regulations.

Certification for Public Housing Residents or Others Seeking Employment or Training

I, _____, am legal resident of the United States and meet the income eligibility and federal guidelines for a Section 3 Resident as defined on the next page.

My home address is:

Must be a **Street** address not a P O Box # Apt Number

City State Zip Home # Cell #

Graduated High School or GED (month/year) _____ I Read and Speak English Fluently Yes or No

Attended College, Trade, or Technical School ___Yes/No Graduated___ Yes/No Year Graduated _____

Check the Skills, Trades, and/or Professions you have been employed in or contracted to do for others:

Drywall Hanging	Drywall Finishing	Interior Painting	Framing
HVAC	Electrical	Interior Plumbing	Exterior Plumbing
Siding	Cabinet Hanging	Door Replacement	Trim/Carpentry
Stucco	Window/Door Repl.	Construction Cleaning	Exterior Framing
Data Entry	Receptionist	Sales	Telephone Customer Service
Administrative	Teaching/Training	Personal Care Aide	Landscaping
CDL License	Roofing	Concrete/Asphalt Work	Heavy Equipment Operator
Fencing	Metal/Steel Work	Welding	Other _____

I am certifying as a Section 3: **Person seeking Training or Person seeking employment**

(Check all that apply):

I am a public housing or section 8 Lease holder I live in the service area of SCDHC

My total annual household income is \$_____ There are a total of _____ people living in my household

I certify that all of the information given above is true and correct. If found to be inaccurate, I understand that I may be disqualified as an applicant and/or a certified Section 3 individual which may be grounds for termination of training, employment, or contracts that resulted from this certification. I attest under penalty of perjury that my
 Revised: February 2020

total household income annually, based on my total household size as listed above is at or below the income amount for that specific size at the time of this document is being signed and notarized. I understand that proof of this statement may be requested in the future.

Signature _____ Date _____
STATE OF _____ CITY/COUNTY _____

On this _____ day of _____, 20____, before me,
the undersigned notary public, personally appeared

Proved to me through satisfactory evidence of identification, which were _____, to be the person signed on the preceding or attached document who swore or affirmed to me that the contents of the document are truthful and accurate to the best of his/her knowledge.

Given under my hand and official seal, this the _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

Purpose:

The purpose of Section 3 of the Housing and Urban Development of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic and business opportunities generated by HUD Financial Assistance shall be directed to SCDHC Residents and other low- and very low-income persons, particularly those who are recipients of government housing assistance and to business concerns which provide economic opportunities to Residents and other low- and very low-income persons.

Section 3 resident means:

- (1) A public housing resident; or
- (2) An individual who resides in the metropolitan area or non-metropolitan county in which the section 3 covered assistance is expended, and who is:

I. A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80% of the median family income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or

II. A very low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments made for smaller or larger families, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

- (3) A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Service area means the geographical area in which the persons benefiting from the section 3-covered project reside.

The figures below represent very low-income families; bottom figures represent low-income families.

FY 2019 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low (50%) Income Limits	\$30,250	\$34,600	\$38,900	\$43,200	\$46,700	\$50,150	\$53,600	\$57,050
Low (80%) Income Limits	\$48,400	\$55,300	\$62,200	\$69,100	\$74,650	\$80,200	\$85,700	\$91,250