

ORANGE COUNTY, NY



Office of Community Development Section 3 Plan

July 2022



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Introduction

The purpose of the Section 3 Plan is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low-and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent. This plan is required when the amount of combined Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Shelter Grant (ESG) funds available through open contracts from the US Department of Housing and Urban Development exceed \$200,000.

Definitions

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

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

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

Contractor: any entity which contracts with a recipient or subrecipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project.

Employment Opportunities Generated by Section 3 Covered Assistance: all employment opportunities generated by the expenditure of Section 3 covered public assistance and modernization assistance (as described in section 75.3, including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

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

HUD YouthBuild Programs: programs administered by the Department of Labor that receive assistance under the Workforce Innovation and Opportunity Act (WIOA) and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

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

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

Low-income Person: families (including single persons) whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families, except that the Secretary of HUD 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.

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

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

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

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

Public Housing Authority (PHA): Public Housing Agency.

Recipient: any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, 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 entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

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

Section 3 Benchmarks: (i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

(ii) The number of labor hours worked by Targeted Section 3 workers as defined in 24 CFR Part 75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year. HUD will publish benchmarks in the Federal Register no less frequently than once every three years.

Section 3 Business Concern: 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

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.

Section 3 Covered Assistance:

1. Public housing development assistance provided pursuant to Section 5 of the 1937 Act;
2. Public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
3. Public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
4. Assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Covered Contracts: 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 assistance, or for work arising in connection with a Section 3 covered project.

Section 3 covered contracts do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Section 3 Project: housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs. The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

Section 3 Worker: Any worker who currently fits or when hired within the past five years 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.

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

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

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

Targeted Section 3 Worker: for housing and community development financial assistance, a Section 3 worker who is:

- i. a worker employed by a Section 3 business concern; or
- ii. a worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - a. Living within the service area or the neighborhood of the project, as defined in § 75.5;
 - b. a YouthBuild participant

Very Low-income Person: families (including single persons) whose income do not exceed 50% 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 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.

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

Policy Statement

It is the policy of the Orange County Office of Community Development (OCD) to promote opportunity for full participation by low- and very low-income persons and to business concerns which provide economic opportunities to low- and very low-income persons in its Community Development Block Grant (CDBG), HOME Investment Partnerships and Emergency Solutions Grant (ESG) Programs.

The OCD will implement this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the County.

The OCD has developed this Section 3 Action Plan to identify the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3.

The OCD's intent is to develop this plan to include input from various municipal departments. When applicable, input from other agencies and companies has been included in the plan.

Applicability

Section 3 applies to projects/activities involving housing (construction, demolition, rehabilitation) or other public construction—i.e. roads, sewers, community centers, etc. when the recipient has contracted with subcontractors for services, housing and/or public construction activities and the HUD assistance exceeds \$200,000.

Even if HUD assistance is only a portion of the project cost, Section 3 requirements apply to the entire project once the assistance meets the threshold. Section 3 requirements do not apply to materials-only contracts.

Section 3 Action Plan

The requirements of Section 3 are triggered when \$200,000 or more (or as noted otherwise) is invested into an activity involving housing rehabilitation, housing construction, and other public construction projects, such as, but not limited to: extending water and sewage lines, sidewalk repairs, site preparation, and installing conduits for utility services.

Section 3 Compliance Officer and Section 3 Coordinators

OCD has designated a Section 3 Compliance Officer and each subrecipients and/or entity will designate a Section 3 Coordinator who will oversee the following:

- Complete, maintain, and monitor the Section 3 Action Plan
- Monitor bidding and procurement procedures
- Maintain a listing and certifications of Section 3 workers and Targeted Section 3 workers
- Maintain a listing and certifications of Section 3 business concerns
- Address complaints and manage grievance procedures
- Report on Section 3 activities in IDIS
- Recordkeeping on Section 3 activities

All questions regarding this Section 3 Policy and Procedure can be directed to the Section 3 Compliance Officer, Nicole Andersen, Director of Community Development, 40 Matthews Street, Suite 307A, Goshen, NY 10924, Phone: (845) 615-3820, Email: commdev@orangecountygov.com.

Section 3 Benchmarks

The Orange County Office of Community Development will, to the greatest extent feasible, comply with the Section 3 benchmarks as mandated by 24 CFR 75.23. The current benchmarks established by HUD¹ for Section 3 Workers is 25 percent or more of the total number of labor hours worked by all workers on a Section 3 Project. Targeted Section 3 Workers is set at five percent or more of the total number of labor hours worked by all workers on a Section 3 project.

Employment & Training

To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, the OCD shall ensure that employment and training opportunities are provided to Section 3 workers within the Urban County Consortium service area in which the project is located. The OCD has established the following priority order for the provision of opportunity:

1. Section 3 workers residing within the service area or the neighborhood of the project (within one mile of the project site, or if fewer than 5,000 people live within one mile of the project, within a circle centered on the project that is sufficient to encompass a population of 5,000 people)
2. Other Section 3 workers
3. Participants in YouthBuild programs.

OCD and its subrecipients are not required to hire or enter into contracts with Section 3 workers or businesses simply to meet the Section 3 benchmarks—anyone selected for contracting or employment opportunities must meet the qualifications for the job/contract being sought.

Contractors that can demonstrate retention of Section 3 Workers (i.e., those who started employment within five years of the date of the contract) may utilize labor hours worked by that person on the contract toward the current contract's benchmarks.

Contracting Goals

The Orange County Office of Community Development and its subrecipients will demonstrate compliance with this requirement by committing to award, to the greatest extent feasible to Section 3 businesses performing work on housing rehabilitation, housing construction and other public construction. The OCD has established the following priority order for the provision of opportunity:

1. Section 3 business concerns that provide economic opportunities to Section 3 Workers residing within the service area or the neighborhood of the project
2. YouthBuild programs.

¹ Per 24 CFR Part 75.13(b)(1), HUD commits to updating the benchmarks through Federal Register notice, subject to public comment, no less frequently than once every three years.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to achieve Section 3 compliance. Any contractor that does not meet the Section 3 benchmarks must demonstrate why meeting the benchmarks was not feasible and shall certify that they have followed the prioritization of effort in 24 CFR Part 75.19. All contractors submitting bids or proposals to the OCD are required to certify that they comply with the requirements of Section 3.

Sample efforts to employ and train Section 3 Workers, as well as sample efforts to reach out to Section 3 Businesses are included in Appendix B.

The Section 3 Clause (Appendix C) specify the requirements for contractors hired for Section 3 projects. The Section 3 Clause must be included in all procurement documents and contracts for Section 3 projects.

Section 3 Worker Certification Procedure

OCD will assist individuals who may identify as a Section 3 Worker or Targeted Section 3 Worker, who reside in the service area or the neighborhood of the Section 3 Project, and who are seeking preference in training and employment by completing and attaching a certification of Section 3 eligibility (see Appendix D –Section 3 Worker Certification Form).

Assisting Contractors to Achieve Section 3 Hiring and Contracting Goals

The OCD will assist contractors with little or no experience in achieving Section 3 Benchmarks by:

- Requiring the contractor to present a list to OCD of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- Direct the contractor to a list of interested and qualified Section 3 Workers for construction projects, or if none exists to HUD’s Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>.
- Provide contractor with sample employment notices targeted at Section 3 Workers for posting on the job site and with local and state organizations that engage Section 3 Workers.
- Inform contractors of known issues that might affect Section 3 residents from performing job related duties and will encourage outreach efforts described in Appendix B—reporting Form and Greatest Extent Feasible Efforts Checklist.
- Review the Section 3 Clause and Certification of Intent to Comply with contractors and subcontractors during any pre-bid meetings to ensure that the requirement is understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 Workers before any other person, when hiring additional employees.

Section 3 Business Certification Procedure

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with Orange County’s Office of Community Development shall complete the Section 3 Business Certification (Appendix E), which can be obtained from OCD. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program. If OCD previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid. All Section 3 Businesses are encouraged to register through HUD’s Section 3 Business Registry. <https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness>

Preference for Contracting with Section 3 Business Concerns

OCD, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts to Section 3 Business Concerns. Contractors and subcontractors are expected to extend, to the greatest extent feasible, efforts to achieve the benchmarks established by HUD.

State procurement procedures require the selection of the lowest responsible bidder when under a competitive sealed bid process. However, OCD or its subrecipients may give preference to Section 3 businesses as a means of evaluation criteria for professional services contracts where proposals are solicited.

Contracts must document that qualified Section 3 Business Concerns that have been sought to fulfill subcontracts utilizing certification for business concerns seeking Section 3 preference in contracting and demonstration of capability (See Appendix B for sample efforts to award contracts to Section 3 Businesses). Contractors must consult HUD's Opportunity Portal to identify potential Section 3 Businesses in the project area and must submit evidence of such consultation with any bid documents.

Section 3 businesses must be given priority in contracting for work, to the greatest extent feasible. Recipients should use the following order of priority:

1. Section 3 businesses that provide economic opportunities for section 3 workers residing within the service area or neighborhood in which the section 3 project is located; and
2. Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs;
3. Other section 3 business concerns.

Efforts to Award Contract Opportunities to Section 3 Business Concerns

The OCD or its subrecipients will use to the following methods to notify and contract with Section 3 Business Concerns when contracting opportunities exist.

- Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Utilize HUD Opportunity Portal and state Disadvantaged Business Registry(ies) to identify Section 3 Businesses in the project's service area and providing written notice of the contracting opportunity or sending invitations to bid directly to those businesses
- Provide written notice of contracting opportunities to all known Section 3 Businesses. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
- Coordinate pre-bid meetings at which the Section 3 Business Concerns would be informed of upcoming contracting opportunities in advance.
- Conduct workshops or provide technical assistance on OCD contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner to allow Section 3 Business Concerns the opportunity to take advantage of any upcoming contracting opportunities.

- Advise section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
- Establish relationships with the OC Office of Employment and Training, OC Office of Economic Development, Chambers of Commerce, Small Business Administration (SBA), Minority and Women’s Business Enterprise MBE/WBE Associations, and other sources as necessary to assist the OCD with educating and mentoring residents with a desire to start their own businesses.
- Seek out other referral sources to ensure job readiness for public housing residents through on-the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market.
- Develop resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, obtain licenses, bonding, and insurance.

Section 3 Worker Recruitment, Training, and Employment

The OCD will develop resources to assist subrecipients and/or their contractors provide training and employment opportunities to Section 3 program participants by implementing the following:

- Employment and Training opportunities will be advertised by distributing flyers via mass mailings and posting in common areas of the Section 3 covered community, public housing developments and public housing management offices within the project’s service area, as well as contacting resident councils, resident management corporations, and neighborhood community organizations.
- A database will be developed to maintain a list of all Section 3 Workers certified by the County or that have participated on prior contracts.
- A database will be developed of eligible qualified Section 3 Businesses to contact with respect to the availability of contract opportunities.
- Relationships will be developed with the OC Office of Employment and Training which works with local area employers to solicit job vacancies to determine skills needed in their workforce to provide training to residents to develop skills that will transfer into the external labor market.

Contractor’s Requirements in Employing Section 3 Participants

Under Section 3, contractors and subcontractors are required to provide economic opportunities, particularly employment opportunities, to Section 3 Workers. Contractors will be required to demonstrate efforts made to reach out to Section 3 Workers and Targeted Section 3 Workers for employment and training opportunities. Contractors will also be required to report to the OCD any of their current employees that are Section 3 Workers as defined herein. After the award of contracts, the contractor must, prior to beginning work, inform the OCD of the following:

- Names of the Section 3 Business Concerns to be utilized,
- Estimates of the number of labor hours to be utilized for the contract,
- Minimum number of labor hours to be worked by Section 3 Workers,
- Efforts that were utilized to seek Section 3 Workers.

Contractors must notify the OCD of their interests regarding employment of and proposed labor hours for Section 3 Workers. The OCD will ensure that the participant is Section 3 eligible.

Section 3 Opportunity Portal

The Section 3 Opportunity Portal is an online registry that connects residents to training and employment opportunities and businesses to contracting opportunities. Businesses who self-certify that they meet one of the regulatory definitions of a Section 3 business will be included in a searchable online database. The database can be used by agencies that receive HUD funds, developers, contractors, and others to facilitate the award of covered construction and non-construction contracts to Section 3 businesses.

Section 3 Workers are encouraged to use the Opportunity Portal to identify businesses that may have HUD- funded employment opportunities available. Section 3 businesses are encouraged to post their training, employment and contracting opportunities to the Opportunity Portal.

HUD recipients should utilize HUD's Section 3 Opportunity Portal to find Section 3 businesses that may be able to participate in the HUD project. The Opportunity Portal can be accessed through HUD's website here:

<https://hudapps.hud.gov/OpportunityPortal/>

It is important to note that Section 3 businesses and Section 3 workers are not entitled to receive contracts or employment opportunities simply by being listed in HUD's Section 3 Business Registry database or Opportunity Portal.

Internal Section 3 Complaint Procedure

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

- 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 75.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The Section 3 Compliance Officer 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.
- The Section 3 Compliance Officer will provide written documentation detailing the findings of the investigation. The findings will be made available no later than thirty (30) days after the filing of complaint.
- The Section 3 Compliance Officer shall record complaints and work to resolve issues promptly. Depending on the situation, corrective action may be taken in a collaborative fashion.
- OCD staff will not retaliate or take other adverse action because an individual has filed a complaint.

Complaints can be directed to the Section 3 Compliance Officer, Nicole Andersen, Director of Community Development, 40 Matthews Street, Suite 307A, Goshen, NY 10924, Phone: (845) 615-3820, Email: commdev@orangecountygov.com.

If complainants wish to have their concerns considered outside of the OCD, a complaint may be filed with the New York Regional Office of FHEO:

U.S. Department of Housing and Urban Development
New York City Field Office

Jacob J. Javits Federal Building
26 Federal Plaza, Room 3532
New York, New York 10278-0068
ComplaintsOffice02@hud.gov

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based.

Request for Bids (RFB) or Request for Proposals (RFP)

Advertisement – RFB Only

All RFB's will include the following information:

“The bidders/offerors must submit documentary evidence of Section 3 businesses who have been contacted and to whom commitments have been made. Similarly, bidders/offerors must submit a certification of intent to comply with Section 3 requirements in employment, training and contracting. Documentation of such solicitations and commitments shall be submitted concurrently with the bid.”

Notification of Section 3 – RFB and RFP

The procedure for OCD to notify Section 3 Businesses of contract opportunities will be as follows:

1. Include in the RFP and RFP Advertisement the following information: “The bidders/offerors must submit documentary evidence of Section 3 businesses who have been contacted and to whom commitments have been made. Similarly, bidders/offerors must submit a certification of intent to comply with Section 3 requirements in employment, training and contracting. Documentation of such solicitations and commitments shall be submitted concurrently with the bid.”
2. Notice of Request for Bid or Request for Proposals – The OCD is responsible for identifying qualified Section 3 businesses by consulting the HUD Opportunity Portal and will provide a copy of the Notice of Invitation for Bids or Requests for Proposals to all Section 3 Businesses identified within the project's service area.
3. Other Notices – Notices are to be sent to the following organizations as appropriate:
 - Local Minority Churches and Organizations
 - Appropriate Minority/Women Contractor Associations
 - Appropriate Minority/Women Trade Organizations
 - Other media organizations such as community television networks, local newsletters, and radio advertising.
4. Plans and Specifications – Plans and Specifications or Invitations for Bids on all projects will be made available to minority/women contractor associations and trade organizations within the project's service area.
5. List of Planholders – The names of bidders/offerors requesting bid documents will be made available upon request to Section 3 Businesses shown on the provided listing.
6. List of Section 3 Businesses– Each bidder/offeror obtaining plans and specifications or requests for proposals for projects will be provided a list of Section 3 Businesses to be used in soliciting subcontract bids and for materials and services.

Construction Contracts (RFB)

The following will be placed in all bid documents:

Section 3 Clause:

If the HUD assistance provided under this agreement, contract, subcontract, memorandum of understanding, cooperative agreement or similar legally binding agreement (Agreement) exceeds \$200,000.00, then this Agreement and the work to be performed under it is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u (Section 3 regulations set forth in 24 C.F.R. §75), as amended.

Section 3 and all applicable rules and orders issued thereunder prior to the execution of this agreement, shall be a condition of the HUD assistance provided under this agreement and binding upon Municipality/Subrecipient/Contractor/Subcontractor/Developer as applicable which shall require such a binding commitment from its Subrecipients, Contractors, subcontractors and Subrecipient subcontractors, if any. Failure to fulfill these requirements shall subject Municipality/Subrecipient/Contractor/Subcontractor/Developer and its Subrecipients and subcontractors, if any, to all New York State or federal remedies available at law or in equity to County or HUD, including but not limited to termination of this agreement. Municipality/Subrecipient/Contractor/Subcontractor/Developer certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

The purpose of Section 3 is to ensure, to the greatest extent feasible, that training, employment, contracting, and other economic opportunities generated by Section 3 covered financial assistance from HUD or HUD-funded projects covered by Section 3, shall be directed to low- and very low-income residents of the neighborhood where the financial assistance is spent, particularly to persons who are recipients of HUD assistance for housing, and to businesses that are either low- or very low-income residents of the neighborhoods where the financial assistance is spent, or substantially employ these persons.

The parties to this agreement agree to comply with HUD's regulations in 24 CFR part 75, which implement Section 3. As evidenced by their execution of this agreement, the parties certify that they are under no contractual or other impediment that would prevent them from complying with the part 75 regulations.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to agree to notify potential contractors and subcontractors that are associated with Section 3 covered projects and activities about the requirements of Section 3, to include this Section 3 clause in every contract and subcontract subject to compliance with regulations in 24 CFR part 75, and to ensure that any subcontractors also include this Section 3 clause in their subcontracts for work performed on the project.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to include compliance with Section 3 requirements in every subcontract for Section 3 projects as defined in 24 CFR part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract 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 CFR part 75.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to maintain hiring and contracting practices to the greatest extent feasible so that 25 percent of the total labor hours expended on the project are by Section 3 Workers, of which 5 percent are by Targeted Section 3 Workers as defined in 24 CFR part 75. As part of these practices, [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to provide priority consideration to eligible residents and businesses in accordance with 24 CFR Part 75, as applicable. If the [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] is not able to meet this benchmark goal, it must provide a narrative of efforts taken and supporting documentation explaining why it was unable to meet that goal, despite greatest extent feasible efforts taken.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to post copies of a notice advising workers of the Contractor's commitments under Section 3 in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. Said notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

If applicable, the [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to notify each labor organization or representative of workers with which the [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] has a collective bargaining or similar labor agreement or other understanding, if any, about its obligation to comply with the requirements of Section 3 and ensure that new collective bargaining or similar labor agreements provide employment, registered apprenticeship, training, subcontracting, or other economic opportunities to Section 3 Workers and businesses, and to post notices in conspicuous places at the work site advising the labor union, organization, or workers' representative of the contractor's commitments under this part.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to provide written notice of employment and contracting opportunities to all known Section 3 Workers and Section 3 Businesses.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to hire, to the greatest extent feasible, Section 3 workers as new hires, or provide written justification to the recipient that is consistent with 24 CFR Part 75, describing why it was unable to meet minimum numerical hiring goals, despite its efforts to comply with the provisions of this clause.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer(choose applicable)] agrees to attempt to recruit from within the service area of the project to fill employment opportunities generated by Section 3 covered assistance through local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area and providing preference for these opportunities in the following order: Section 3 Residents

residing within one mile of the Section 3 covered project location (Targeted Section 3 Workers); Participants in YouthBuild Programs, and Other Section 3 Residents

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to maintain records documenting Section 3 residents whom were hired to work on previous Section 3 covered projects or activities that were retained by the contractor for subsequent Section 3 covered projects or activities.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to post contract and job opportunities to the Opportunity Portal (<https://hudapps.hud.gov/OpportunityPortal/>) and will check the Portal for businesses located in the project area.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] 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.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] will certify that they have followed prioritization of effort in 24 CFR part 75.19 for all employment and training opportunities. The contractor will further certify that it meets or exceeds the applicable Section 3 benchmarks, defined in 24 CFR Part 75.23, and if not, shall describe in detail the qualitative efforts it has taken to pursue low- and very low-income persons for economic opportunities.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to comply with all monitoring, reporting, recordkeeping, and other procedures specified by United States Department of Housing and Urban Development (HUD).

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] is responsible for providing Section 3 performance metrics and supporting documentation for all its subrecipients, contractors, and subcontractors, as applicable.

Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, penalties, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

Definitions:

Section 3 Businesses are encouraged to respond to this proposal. A Section 3 business is one that satisfies one of the following requirements:

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

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

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

Businesses that believe they meet the Section 3 criteria are encouraged to register as a Section 3 Business through HUD's website: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness>

Section 3 Intent to Comply

The Section 3 Intent to Comply is included at Appendix B and must be included in all bid documents, signed and returned by each contractor and subcontractor submitting a proposal. Failure to return the Intent to Comply may result in the bidder being deemed nonresponsive.

The OCD may obtain documents and information from any bidder, contractor, subcontractor, supplier, or manufacturer that may be required in order to ascertain bidder or contractor responsibility. Failure to provide requested information may result in the contractor being declared not responsible.

Professional/Personal Services – Requests for Proposals (RFP)

For contracts and subcontracts awarded under the Request for Proposals method, the OCD will identify all evaluation factors (and their relative importance) to be used to rate proposals in their RFP.

One of the evaluation factors shall address both the preference for Section 3 Businesses and the acceptability of the strategy for meeting the greatest extent feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 businesses). The component of this evaluation factor designed to address the preference for Section 3 Businesses must establish a preference for these business concerns.

With respect to the second component (the acceptability of the Section 3 strategy), the RFP shall require the disclosure of the contractor's section 3 strategy to comply with section 3 training and employment preference, or contracting preference, or both if applicable. A determination of the contractor's responsibility will include the submission of an acceptable Section 3 strategy, including efforts to employ and train Section 3 Workers, as well as efforts to award subcontracts to Section 3 Businesses, as applicable. The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 business concern) whose proposal is determined most advantageous, considering price and all other fac

Section 3 Recordkeeping

Records must be maintained by the OCD Section 3 Compliance Officer and the Section 3 Coordinator of each entity to demonstrate compliance with the requirements noted in 24 CFR 75.31. HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.

In accordance with the rule, the OCD will maintain records related to Section 3 Worker eligibility. For a worker to qualify as a Section 3 worker, one of the following must be maintained

- i. A worker's self-certification that their income is below the income limit from the prior calendar year;
- ii. A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
- iii. Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
- iv. An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
- v. An employer's certification that the worker is employed by a Section 3 business concern.

For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

- i. An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;
- ii. An employer's certification that the worker is employed by a Section 3 business concern; or
- iii. A worker's self-certification that the worker is a YouthBuild participant.

Contractors and OCD are required to maintain this documentation for a period of five years after the closeout of the recipient's grant agreement with HUD.

The OCD shall also maintain grievances and resolutions.

Section 3 Reporting Requirements

OCD will be required to enter the information, including labor hours worked, labor hours worked by Section 3 Workers and Targeted Section 3 Workers in IDIS on a per-activity basis. To report Section 3 data, OCD subrecipients must analyze the number of labor hours worked on a Section 3 project, how many labor hours were worked by Section 3 Workers, and how many labor hours worked were by Targeted Section 3 Workers. Even if no labor hours worked were by Section 3 or Targeted Section 3 workers, this information must be reported to OCD or its subrecipients. Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to 24 CFR Part 75.31.

For all Section 3 projects employing Section 3 workers or Targeted Section 3 workers, the recipient/contractor must maintain **one of the following** (in order of priority) to demonstrate Section 3 status of the worker:

1. Section 3 Worker Self-certification form (Appendix D) If the worker's household income is less than 80% of area median income, they are considered a Section 3 worker. Income limits by County are available upon request by contacting the Section 3 Compliance Officer.
2. Certification from an employer that the worker's income from the employer is within the income limits if annualized.
3. Certification from an employer that the worker is employed by a Section 3 business concern. This can be demonstrated by a contractor's submission of the Section 3 Business Certification (Appendix E).
4. Certification from a PHA or YouthBuild Program that the worker is a participant in one of its programs.

To report Section 3 data, recipients and contractors must record labor hours worked and hours worked by Section 3 and Targeted Section 3 workers. Even if no Section 3 Workers were utilized, this report must be completed and submitted to OCD at the completion of each project.

In addition, recipients and contractors will be required to report an aggregate of all labor hours worked and Section 3 hours worked annually to OCD. This report will be submitted to the Section 3 Compliance Officer and will be due by December 31st of each year.

Recipients of HUD funding will also need to report Section 3 accomplishments and/or provide a detailed explanation of why Section 3 goals were not met and indicate efforts made to identify and engage Section 3 Workers and Businesses. This data may be collected using the Contactor's Report found in the appendix to this Chapter and aggregated annually for submission to OCD. Such efforts include but are not limited to:

1. Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
2. Provided training or apprenticeship opportunities.
3. Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).

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

Appendix A Section 3 Requirement Summary

Appendix B Section 3 Intent to Comply – Affirmative Action Plan

Appendix C Section 3 Clause

Appendix D Section 3 Worker Certification Form

Appendix E Section 3 Business Concern Certification Form

Appendix F Section 3 SAMPLE Employment Notice

Appendix G Section 3 Review of Requirements Sign-Off Sheet

Orange County Office of Community Development Section 3 Requirement Summary

Section 3 contributes to the establishment of stronger, more sustainable communities by ensuring that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs are, to the greatest extent feasible and consistent with existing Federal, state, and local laws and regulations, directed toward low- and very low-income persons. Section 3 applies to training or employment arising in connection with housing rehabilitation, housing construction, or other public construction projects that are awarded more than \$200,000 of CDBG or HOME funding.

Per 24 CFR 75.3(a)(iii), Section 3 requirements apply to the entire project, not just the HUD-funded portion. All recipients of HUD funding, their contractors, and subcontractors need to comply with Section 3 requirements. If the recipient's reporting indicates that the recipient has not met the Section 3 benchmarks, the recipient must report on their qualitative efforts to outreach and assist Section 3 workers and business concerns and those its contractors and subcontractors pursued.

In accordance with 24 CFR 75.25(a), recipients of HUD funding must report the following labor hours for Section 3 projects:

1. The total number of labor hours worked by all workers (including total hours worked by all contractors and subcontractors on entire project not just the HUD funded portion)
2. The total number of labor hours worked by Section 3 workers (including total hours worked by all Section 3 workers on entire project not just the HUD funded portion) and
3. The total number of labor hours worked by Targeted Section 3 workers (including total hours worked by all Targeted Section 3 workers on entire project not just the HUD funded portion).

The following two benchmarks apply to each Section 3 project:

Benchmark 1: Twenty-five percent (25%) or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Section 3 workers (this includes all non-HUD funded labor hours)

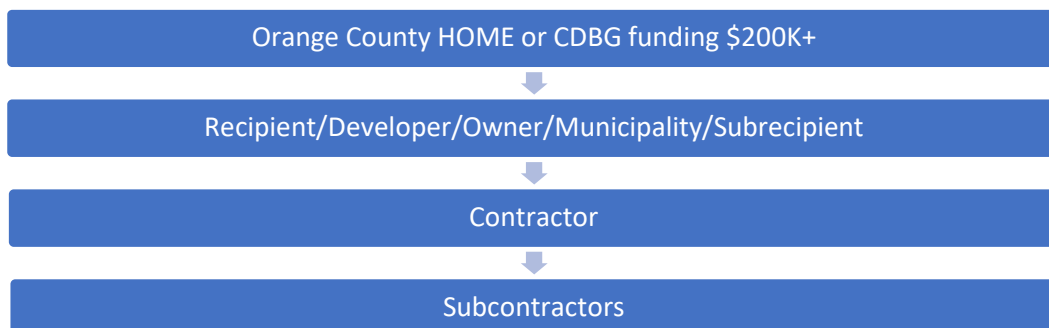
Section 3 Labor Hours/Total Labor Hours = 25% and

Benchmark 2: Five percent (5%) or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Targeted Section 3 workers

Targeted Section 3 Labor Hours/Total Labor Hours = 5%

Section 3 Reporting Form & Greatest Extent Feasible Efforts Checklist applies to all Section 3 projects and must be filled out by all entities including the Municipality, Contractor, Subcontractors, Developers, Owners and Subrecipients.

Municipalities, Subrecipients, Developers/Owners, Contractors, and Subcontractors are all obligated Section 3 Participants. Each participant must designate a Section 3 Coordinator for the project. Section 3 Duties and Reporting Flowchart:



___ Provided or connected potential Section 3 workers with assistance in seeking employment, including drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.

___ Held or attended as an employer one or more job fairs.

___ Provided or connected potential Section 3 workers with supportive services that can provide direct services or referrals.

___ Provided or connected potential Section 3 workers to supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.

___ Assisted potential Section 3 workers with finding/paying for childcare.

___ Assisted potential Section 3 workers to apply for/or attend community college or a four-year educational institution.

___ Assisted potential Section 3 workers to apply for or attend vocational/technical training.

___ Assisted potential Section 3 workers to obtain financial literacy training and/or coaching.

___ Provided or connected potential Section 3 workers with training on computer use or online technologies.

Other (specify); may include, but not limited to:

Section 3 Compliance Certification:

As an officer and representative of _____ [Entity], on behalf of the Entity, I certify that the statements and information contained on this form are accurate and the entity has complied with Section 3 Regulations at 24 CFR Part 75. I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief. I understand that entities who misrepresent and/or report false information to the County of Orange 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 information contained in this form is correct to the best of my knowledge.

Name and Title of the Authorized Representative (print or type)

Signature of Authorized Representative

Date

Section 3 language for procurement documents (bid documents, RFPs, RFBs, etc.) and contracts for construction projects that have been awarded more than \$200,000 of HUD funding

(This language is to be included in all procurement documents/solicitations and all contracts for work that is being performed on Section 3 projects)

If the HUD assistance provided under this agreement, contract, subcontract, memorandum of understanding, cooperative agreement or similar legally binding agreement (Agreement) exceeds \$200,000.00, then this Agreement and the work to be performed under it is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u (Section 3 regulations set forth in 24 C.F.R. §75), as amended.

Section 3 and all applicable rules and orders issued thereunder prior to the execution of this agreement, shall be a condition of the HUD assistance provided under this agreement and binding upon Municipality/Subrecipient/Contractor/Subcontractor/Developer as applicable which shall require such a binding commitment from its Subrecipients, Contractors, subcontractors and Subrecipient subcontractors, if any. Failure to fulfill these requirements shall subject Municipality/Subrecipient/Contractor/Subcontractor/Developer and its Subrecipients and subcontractors, if any, to all New York State or federal remedies available at law or in equity to County or HUD, including but not limited to termination of this agreement. Municipality/Subrecipient/Contractor/Subcontractor/Developer certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

The purpose of Section 3 is to ensure, to the greatest extent feasible, that training, employment, contracting, and other economic opportunities generated by Section 3 covered financial assistance from HUD or HUD-funded projects covered by Section 3, shall be directed to low- and very low-income residents of the neighborhood where the financial assistance is spent, particularly to persons who are recipients of HUD assistance for housing, and to businesses that are either low- or very low-income residents of the neighborhoods where the financial assistance is spent, or substantially employ these persons.

The parties to this agreement agree to comply with HUD's regulations in 24 CFR part 75, which implement Section 3. As evidenced by their execution of this agreement, the parties certify that they are under no contractual or other impediment that would prevent them from complying with the part 75 regulations.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to agree to notify potential contractors and subcontractors that are associated with Section 3 covered projects and activities about the requirements of Section 3, to include this Section 3 clause in every contract and subcontract subject to compliance with regulations in 24 CFR part 75, and to ensure that any subcontractors also include this Section 3 clause in their subcontracts for work performed on the project.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to include compliance with Section 3 requirements in every subcontract for Section 3 projects as defined in 24 CFR part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract 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 CFR part 75.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to maintain hiring and contracting practices to the greatest extent feasible so that 25 percent of the total labor hours expended on the project are by Section 3 Workers, of which 5 percent are by Targeted Section 3 Workers as defined in 24 CFR part 75. As part of these practices, [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to provide priority consideration to eligible residents and businesses in accordance with 24 CFR Part 75, as applicable. If the [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] is not able to meet this benchmark goal, it must provide a narrative of efforts taken and supporting documentation explaining why it was unable to meet that goal, despite greatest extent feasible efforts taken.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to post copies of a notice advising workers of the Contractor's commitments under Section 3 in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. Said notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

If applicable, the [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to notify each labor organization or representative of workers with which the [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] has a collective bargaining or similar labor agreement or other understanding, if any, about its obligation to comply with the requirements of Section 3 and ensure that new collective bargaining or similar labor agreements provide employment, registered apprenticeship, training, subcontracting, or other economic opportunities to Section 3 Workers and businesses, and to post notices in conspicuous places at the work site advising the labor union, organization, or workers' representative of the contractor's commitments under this part.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to provide written notice of employment and contracting opportunities to all known Section 3 Workers and Section 3 Businesses.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to hire, to the greatest extent feasible, Section 3 workers as new hires, or provide written justification to the recipient that is consistent with 24 CFR Part 75, describing why it was unable to meet minimum numerical hiring goals, despite its efforts to comply with the provisions of this clause.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer(choose applicable)] agrees to attempt to recruit from within the service area of the project to fill employment opportunities generated by Section 3 covered assistance through local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area and providing preference for these opportunities in the following order: Section

3 Residents residing within one mile of the Section 3 covered project location (Targeted Section 3 Workers); Participants in YouthBuild Programs, and Other Section 3 Residents

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to maintain records documenting Section 3 residents whom were hired to work on previous Section 3 covered projects or activities that were retained by the contractor for subsequent Section 3 covered projects or activities.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to post contract and job opportunities to the Opportunity Portal (<https://hudapps.hud.gov/OpportunityPortal/>) and will check the Portal for businesses located in the project area.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] 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.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] will certify that they have followed prioritization of effort in 24 CFR part 75.19 for all employment and training opportunities. The contractor will further certify that it meets or exceeds the applicable Section 3 benchmarks, defined in 24 CFR Part 75.23, and if not, shall describe in detail the qualitative efforts it has taken to pursue low- and very low-income persons for economic opportunities.

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] agrees to comply with all monitoring, reporting, recordkeeping, and other procedures specified by United States Department of Housing and Urban Development (HUD).

The [Municipality/Subrecipient/Contractor/Subcontractor/Developer (choose applicable)] is responsible for providing Section 3 performance metrics and supporting documentation for all its subrecipients, contractors, and subcontractors, as applicable.

Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, penalties, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

Section 3 Business Certification Form

To be completed by business claiming to be Section 3 businesses

Section 3 is a provision of the federal Housing and Urban Development (HUD) Act of 1968 that requires, to the greatest extent feasible, that construction projects that receive more than \$200,000 of HUD funding provide job training and employment opportunities to low-income persons. These projects must, to the greatest extent feasible, contract with Section 3 Businesses that employ or are owned by low-income persons. This form can be used for a business to self-certify that they are a Section 3 Business.

Project Name:

Project Address:

Business Name:

Name of Business Owner:

Business Address:

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

Service to be Provided (e.g. demolition, painting, etc.):

___ Confirm that the business has registered as a Section 3 Business on HUD’s Opportunity Portal at:
<https://hudapps.hud.gov/OpportunityPortal/>

A Section 3 Business meets at least *one* of the following criteria (select which apply):

51% or more of the business is owned or controlled by individuals whose household incomes are no greater than 80% of the Area Median Income (AMI) for the County in which they live* *Please reference

<https://www.huduser.gov/portal/datasets/il.html> (select Click Here for FY IL Documentation, Select State then County, Click View County Calculations) to determine AMI for the County in which the employee lives

Household gross income must be below 80% of the 2022 area median income for Orange County:

1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
\$62,600	\$71,550	\$80,500	\$89,400	\$96,600	\$103,750	\$110,900	\$118,050

Within the last three months, 75% of all labor hours performed for the business have been performed by individuals whose household incomes are no greater than 80% of Area Median Income (AMI) or whom are YouthBuild participants

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

NOTE: The Section 3 Employee/Employer Certification Form should be used to determine whether employees and/or owners are low-income or Section 3 Workers.

Section 3 Business Concern Affirmation

By Submitting this form, my business certifies that the statements and information contained on this form are accurate, and meet the required HUD Section 3 business self-certification eligibility requirements in accordance with 24 CFR Part 75. I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to the County of Orange 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 above information is correct to the best of my knowledge.

Business Name: _____

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**

Name of Section 3 Compliance Officer: Nicole Andersen_____

Signature of Section 3 Compliance Officer: _____

Date of Signature: _____

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

Sample Section 3 Employment Notice

(Instructions: Send notice to the local Public Housing Authority(ies) and to OneStop Career Center Organizations, and post in a conspicuous place on the job site)

The ***(insert name of municipality or Developer/Owner)*** is preparing to carry out the ***(insert Name of Project)*** through the use of US HUD Community Development Block Grant and/or HOME Partnership Program Funds. In the implementation of this project the following job types are available:

(Insert List of Job Classifications to be used during project)

All job openings will be posted at ***(list all posting locations)***. To the greatest extent feasible, employment and training positions will be made available to qualified persons who permanently reside in the ***(insert name of municipality where project is located)***.

Persons qualified for the jobs listed should register at the following location:

(Insert location where applicant should apply and any application instructions)

For questions on this employment opportunity, please contact:

(Insert contact & contact information)

Section 3 Review of Requirements Sign Off Sheet

By signing below, I certify that I have received the following documents and the Orange County Office of Community Development's Section 3 Compliance Officer and/or designee has reviewed the requirements of Section 3 with my entity.

Orange County Office of Community Development Section 3 Policies and Procedures including Attachments A-F

- A- Section 3 Requirement Summary
- B- Section 3 Entity Intent to Comply- Affirmative Action Plan
- C- Section 3 Clause for all related contracts
- D- Section 3 Worker Certification Form
- E- Section 3 Business Certification Form
- F- Section 3 SAMPLE Employment Notice
- G- Section 3 Review of Requirements Sign Off Sheet (Signed)

As an authorized representative of _____ [Entity] On behalf of the Entity,
I have received the documents listed above and OCD has reviewed the requirements of Section 3 with me.

Name and Title of the Authorized Representative (print or type)

Signature of Authorized Representative

Date

As an authorized representative of _____ [Entity] On behalf of the Entity,
I have received the documents listed above and OCD has reviewed the requirements of Section 3 with me.

Name and Title of the Authorized Representative (print or type)

Signature of Authorized Representative

Date

As an authorized representative of _____ [Entity] On behalf of the Entity,
I have received the documents listed above and OCD has reviewed the requirements of Section 3 with me.

Name and Title of the Authorized Representative (print or type)

Signature of Authorized Representative

Date

As an authorized representative of _____ [Entity] On behalf of the Entity,
I have received the documents listed above and OCD has reviewed the requirements of Section 3 with me.

Name and Title of the Authorized Representative (print or type)

Signature of Authorized Representative

Date