

**EXHIBIT E – SECTION 3 CERTIFICATION INFORMATION**

## Section 3 Certification Instructions to Vendors

- Agency Goals as part of this project:
  - 1) Achieve 25% of the aggregate number of section 3 workers
  - 2) Achieve 5% of the aggregate number of *targeted* section 3 workers which will be included in the overall goal of achieving 25% section 3 workers as mentioned above.

Please see attached Section 3 Guidance summary for more information

- All perspective contractors are required to comply with section 3 guidelines outlined within and are to make their best effort to award contacts and subcontracts to business concerns that provide economic opportunities to section 3 workers.
- The contractor will be required to keep track of all section 3 forms (with original signatures) in a binder which should be updated monthly for the duration of the project.
- All section 3 information described in the table below should be submitted to the agency electronically on a monthly basis, with the final binder containing all original documents, submitted to the agency at the completion of the project.

Section 3 Form	Single Submission	Update as needed*	Submitted Monthly
Section 3 Business Self-Certification (if applicable)	x		
Section 3 meetings Attendance log	x		
Attendance list for Pre-Bid	x		
HUD Section 3 Questionnaire to be completed by all applicants for employment		x	x
Certification for Business Concerns Seeking Section 3 Demonstration of Capability		x	x
Outreach: Section 3 New Contracts		x	x
Section 3 Workers		x	x
Contract Log for "New" Construction Contracts		x	x
Contract Log for "New" Non - Construction Contracts		x	x

Contractor's Section Compliance Report			X
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**\*Any changes should be captured no later than 7 days from the filing of a new applicant**

Description of Section 3 forms included in this contract are as follows:

- **Section 3 Business Self-Certification (Required for quote)**
  - **Document should be completed by all potential GC regardless of section 3 business status. The agency will verify that all information is accurate upon receipt of documentation.**
  
- **Section 3 Meetings, Workshops, Training Sessions Attendance Log (Submit After Contractor Selection)**
  - **The Contractor shall provide evidence of attempting to obtain section 3 participation with evidence of advertisement, searching city and state section 3 listings/database, attending local section 3 meetings, workshops, job fairs, and training sessions (if available).**
  - **Staff attendance log should be provided with this document**
  
- **Attendance List for Pre-Bid Conference or Other Meeting Including Requirements of Section 3 (Submit After Contractor Selection)**
  - **GC should hold a pre – bid meeting with potential section 3 subcontractors. All section 3 participants are required to fill out this contact list when participating in the pre-bid meeting for this project.**
  - **If your firm is a section 3 business who will be self-performing, this form is not applicable.**
  
- **HUD Section 3 Questionnaire to be completed by all applicants for employment (Submit After Contractor Selection)**
  - **Document should be provided by the GC to be completed by potential subs who are interested in employment. Forms shall be updated as needed and submitted on a monthly basis.**
  
- **Certification for Business Concerns Seeking Section 3 Demonstration of Capability (Submit After Contractor Selection)**
  - **Document should be completed by the potential subcontractor(s) and the GC *MUST* verify that all information is accurate prior to submission to the agency. Document shall be updated as needed and submitted on a monthly basis.**
  - **This document should be accompanied with the following contact trackers which will be updated and submitted to the agency monthly:**
    - **Certified Section 3 Resident list (provided)**
    - **Certified Section 3 Businesses list (provided)**
    - **Community Partners Contact list (provided)**
  
- **Outreach: Section 3 New Contracts (Submit After Contractor Selection)**
  - **Document should be updated as needed and submitted on a monthly basis by the GC. Please follow the instructions contained within the document.**
  
- **Section 3 Workers (Submit After Contractor Selection)**
  - **Document should be updated as needed and submitted on a monthly basis by the GC. Please follow the instructions contained within the document.**
  
- **Contract Log for “New” Construction Contracts (Submit After Contractor Selection)**

- **Document should be updated as needed and submitted on a monthly basis by the GC. Please follow the instructions contained within the document.**
  
- **Contract Log for “New” Non - Construction Contracts (Submit After Contractor Selection)**
  - **Document should be updated as needed and submitted on a monthly basis by the GC. Please follow instructions contained within the document.**
  
- **Contractor’s Section Compliance Report (Submit After Contractor Selection)**
  - **The GC should follow the instructions contained within the document. This document is to be updated and submitted on a monthly basis.**

## **Section 3 Program Guidance Summary:**

**Special instructions to quoters regarding compliance with section 3 requirements to award jobs and contracts to section 3 residents and businesses.**

As part of the new section 3 requirements identified in 24 CFR PART 75 affected date, as published in the Federal Register, is November 30, 2020. Beginning on this day everything you do should be recorded and tracked as part of this new rule.

Contractors will comply with guidelines intent of section 3 and will keep and submit records to the Greensboro Housing Authority. The goals of the GHA Section 3 Plan are:

A. Twenty-five percent (25%) of the aggregate number of **SECTION 3 WORKERS.**

**1. Section 3 Labor Hours divided by Total Labor Hours > Twenty-Five (25%)**

B. Five percent (5%) of the aggregate number of **TARGETED SECTION 3 WORKERS.**

**1. Targeted Section 3 Labor Hours divided by Total Labor Hours > Five Percent (5%). The five (5%) under this item is to be included into the twenty-five (25%) above in items A.**

### **Section 3 Workers (New Definition)**

- A. Individual's income is below the low-income limit <80% AMI.
- B. Employed by low- income business concerns.
- C. YouthBuild participants
- D. Labor hours benchmark

### **Targeted Section 3 Worker (New Definition)**

**A worker employed by section 3 business concern for a worker who currently fits all when fit at least one of the following categories, as documented in the past five years:**

- A. A resident of public housing, youth build, or section 8 assisted housing

- B. An income-eligible residents of public housing or section 8 assisted housing managed by the public housing authority that he is providing assistance
- C. A YouthBuild participant
- D. Five percent (5%) labor hours benchmark (included in 25% requirement)

**Section 3 Business Concern (New Definition). BUILD**

- A. At least 51% owned by low income persons
- B. Over 75% of the labor hours performed for the business are performed by low or very low-income persons.
- C. It is a business at least 25% owned and controlled by current public housing residents or residents who currently live in section 8 assisted housing

**Section 3 Business Concern**

- A. 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
- B. Section 3 Business Concern employees are counted as Targeted Section 3 Workers

**TO BE HIRED, SECTION 3 BUSINESS CONCERNS MUST MEET THE SPECIFICATIONS OF THE CONTRACT.**

**UNDER CONTRACT GHA WILL REQUIRE THEIR CONTRACTORS AND SUBCONTRACTORS TO MAKE THEIR BEST EFFORTS IN THE FOLLOWING ORDER OF PRIORITY.**

**CONTRACTORS MUST MAKE THEIR BEST EFFORTS TO AWARD CONTRACTS AND SUBCONTRACTS TO BUSINESS CONCERNS THAT PROVIDE ECONOMIC OPPORTUNITIES TO SECTION 3 WORKERS.**

**LABOR HOURS REPORTING:**

- A. Contractor can count Section 3 Workers for 1 - 5 years from the date their status as a Section 3 Worker or Targeted Section 3 Worker is established for this project.
- B. Contractor should recognize labor hours as the number of paid hours worked by persons employed with under this contract.
- C. Should the contractor's reporting indicate that the contractor is not met the section 3 benchmark, the contractor will report in a form prescribed by the on the qualitative nature of it section 3 compliance activities.

## **LABORS HOURS GOAL FOR COMPLIANCE**

- A. Contractor must certify will to following the prioritization of efforts.
- B. Contractor to meet or exceed Section 3 benchmarks.

## **HOW LONG CAN A CONTRACTOR COUNT A SECTION 3 WORKER HIRED**

- **Low-income eligible section 3 worker - first year reported**

### **YEAR 2**

- **Still working - does not have to be a low-income - second year reported.**

### **YEAR 3**

- **Still working-does not have to be low-income - third-year reported.**

### **YEAR 4**

- **Still working-does not have to be low-income - fourth-year reported.**

### **YEAR 5**

- **Still working-does not have to be low-income - fifth-year and Final year reported.**

## **LABOR HOURS GOAL FOR COMPLIANCE:**

### **BENCHMARK #1**

- A. **Section 3 Labor Hours divided by Total Labor Hours > Twenty-Five (25%)**

### **BENCHMARK #2**

- B. **Targeted Section 3 Labor Hours divided by Total Labor Hours > Five Percent (5%)**

## **GOOD FAITH ASSESSMENT**

- **Contractor shall supply outreach efforts to generate job applications that will fulfill top targeted Section 3 Workers.**

- Contractor shall provide efforts any direct on-the-job training (including apprenticeship)
- Contractor shall report any indirect training such as arranging, contracting, or paying tuition for, all site training technical assistance to help Section 3 Workers.
- Contractor shall report outreach efforts to identify and secure Section 3 Business Concerns.

**QUALITATIVE REPORTING BENCHMARKS – IF GOALS ARE NOT OBTAINED**

- Contractor shall engage in our reach efforts to generate job applicants that will substantiate Targeted Section 3 Workers.
- Contractor shall provide training or apprenticeship opportunities.
- Contractor shall provide technical assistance to help Section 3 Workers within this project. Such as but not limited to:
  1. Drafting resume assistance, preparing for interviews, assist in finding job opportunities to connect residents to job placement services.
  2. Coaching.
- Contractor shall provide or referred Section 3 Workers to services supporting work readiness and retention through assisting with transportation and any testing fees certification.
- Contractor provided technical assistance to help Section 3 Business concerns understand and bid on contracts.
- Contractor shall make every effort to divided contracts into smaller jobs to facilitate participation by Section 3 Business Concerns.
- Contractor should assist in helping to provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 Business Concerns.
- Promoted the use of federal, state, and local business registries designed to create opportunities for disadvantaged and small businesses concerns.
- Contractor shall promote and engage referrals with subcontractor and other vendors with the state one-stop system as defined in section 121(e)(2) of the Workforce Innovation and Opportunity Act.



## **REPORTKEEPING REQUIREMENTS FOR A SECTION 3 WORKER AND ITARGETED SECTION 3 WORKER**

- **Contractor shall provide a record of worker's self-certification that they are income is below the income limits from the prior calendar year.**
- **Contractor shall provide a record of worker's self-certification of anticipation in a such as Public Housing or Section 8 Assisted Housing.**
- **Contractor shall obtain certification from a PHA, or an owner or property management of project-based section 8 assisted housing, or the administrator of the tenant base section 8 assisted housing that a potential worker is a participant in one of their programs.**
- **Contractor shall certify that the workers income is below the income limits when based on and employer's calculation of what the worker's wage would translate to if annualized on a full-time basis.**
- **The general contractor shall certify that an employer's certification that a worker is employed by a Section 3 Business Concern is authentic.**
- **Contractor shall provide a record of worker's certification that the worker is a YouthBuild Participant.**

## **RECORDS MAINTENANCE**

- **Contractor shall maintain documentation for the time period required for record pretensions in accordance with applicable program revelations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.**
- **A contractor may report on section 3 workers for five years from when they are certification as a section 3 worker or targeted section 3 worker is established to be authentic.**

## **REPORTING – MAJOR CONSTRUCTION PROJECT ADMINISTRATIVE BURDENS**

- **Contractor shall report on a quarterly basis.**
- **HUD believes the rule would not impose additional administrative and/or compliance costs for contractors.**
- **Administrative and compliance costs associated with section 3 requirements should be properly so as in the contractors being for a project and are already required for forming compliance with the existing section 3 required.**

## **ENFORCEMENT**

- **To avoid potential fraud, program offices will continue to monitor compliance with section 3 requirements through the following means:**
  - 1. Evaluations of qualitative and/or quantitative reporting.**
  - 2. Complaint reviews**
  - 3. Program audits**

### **Section 3 Outreach:**

- **Section 3 Opportunities provided by GHA have been attached.**
- **Additional section 3 opportunities can be found on the City of Greensboro and State of NC websites.**

# Section 3 Business Concern Certification for Contracting (Sample Form)

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**Instructions:** Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

## 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 4).

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 4).

(frontside)

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**Business Concern Affirmation**

I affirm that the above statements (on the frontside of this form) 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 [insert name of recipient/grantee] 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.**

(backside)



**The City of (insert locality here)**  
**Or**  
**the (insert name here) Housing Authority**  
**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 for City of (insert locality here)**  
**FY 20 (insert year here)**

Income Limits Category	FY 20 (enter year here) Income Limits
Extremely Low Income Limits (30%)	
Very Low Income Limits (50%)	
Low Income Limits (80%)	

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.

