



SECTION 3

Required Contractor Forms

For

Rockford Housing Authority

223 South Winnebago Street

Rockford, IL 61102

These forms are specific to the implementation of the RHA Section 3 Policy per the 24 CFR Part 75: Economic Opportunities for Low- and Very Low-Income Persons: Section 3 Regulation. These forms are required for all departmental contracting activities associated with RHA, including day-to-day operational service purchasing.

Forms revised as of June 17, 2021

24 CFR Part 75: Economic Opportunities for Low- and Very Low-Income Persons

The following forms establish the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C 1701u) (Section 3) are met. The purpose of Section 3 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.

To be considered for a contract award, the Contractor must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (24 CFR Part 75), as amended and the RHA’s Section 3 Policy and Plan.

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

I have read and acknowledged the requirements of Section 3 HUD Act of 1968:

Name of Contractor

Contract Name and Title

Address

City/State/Zip Code

Phone

Email

Signature

Date

Compliance Assurance

Purpose

To ensure that the regulation promulgated under 24 CFR Part 75 "Economic Opportunities for Low- and Very Low-Income Persons" is met, RHA has developed and approved a Section 3 Policy.

This form shall serve as the "assurance of compliance" certification as required in the bid documents, general supplemental conditions, and other required forms for the contract for any HUD work funded by RHA.

Definitions

A 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.

Section 3 Worker:

Any worker who currently meets or when hired within the past five years met 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. (Note this will include PH residents)
- ii. The Worker is employed by a Section 3 business concern.
- iii. The Worker is a YouthBuild participant.

A Targeted Section 3 Worker:

For **public housing financial assistance** means a Section 3 worker who is:

- i. A worker employed by a Section 3 business concern; or
- ii. A worker who 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 Section 8-assisted housing;
 - b. A resident of other public housing developments or Section 8-assisted housing managed by the PHA that is providing the assistance; or
 - c. A YouthBuild participant.

Hiring Priorities

Employment and training opportunities created by **public housing financial assistance** shall be given to Section 3 Workers in the following order of priority:

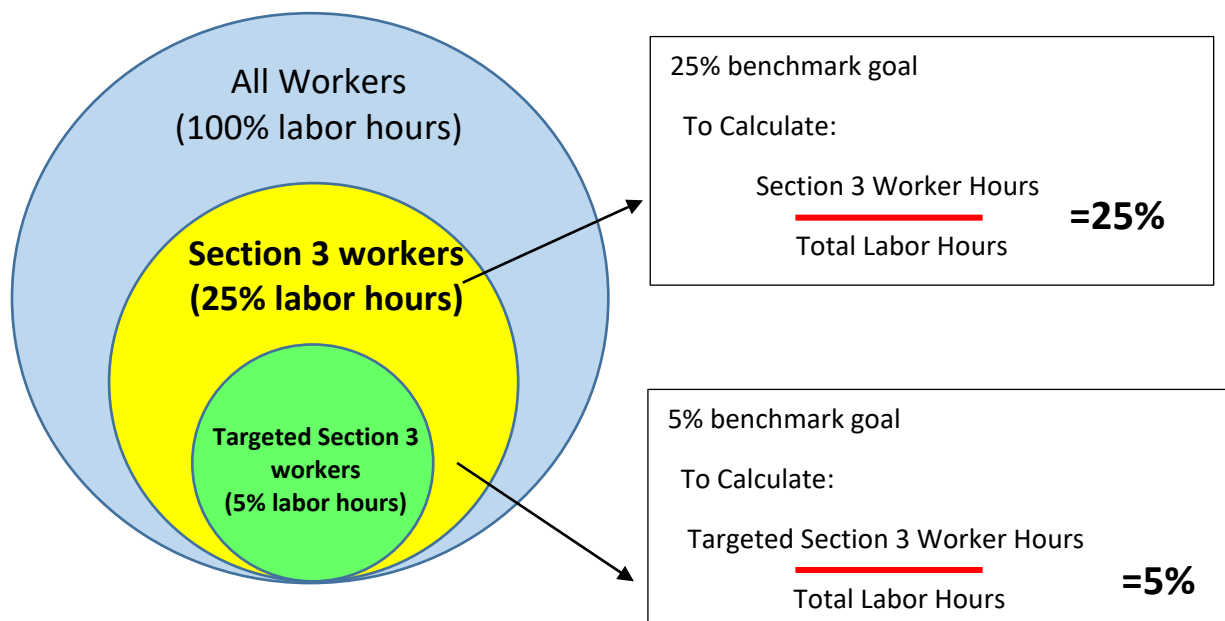
- i. To residents of the public housing development for which the public housing financial assistance is expended;
- ii. To residents of other public housing developments managed by RHA or for residents of Section 8-assisted housing managed by RHA;
- iii. To participants in YouthBuild programs; and
- iv. To low- and very low-income persons residing within the metropolitan area in which the assistance is expended

Section 3 Benchmarks

HUD established Section 3 Benchmarks to determine Section 3 compliance. If awarded a contract with the Housing Authority, you will be required to demonstrate good faith efforts and provide evidence of your efforts to meet the Section 3 Benchmarks as noted below:

Contractors who certify to following the prioritization in § 75.9 and meet or exceed the following Section 3 benchmarks will be considered to have complied with requirements in 24 CFR part 75, subpart B & C, in the absence of evidence to the contrary:

- i. **Twenty-five (25) percent** or more of the total number of labor hours worked by all workers on a Section 3 project are **Section 3 Workers**; and
- ii. **Five (5) percent** or more of the total number of labor hours worked by all workers on a Section 3 project are **Targeted Section 3 Workers**.



3. If awarded a contract, do you commit to engaging in good faith efforts to meet or exceed the above-listed benchmarks? _____YES _____NO
4. If you cannot hire Section 3 Workers and/or Targeted Section 3 Workers and/or provide labor hours to Section 3 Workers and Targeted Section 3 Workers to achieve the above benchmarks, can you provide other economic opportunities to them?
_____YES _____NO

Other economic opportunities such as:

- a. Trade Union Enrollment
- b. Scholarships/Sponsor for Training Programs
- c. Contribute to the RHA's Section 3 Training Fund

Contractor Commitments Pursuant to 24 CFR Part 75 Section 3

Outreach

If the need for a new hire arises, the Contractor must provide opportunities to the individuals listed herein to the greatest extent feasible.

- i. Per our policy, contractors MUST post every employment opportunity:
 - a. At the job site
 - b. In the Section 3 Portal
 - c. At all RHA developments
 - d. On RHA social media
- ii. Per our policy, contractors MAY select any number of the following for additional notification to Section 3 Workers:
 - a. The local community newspaper(s)
 - b. Homeless service agencies
 - c. Local HUD-supported housing communities
 - d. Local workforce board
 - e. Any other community agency that assists the low-income population

Documentation

The Contractor will work with the RHA Section 3 Compliance Manager and any other designated staff to notify residents of any opportunities afforded under the contract. The Contractor is responsible for maintaining all section 3 documentation and sharing this information with RHA upon request or audit. Documents to be maintained are:

- i. Section 3 Self-Certification forms.
- ii. Any documents pertaining to the certification and establishment of Section 3 status.
- iii. Contractor forms.
- iv. All documents pertaining to the Section 3 Opportunity Notice (advertisements, newspaper solicitation, workforce board, etc.)
- v. Section 3 Hours Worked Certification form.

Notice of Non-Compliance

Contractors are expected to make every effort to comply with Section 3; failure to meet the requirements listed herein and in 24 CFR Part 75 could result in penalties up to and including contract termination. RHA shall execute these remedies, in exact order, to achieve compliance:

- i. **First Notice:** RHA will notify the Contractor via email that an observation or report of non-compliance has been received. The Contractor will have a period of ten business days to bring the contract into compliance and provide verification to the RHA.
- ii. **Second Notice:** If the Contractor has failed to bring the contract into compliance, a curing letter will be sent via email, first-class mail, and certified mail. The Contractor will be notified that they have thirty (30) days to bring the contract into compliance.
- iii. **Termination of Contract:** If the contractor fails to bring the contract into compliance, the contract will be terminated under the RHA Procurement Policy guidelines.

Your signature below indicates that you have read and understood the Section 3 requirements set forth in 24 CFR Part 75 and RHA's Section 3 Policy available at www.rockfordha.org as applicable and agree to comply with those requirements if awarded a contract. Furthermore, signing this document indicates your intent to satisfy your Section 3 benchmarks and commitments as set forth above and understand that failure to comply with those commitments may result in a determination that you are in material default of the contract. You will be required to submit reports and support documentation of your efforts to satisfy the commitments made herein and the HUD benchmarks if awarded the contract.

Name of Contractor

Contract Name and Title

Services Provided

Business Certifications (MBE/WBE/SBE)

Address

City/State/Zip Code

Phone

Email

Signature

Date

Form #3: Section 3 Business Self-Certification

Business Name: _____

Contact Name: _____ **Title:** _____

Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Phone: _____ **Email:** _____

Does your business qualify as a Section 3 Business based on the definition in 24 CFR Part 75.5?

_____ **YES** _____ **NO**

If YES, check the box below under which subcategory you qualify:

A Business Concern meeting at least one of the following criteria, documented within the last six-month period:

1. _____ It is at least 51 percent owned and controlled by low- or very low-income persons (see the annual limit established by HUD)
2. _____ Over 75 percent of the labor hours performed for the business over the prior 3 month period are performed by Section 3 Workers (See 24 CFR Part 75.5 and 75.11 for definition of a Section 3 Worker)
3. _____ It is a business at least 51 percent or more owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

If awarded the contract, the contractor will be responsible for providing documentation of their Section 3 status. Documentation can include, but is not limited to:

1. Proof of business ownership.
2. Three months of payroll review to establish the 75 percent rule.
3. Lease or proof of residency in public housing or Section 8-assisted housing.

By submitting this form, my business certifies that the statements and information contained on this form are true and accurate, and meet the HUD Section 3 business self-certification eligibility requirements in accordance with 24 CFR Part 75. I further understand that a Section 3 business is not entitled to a contract simply by being listed in the RHA Section 3 Business Registry database. Section 3 Business Concerns are not exempt from meeting the specifications of the contract or other Section 3 requirements and obligations. Information that is misrepresented on this form will be grounds for terminating Section 3 certification.

Signature

Date