

HOUSING AUTHORITY OF THE  
COUNTY OF ARMSTRONG

**SECTION 3 POLICY  
& PROCEDURE**

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# 1. Overview of Section 3 Requirements

## A. WHAT IS SECTION 3?

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

## B. PURPOSE OF THIS DOCUMENT

This policy outlines how the Housing Authority of the County of Armstrong (HACA) and its subrecipients, contractors and subcontractors will comply with HUD's Section 3 requirements. HACA will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and requires the same of its contractors.

HACA may amend its Section 3 Policies and Procedures document as necessary to ensure continued compliance with HUD's requirements and/or to reflect updated Section 3 guidance and outreach strategies.

## C. APPLICABILITY

For public housing financial assistance, all funding is covered, regardless of the amount of expenditure or size of a contract. This policy applies to development assistance, operating funds, capital funds, and all mixed-finance development.

This plan also applies to projects that include multiple funding sources. Multiple funding source projects include projects that include public housing financial assistance, housing and community development financial assistance for single or multiple recipients, and the Lead Hazard Control and Healthy Homes Program.

Section 3 requirements **do not** apply to: 1) Material Supply Contracts - § 75.3(b), 2) Indian and Tribal Preferences - § 75.3(c), and 3) Other HUD assistance and other Federal assistance not subject to Section 3 §75.3 (d). However, for financial assistance that is not subject to Section 3, recipients are encouraged to consider ways to support the purpose of Section 3.

## 2. SECTION 3 COORDINATOR

HACA's Section 3 Coordinator serves as the central point of contact for Section 3 compliance for HACA and its subrecipients, contractors and subcontractors supporting the program. Subrecipients, contractors, subcontractors and others are encouraged to reach out to HACA's Section 3 Coordinator with questions regarding Section 3 compliance.

### **3. Employment, Training, and Contracting Goals**

#### **A. SAFE HARBOR COMPLIANCE**

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

Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the required prioritization of effort for Section 3 workers, Targeted Section 3 workers, and Section 3 business concerns as outlined below in [section C](#). After completion of the project, on the Section 3 Summary Report (Attachment C), contractors and subcontractors will be required to certify that they followed the prioritization of effort requirements.

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

#### **B. SAFE HARBOR BENCHMARKS**

HUD has established employment and training goals that subrecipients, contractors, and subcontractors should meet in order to comply with Section 3 requirements outlined in 24 CFR Part 75.9. The safe harbor benchmark goals are as follows:

- 1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's fiscal year are Section 3 workers;

$$\text{Section 3 Labor Hours/Total Labor Hours} = 25\%$$

And

- 2) Five (5) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's fiscal year are Targeted Section 3 workers, as defined at 24 CFR Part 75.11.

$$\text{Targeted Section 3 Labor Hours/Total Labor Hours} = 5\%$$

HUD establishes and updates Section 3 benchmarks for Section 3 workers and/or Targeted Section 3 workers through a document published in the Federal Register, not less frequently than once every 3 years. Given that the Section 3 benchmarks are subject to change every three years or sooner, HACA will review the Section 3 Policy every three years and update as needed.

To the greatest extent feasible, it is the responsibility of contractors to implement efforts to achieve Section 3 compliance. Any contractor that does not meet the Section 3 benchmarks must demonstrate why meeting the benchmarks were not feasible. All contractors submitting bids or proposals to HACA are required to certify that they will comply with the requirements of Section 3.

#### **C. CERTIFICATION OF PRIORITIZATION OF EFFORT FOR EMPLOYMENT, TRAINING, AND CONTRACTING**

##### **EMPLOYMENT AND TRAINING**

Under HACA's Section 3 Program, contractors and subcontractors should make best efforts to provide employment and training opportunities to Section 3 workers in the priority order listed below:

- 1) To residents of the public housing projects for which the public housing financial assistance is expended;
- 2) To residents of other public housing projects managed by HACA that is providing the assistance or for residents of Section 8-assisted housing managed by HACA;
- 3) To participants in YouthBuild programs; and
- 4) To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

## **CONTRACTING**

Under HACA's Section 3 Program, contractors and subcontractors must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers in the following order or priority:

- 1) Section 3 business concerns that provide economic opportunities for residents of public housing projects for which the assistance is provided;
- 2) Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by HACA that is providing assistance;
- 3) YouthBuild programs; and
- 4) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

## **4. Section 3 Eligibility and Certifications**

Individuals and businesses that meet Section 3 criteria may seek Section 3 preference from HACA or its contractors/subcontractors for training, employment, or contracting opportunities generated by public housing financial assistance. To qualify as a Section 3 worker, Targeted Section 3 worker or a Section 3 business concern, each must self-certify that they meet the applicable criteria. Businesses who misrepresent themselves as Section 3 business concerns and report false information to HACA may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities.

### **A. SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION**

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

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

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

Persons seeking the Targeted Section 3 worker preference shall demonstrate that it meets one or more of the following criteria:

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

Section 3 workers and Targeted Section 3 workers who are seeking preference in training and employment must submit the Section 3 Worker and Targeted Section 3 Worker Certification Form (Attachment A).

## **B. SECTION 3 BUSINESS CONCERN CERTIFICATION**

HACA will encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns.

Businesses that believe they meet the Section 3 Business requirements can self-register in the HUD Business registry, here: <http://www.hud.gov/Sec3Biz>. Businesses may seek Section 3 Business Concern preference by demonstrating that it meets one or more of the following criteria:

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

Businesses that seek Section 3 preference shall certify, or demonstrate to HACA, contractors or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Section 3 Business Concern Certification Form (Attachment B). Section 3 Business Concern Certification Forms must be submitted at the time of bid/proposal.

## 5. Assisting Contractors with Achieving Section 3 Goals

In an effort to assist contractors with meeting or exceeding the Section 3 goals, HACA will do the following:

- 1) Share Section 3 Policy with contractors and subcontractors and explain policies and procedures.
- 2) Require contractor to include a Statement of Section 3 Assurance with the bid documents.
- 3) Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort outlined in Section #3) before any other person, when hiring additional employees is needed to complete proposed work.
- 4) At the time of bid, require the contractor to present a list, of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions.
- 5) Maintain local Section 3 worker/Targeted Section 3 worker records and provide the contractor with a list of interested and qualified Section 3 workers and Targeted Section 3 workers and contact information.
- 6) Inform contractors about the HUD Section 3 Opportunity Portal located at <https://hudapps.hud.gov/OpportunityPortal/>.
- 7) Advise contractors to contact Section 3 Coordinator of their interests regarding employment of Section 3 workers prior to hiring.
- 8) Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry at <https://www.hud.gov/section3businessregistry>.
- 9) Leverage HACA's communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise.

## 6. Section 3 Outreach

### A. OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING

In order to educate and inform workers and contractors, HACA will provide training and technical assistance. When training opportunities are available, contractors and subcontractors should, to the greatest extent feasible:

- 1) Notify the Section 3 Coordinator when training opportunities are available
- 2) Provide information/handouts about Section 3 training opportunities to potential Section 3 workers and Targeted Section 3 workers
- 3) Conduct an annual training for Section 3 workers and Section 3 businesses

Contractors and subcontractors should employ several active strategies to notify Section 3 workers and Targeted Section 3 workers of Section 3 job opportunities, including:

- 1) Clearly indicating Section 3 eligibility on all job postings with the following statement: "This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive Section 8 housing assistance".
- 2) Including the Section 3 Worker and Targeted Section 3 Worker Self-Certification Form (Attachment A) in all job postings
- 3) Working with the Section 3 Coordinator to connect Section 3 workers and Targeted Section 3 workers in HACA's records with opportunities and/or utilize the Section 3 Opportunity Portal to find qualified candidates
- 4) Establishing a current list of Section 3 eligible applicants
- 5) Contacting local community organizations and provide them with job postings for Section 3 eligible applicants; and
- 6) Coordinating a programmatic ad campaign, which results in widespread job posting across diverse ad networks including:
  - a) Advertising job opportunities via social media, such as Linked-In and Facebook;
  - b) Advertising job opportunities via flyer distributions and mass mailings and posting ad in common areas of housing developments and all public housing management offices
  - c) Contacting resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities

## **B. OUTREACH EFFORTS FOR CONTRACTING**

When contracting opportunities arise, HACA will employ the following strategies to notify Section 3 Business Concerns of Section 3 contracting opportunities, including but not limited to:

- 1) Adding Section 3 language to all RFPs, procurement documents, bid offerings and contracts.
- 2) Coordinating pre-bid meetings to inform Section 3 Business Concerns of upcoming contracting opportunities. The Section 3 Coordinator will participate in these meetings to explain and answer questions related to Section 3 policy.
- 3) Advertising contracting opportunities in local community papers and notices that provide general information about the work to be contracted and where to obtain additional information.
- 4) Providing written notice of contracting opportunities to all known Section 3 Business Concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to bid invitations.
- 5) Encourage the prime contractor to publicize contracting opportunities for small businesses.

## **7. Section 3 Contracting Policy and Procedure**

HACA will incorporate Section 3 in its existing Procurement Policy and include this Section 3 Policy and Procedure in all procurements generated for use with HUD funding. This policy and procedure contain requirements for making efforts to award contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must complete certifications, as appropriate. Such certifications shall be adequately supported with appropriate documentation as referenced in the Section 3 Business Concern Certification Form (Attachment B).

## 8. Section 3 Provisions/Contract Language

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

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

For businesses, 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.

## 9. Reporting Requirements

Upon completion of Section 3 covered contracts and before final payment will be made, contractors are required to report Section 3 labor hours as a percentage of total labor hours worked and detail qualitative efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Attachment C)

## 10. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, HACA encourages submittal of such complaints to its Section 3 Coordinator as follows:

- 1) Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR Part 75.
- 2) Complaints must be filed within seven (7) calendar days after the complainant becomes aware of the alleged violation.
- 3) An investigation will be conducted if complaint is found to be valid. HACA will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- 4) The HACA will provide written documentation detailing the findings of the investigation. The findings will be made available no later than thirty (30) calendar days after the filing of complaint. If complainants wish to have their concerns considered outside of the HACA a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity  
United States Department of Housing and Urban Development  
451 Seventh Street, SW  
Washington, DC 20410

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

Complainants may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to

discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about complainant rights, please contact EEOC at: [www.EEOC.gov](http://www.EEOC.gov).

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

# 11. Appendices

## APPENDIX A: DEFINITIONS

The terms *HUD*, *Public housing*, and *Public Housing Agency (PHA)* are defined in 24 CFR part 5.

The following definitions also apply to 24 CFR Part 75 HUD's Economic Opportunities for Low-and Very Low-Income Persons:

*1937 Act* means the United States Housing Act of 1937, 42 U.S.C. 1437 *et seq. activities related to Public Housing*

*Contractor* means 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.

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

*Low-income person* means a person as defined in Section 3(b)(2) of the 1937 Act, at or below 80% AMI. Note that Section 3 worker eligibility uses individual income rather than family/household income.

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

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

*Public housing financial assistance* means assistance as defined in 24 CFR Part 75.3(a)(1).

*Public housing project* is defined in 24 CFR 905.108.

*Recipient* means 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, PHA, or other public agency, public or private nonprofit organization.

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

*Section 3 business concern* means:

- (1) A business concern meeting at least one of the following criteria, documented within the last six-month period:
  - (i) It is at least 51 percent owned and controlled by low- or very low-income persons;
  - (ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
  - (iii) 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.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

*Section 3 Coordinator* is person tasked with overseeing all Section 3 responsibilities for the PHA/CD office.

*Section 3 project* means a project defined in 24 CFR Part 75.3(a)(2).

*Section 3 worker* means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

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

*Service area or the neighborhood of the project* means 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.

*Small PHA* means a public housing authority that manages or operates fewer than 250 public housing units.

*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 the expenditure of public housing financial assistance or for a Section 3 project.

*Subrecipient* has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

*Targeted Section 3 worker* has the meanings provided in 24 CFR Part 75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

*Very low-income person* means the definition for this term set forth in section 3(b)(2) of the 1937 Act (at or below 50% AMI).

*YouthBuild programs* refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

## APPENDIX B: MULTIPLE FUNDING SOURCES - CHART

TYPE OF FINANCIAL ASSISTANCE	DEFINITIONS *TARGETED SECTION 3 WORKER	THRESHOLDS	PRIORITIZATION	REPORTING
<b>Public Housing</b>	Must follow subpart B of Part 75	None *any amount of PH assistance triggers Section 3	Must follow subpart B of Part 75	Must follow subpart B of Part 75 Must report on project as a whole and identify any multiple associated recipients
<b>Multiple Sources of Housing and Community Development</b> <i>(single or multiple recipients)</i>	Must follow subpart C of Part 75	Exceeds \$200,000 for Section 3 projects *LHCHHP exceeds \$100,000	Must follow subpart C of Part 75	Must follow subpart C of Part 75 Must report on project as a whole and identify the multiple associated recipients Must report to the applicable HUD program office, as prescribed by HUD

## **12. Attachments**

**ATTACHMENT A: SECTION 3 WORKER/TARGETED WORKER SELF-CERTIFICATION**

**ATTACHMENT B: SECTION 3 BUSINESS CONCERN CERTIFICATION FOR CONTRACTING**

**ATTACHMENT C: SECTION 3 SUMMARY REPORT**

**ATTACHMENT D.1: SECTION 3 CLAUSE**

**ATTACHMENT D.2: SECTION 3 ASSURANCES**

**ATTACHMENT D.3: SECTION 3 LIST OF CORE EMPLOYEEES**

## **Section 3 Worker and Targeted Section 3 Worker Self-Certification**

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

### **Eligibility for Section 3 Worker or Targeted Section 3 Worker Status**

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

**Instructions:** Enter/select the appropriate information to confirm your Section 3 worker or Targeted Section 3 Worker status.

Employee Name: \_\_\_\_\_

1. Are you a resident of public housing or a Housing Choice Voucher Holder (Section 8)?     YES    NO
2. Are you a resident of Armstrong County?     YES    NO
3. In the field below, select the amount of individual income you believe you earn on an annual basis.  

<input type="checkbox"/> <b>Less than \$10,000</b>	<input type="checkbox"/> <b>\$30,001 - \$40,000</b>	<input type="checkbox"/> <b>More than \$60,000</b>
<input type="checkbox"/> <b>\$10,001 - \$20,000</b>	<input type="checkbox"/> <b>\$40,001 - \$50,000</b>	
<input type="checkbox"/> <b>\$20,001 - \$30,000</b>	<input type="checkbox"/> <b>\$50,001 - \$60,000</b>	

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

I qualify as a:

- Section 3 Worker (as defined on page 3)
- Targeted Section 3 Worker (as defined on page 3)

## Employee Affirmation

I affirm that the statements on page 1 of this Certification are true, complete, and correct to the best of my knowledge and belief. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Employee Address: \_\_\_\_\_

Print Name: \_\_\_\_\_ Date Hired: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### FOR ADMINISTRATIVE USE ONLY

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

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

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

If Yes, what is the name of the company? \_\_\_\_\_

What was the date of hire? \_\_\_\_\_

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

**THE HOUSING AUTHORITY OF THE COUNTY OF ARMSTRONG**  
**SECTION 3 INCOME LIMITS**

**ELIGIBILITY GUIDELINES**

The worker’s income must be at or below the amount provided below for an individual (household of 1) regardless of actual household size.

**Individual Income Limits**

<b>FY 2022 Income Limit Area</b>	<b>Income Limits Category</b>	<b>FY 2022 Income Limits</b>
Armstrong County	Extremely Low Income Limits (30%)	\$16,000
	Very Low Income Limits (50%)	\$26,650
	Low Income Limits (80%)	\$42,650

See <https://www.huduser.gov/portal/datasets/il.html> for most recent income limits.

**Section 3 Worker Definition:**

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

**Targeted Section 3 Worker Definition:**

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

## Section 3 Business Concern Certification for Contracting

### Business Information

Name of Business: \_\_\_\_\_

Address of Business: \_\_\_\_\_

Name of Business Owner: \_\_\_\_\_

Phone Number of Business Owner: \_\_\_\_\_

Email Address of Business Owner: \_\_\_\_\_

### Preferred Contact Information

Same as above

Name of Preferred Contact: \_\_\_\_\_

Phone Number of Preferred Contact: \_\_\_\_\_

### Type of Business (select from the following options):

Corporation       Partnership       Sole Proprietorship       Joint Venture

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

At least 51 percent of the business is owned and controlled by low- or very low-income persons (Refer to income guidelines on page 3).

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

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

## Business Concern Affirmation

I affirm that the statements on page 1 of this Certification are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to Housing Authority of the County of Armstrong may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\*Certification expires within six months of the date of signature

\* Information regarding Section 3 Business Concerns can be found at [24 CFR 75.5](#)

### FOR ADMINISTRATIVE USE ONLY

Is the business a Section 3 business concern based upon their certification?

YES  NO

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

**THE HOUSING AUTHORITY OF THE COUNTY OF ARMSTRONG**  
**SECTION 3 INCOME LIMITS**

**ELIGIBILITY GUIDELINES**

The worker’s income must be at or below the amount provided below for an individual (household of 1) regardless of actual household size.

**Individual Income Limits**

<b>FY 2022 Income Limit Area</b>	<b>Income Limits Category</b>	<b>FY 2022 Income Limits</b>
Armstrong County	Extremely Low Income Limits (30%)	\$16,000
	Very Low Income Limits (50%)	\$26,650
	Low Income Limits (80%)	\$42,650

See <https://www.huduser.gov/portal/datasets/il.html> for most recent income limits.

**Section 3 Worker Definition:**

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

**Targeted Section 3 Worker Definition:**

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

## SECTION 3 SUMMARY REPORT

24 CFR 75

Contractor		Contract Amount:	
Project Name & Location	Contact Person	Phone: (Include area code)	
SubContractor		Contract Amount:	
Project Name & Location	Contact Person	Phone: (Include area code)	

### Part I: Labor Hours

	Hours Worked	Percent of Total	Benchmarks	HA USE	S3LH/TLH
A Total Labor Hours					TS3LH/TLH
B Section 3 Labor Hours		B/A= %	25%		
C Targeted Section 3 Labor Hours		C/A= %	5%		

### Part II: Qualitative Efforts

*Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. ( Check all that apply . 24 CFR § 75.25)*

Solicit job applicants: Public Housing Targeted Section 3 workers who qualify.	
Solicit job applicants: Other-Funded Targeted Section 3 workers who qualify.	
Train workers: provide direct on-the-job training or apprenticeship opportunities in the Service Area.	
Train workers Indirectly: arrange for, contract for, or pay tuition for, off-site training.	
Technical training off-site: arrange for, contract for, or pay tuition for.	
Worker Guidance: Assist with, or refer Section 3 workers to, resources for those seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities by referring residents to job placement services.	
Section 3 business concerns: strive to identify and secure bids from.	
Bid Guidance: provide technical assistance to help Section 3 business concerns understand and bid on contracts. <i>(This may involve the Small Business Development Center network, housed at public universities.)</i>	
Divide contracts into smaller jobs to facilitate participation by Section 3 business concerns.	
Hold one or more job fairs, in the course of the funded project.	
Provide, or connect residents with, supportive services that can provide direct services or referrals.	
Provide, or refer Section 3 workers to, services supporting work readiness and retention (e.g., work readiness health screenings, interview clothing, uniforms, test fees, transportation).	
Assist residents with finding childcare.	
Assist residents to apply for/ or attend community college or a four-year educational institution.	
Assist residents to apply for, or attend, vocational/ technical training.	
Assist Section 3 workers to obtain financial literacy training and/ or coaching.	
Guide residents to bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.	
Provide, or connect residents with, training on computer use or online technologies.	

Promote use of business registries designed to create opportunities for disadvantaged and small businesses.	
Solicit, recruit, engage, or refer residents to the State One-Stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act -- <a href="https://www.twc.texas.gov/partners/workforce-innovation-">https://www.twc.texas.gov/partners/workforce-innovation-</a>	
Other; describe below.	
<p>Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 75. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.</p>	

### Section 3 Clause

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 the 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 in the project area.

The parties to this contract agree to comply with HUD's regulations 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.

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; job titles subject to hire; availability of apprenticeship and training positions; the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulation in 24 CFP part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract 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 the regulations in 24 CFP part 75.

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, were not filled to circumvent the contractor's obligations under 24 CFR part 75.

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.

### Section 3 Assurances

This document and a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) must be submitted by the bidder with the bid documents

Name of Official Representative: \_\_\_\_\_

Business/Contractor Name: \_\_\_\_\_

Project Name or Bid Number \_\_\_\_\_

I, the undersigned, as official representative of the above-named business/contractor hereby certify that:

1. A complete permanent and project workforce breakdown has been submitted with this bid for the above-named business/contractor and each subcontractor that is known to be a party to this project.
2. The above-named business will comply with Section 3 requirements, to include recordkeeping and reporting, and will cause any subcontractor to comply with Section 3 requirements, to include recordkeeping and reporting, for the above-named project.
3. The above-named business/contractor will make, and cause any subcontractor to make, every attempt to hire qualified Section 3 and Targeted Section 3 workers for any unfilled positions.
4. The above-named business/contractor will make every attempt to hire subcontractors that are Section 3 businesses.
5. I understand that failure to comply may result, in whole or in part, in contract cancellation, termination or suspension.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

