

Section 3 Plan

Richland County, Ohio

Version Number	Date Updated	Summary of Changes
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1. Overview of Section 3 Requirements

A. WHAT IS SECTION 3?

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

B. PURPOSE OF THIS DOCUMENT

This plan outlines how the Richland County and its subrecipients, contractors and subcontractors will comply with HUD's Section 3 requirements in implementing Richland County's Community Development Block Grant (CDBG) programs. Richland County will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and requires the same of its contractors.

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

C. APPLICABILITY

For housing and community development financial assistance, this plan applies to housing rehabilitation, housing construction, and other public construction projects that exceed \$200,000 or more of housing and community development financial assistance from one or more HUD programs. Applicability is determined at the project level.

For projects funded with Lead and Hazard Control and Healthy Homes Programs, this plan applies to projects that exceed \$100,000.

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

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

2. Section 3 Coordinator

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

Jotika Shetty

Executive Director, Richland County Regional Planning Commission

jshetty@rcrpc.org

3. Employment, Training, and Contracting Goals

A. SAFE HARBOR COMPLIANCE

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

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

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

B. SAFE HARBOR BENCHMARKS

Richland County has established employment and training goals that subrecipients, contractors, and subcontractors should meet in order to comply with Section 3 requirements outlined in [24 CFR Part 75.9 - for public housing financial assistance] or [24 CFR Part 75.19 - for housing and community development financial assistance]. The safe harbor benchmark goals are as follows:

- 1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers;

Section 3 Labor Hours/Total Labor Hours = 25%

And

- 2) Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at 24 CFR Part 75.21.

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

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

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

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

EMPLOYMENT AND TRAINING

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

Provide employment and training opportunities to Section 3 workers within the Nonmetropolitan County in which the project is located in the priority order listed below:

- 1) Section 3 workers residing within the service area or the neighborhood of the project, and
- 2) Participants in YouthBuild programs.

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

CONTRACTING

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

- 1) Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which assistance is located in the following order of priority (*where feasible*):
 - a) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project; and
 - b) YouthBuild programs.

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

4. Section 3 Eligibility and Certifications

Individuals and businesses that meet Section 3 criteria may seek Section 3 preference from Richland County or its contractors/subcontractors for training, employment, or contracting opportunities generated by housing and community development financial assistance. To qualify as a Section 3 worker, Targeted Section 3 worker or a Section 3 business concern, each must self-certify that they meet the applicable criteria.

Businesses who misrepresent themselves as Section 3 business concerns and report false information to Richland County may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities.

A. SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION

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

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

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

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

- 1) Employed by a Section 3 business concern or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - a) Living within the service area or the neighborhood of the project, as defined in 24 CFR Part 75.5; or
 - b) A YouthBuild participant.

Section 3 workers and Targeted Section 3 workers who are seeking preference in training and employment must submit the Section 3 Worker and Targeted Section 3 Worker Certification Form. The certification procedure will consist of the following:

1. The contractor (including subcontractors) must document their workforce for the project. They must use the Contractor Workforce Section 3 Certification form made available by Richland County and submit it with the first monthly Section 3 Utilization Report.

2. The contractor (including subcontractors) must submit workers Section 3 or Target Section 3 Worker Status Certification forms.
3. Contractors, including subcontractors, will be required to submit Worker Status Certification form for workers hired during the project with its certified payrolls. The contractor must comply with the Section 3 requirement throughout the life of the contract. Richland County will periodically audit this information.

Contractors are ultimately responsible for Section 3 compliance for their specific project. It is their responsibility to ensure that the subcontractors are complying with Section 3.

PROJECTS INVOLVING MULTIPLE SOURCES OF FUNDING

In cases where Section 3 covered projects include multiple sources of funds, including public housing financial assistance and housing and community development assistance, the Public Housing Agency must follow the definition of Targeted Section 3 worker and priorities as outlined in subpart B of Part 75. For housing and community development financial assistance, Richland County may follow either subpart B or subpart C of Part 75.

In cases where Section 3 covered projects include multiple housing and development funding sources (financial assistance) from single or multiple recipients, Richland County will follow subpart C of Part 75. Refer to chart in [Appendix B](#).

B. SECTION 3 BUSINESS CONCERN CERTIFICATION

Richland County, should encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns.

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

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

Businesses that seek Section 3 preference shall certify, or demonstrate to Richland County, contractors or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Section 3 Business Concern Certification Form.

Section 3 Business Concern Certification Forms must be submitted at the time of bid/proposal. If Richland County previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid, as long as the form is submitted within the prescribed expiration date. The Section 3 Business Concern Certification Form will expire after 12 months. Establishing a 12 month certification of eligibility period allows the Richland County the ability to assess contractor performance to ensure the business is striving to meet the required goals.

4. Assisting Contractors with Achieving Section 3 Goals

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

- 1) Share Section 3 Plan with contractors and subcontractors and explain policies and procedures
- 2) Require contractors wishing to submit a bid/offer/proposal to attend pre-bid meeting if offered.
- 3) Require contractor to sign the Section 3 Plan at pre-construction conference
- 4) Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort outlined in Section #3) before any other person, when hiring additional employees is needed to complete proposed work to be performed with CDBG program.
- 5) At the time of bid, require the contractor to present a list, of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions, to include job descriptions and wage rates.
- 6) Inform contractors about the HUD Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>
- 7) Require contractors to notify Section 3 Coordinator of their interests regarding employment of Section 3 workers prior to hiring.
- 8) Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>
- 9) Leverage Richland County 's communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise.
- 10) Require contractors to submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award.

5. Section 3 Outreach

A. OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING

In order to educate and inform workers and contractors, Richland County's Section 3 Coordinator will be prepared to provide training and technical assistance on a regular basis per program guidelines. When training opportunities are available, contractors and subcontractors should, to the greatest extent feasible:

- 1) Notify the Section 3 Coordinator when training opportunities are available

- 2) Provide information/handouts about Section 3 training opportunities to potential Section 3 workers and Targeted Section 3 workers

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

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

B. OUTREACH EFFORTS FOR CONTRACTING

When contracting opportunities arise in connection with the CDBG program, Richland County will employ the following strategies to notify Section 3 Business Concerns of Section 3 contracting opportunities, including but not limited to:

- 1) Adding Section 3 language to all RFPs, procurement documents, bid offerings and contracts.
- 2) Coordinating mandatory pre-bid meetings to inform Section 3 Business Concerns of upcoming contracting opportunities. The Section 3 Coordinator will participate in these meetings to explain and answer questions related to Section 3 policy.
- 3) Advertising contracting opportunities in local community papers and notices that provide general information about the work to be contracted and where to obtain additional information.
- 4) Providing written notice of contracting opportunities to all known Section 3 Business Concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to bid invitations.
- 5) Coordinating with the prime contractor to publicize contracting opportunities for small businesses.
- 6) Coordinating with the Richland County’s Job and family Services, Ohio Means Jobs, Richland County Chamber of Commerce, North End Community Improvement Corporation and all other

business assistance agencies and contractor associations to inform them of contracting opportunities and request their assistance in identifying Section 3 business concerns.

- 7) Connecting Section 3 business concerns with resources to support business development to assist in obtaining contracting opportunities. Contractors will also be encouraged to collaborate with the Richland County as subcontract opportunities arise in an effort to notify eligible Section 3 business concerns about the contracting opportunities.

6. Section 3 Contracting Policy and Procedure

Richland County will incorporate Section 3 in its existing Procurement Policy and adopt a Section 3 Contracting Policy and Procedure to be included in all procurements generated for use with HUD funding. This policy and procedure contain requirements for making efforts to award contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals to the Richland County be required to complete certifications, as appropriate. Such certifications shall be adequately supported with appropriate documentation as referenced in the Section 3 Business Concern Certification Form.

7. Section 3 Provisions/Contract Language

Richland County will include standard Section 3 language in all of its contracts to ensure compliance with regulations in 24 CFR Part 75. Richland County will take appropriate actions upon finding that a contractor is in violation of 24 CFR Part 75 and does not knowingly contract with any contractor that has been found in violation of the Section 3 regulations. On a periodic basis the Section 3 Coordinator will audit Richland County contractors for compliance with the minimum Section 3 requirements outlined in the Section 3 Plan.

In addition, contractors and subrecipients are required to include language in all Section 3 covered contracts or agreements for subcontractors to meet the requirements of 24 CFR Part 75.9 (for public housing financial assistance) or 24 CFR Part 75.19 (for housing and community development financial assistance).

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

8. Reporting Requirements

For Section 3 covered contracts, contractors must submit the Section 3 Performance and Summary Report to Richland County's Section 3 Coordinator on a monthly basis, and the annual reporting requirement set forth in that form's instructions.

A. MONTHLY REPORTING

- 1) Contractors are required to submit monthly activity reports to Richland County's Section 3 Coordinator jshetty@rcrpc.org by the 15th day of each month.

B. ANNUAL REPORTING

- 1) Once a project is completed, contractors must submit a final Section 3 cumulative report for the program year.
- 2) Upon the completion of a project, Jotika Shetty Richland County's Section 3 Coordinator will conduct a final review of the project's overall performance and compliance.
- 3) Richland County's Section 3 Coordinator will submit the Section 3 data to Office of Community Development

C. REPORTING ON PROJECTS WITH MULTIPLE FUNDING SOURCES

- 1) For Section 3 projects that include public housing financial assistance and housing and community development financial assistance, Richland County and Richland County will report on the project as a whole and will identify the multiple associated recipients.
- 2) For projects assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds of \$200,000 and \$100,000 for Lead Hazard Control and Healthy Homes Programs (LHCHH), the Richland County will follow subpart C of Part 75 and will report to the applicable HUD program office, as prescribed by HUD. Note: LHCHH assistance is not included in calculating whether the assistance exceeds the \$200,000 threshold. HUD public housing financial assistance and HUD housing and community development financial assistance is not included in calculating whether the assistance exceeds the LHCHH \$100,000 threshold. Refer to chart in [Appendix B](#).

9. Internal Section 3 Complaint Procedure

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

- 1) Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR Part 75.
- 2) Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- 3) An investigation will be conducted if complaint is found to be valid. Richland County will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- 4) Richland County will provide written documentation detailing the findings of the investigation. Richland County will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than sixty (60) days after the filing of complaint. If complainants wish to have their concerns considered outside of the Richland County a complaint may be filed with:

The Office of Community Development at the Ohio Department of Development, or to the local HUD field office. These offices can be found through the HUD website, www.hud.gov/.

Complainants may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about complainant rights, please contact EEOC at: www.EEOC.gov.

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

10. Appendices

APPENDIX A: DEFINITIONS

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

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

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

Contractor means any entity entering into a contract with:

- (1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or
- (2) A subrecipient for work in connection with a Section 3 project.

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

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

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

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

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

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

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

Section 3 business concern means:

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

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

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

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

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

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

Section 3 worker means:

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

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

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

(iii) The worker is a YouthBuild participant.

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

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

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

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

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

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

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

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

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

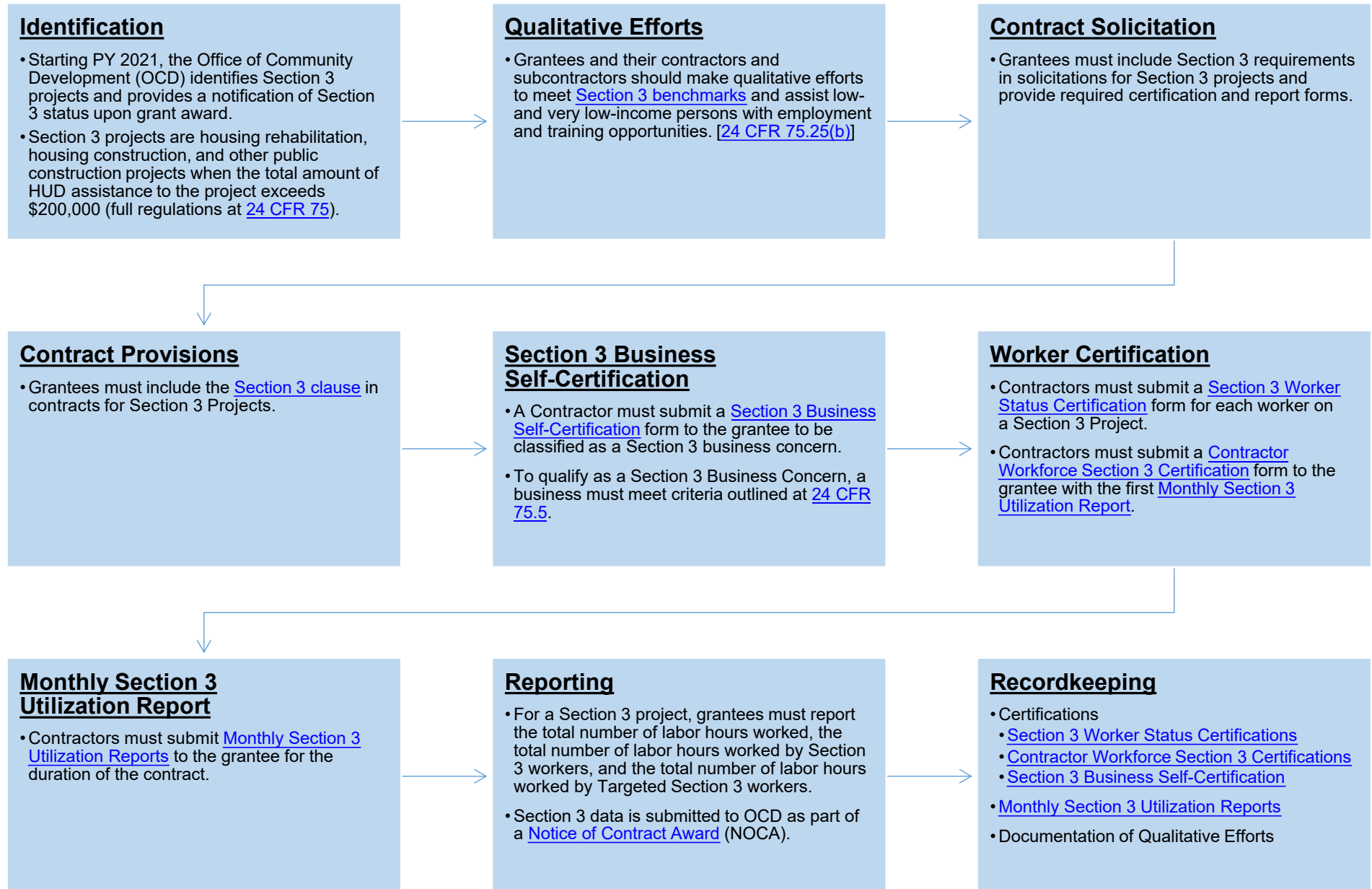
YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

APPENDIX B: MULTIPLE FUNDING SOURCES - CHART

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



Office of Community Development Section 3 Procedures Summary¹



¹See [OCD Policy 21-04](#) for more information

Section 3 Compliance

Acknowledgement and Intent to Comply

Name of (circle one):			
<u>Owner /developer</u> OR <u>General Contractor</u>			
Business Street Address			
Business Phone Number		Contact Email	
Primary Contact Name			
Primary Contact Phone Number		Title	

If awarded a Section 3 covered contract, I will:

- A. Insert the Section 3 Clause language into all Section 3 covered contracts and subcontracts;
- B. Submit and implement, to the greatest extent feasible the Richland County Section 3 Plan which will form part of our contractual obligations to Richland County;
- C. Submit all required employment and contracting documentation as requested by the Section 3 Program Manager; and
- D. Take affirmative actions to comply with all Section 3 notification, information, attain and report monthly (or agreed upon timing with Section 3 Program Manager) efforts toward achieving established Section 3 hiring and contracting compliance goals and reporting obligations.

We are (I am) committed to comply with the Section 3 Act, the Section 3 regulations, and Richland County Section 3 requirements. It is our desire to work together to ensure compliance, to the greatest extent feasible, through the awarding of contracts for work and services to Section 3 business concerns and to provide employment and training to Section 3 residents.

(NOTE: This page is part of your bid package.)

Owner / Developer OR General Contractor:

Print Name: _____ Title: _____
 Signature: _____ Date: _____

Richland County Section 3

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968, federal regulation §24 CFR 135. Richland County is committed to their Section 3 Program to foster local economic development, neighborhood economic development, and individual self-sufficiency. Section 3 Program requires recipients of certain HUD housing and community development financial assistance, to the greatest extent feasible, to provide employment and job training for low- and very low-income persons and contracting opportunities to business concerns which provides economic opportunities to low- and very low-income persons in connection with projects and activities in their neighborhoods.

Employment and Training

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

Provide employment and training opportunities to Section 3 workers within the Nonmetropolitan County in which the project is located in the priority order listed below:

- 1) Section 3 workers residing within the service area or the neighborhood of the project, and
- 2) Participants in YouthBuild programs.

Contracting

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

- 1) Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which assistance is located in the following order of priority (*where feasible*):
 - a) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project; and
 - b) YouthBuild programs.

When awarded, the contractor will provide the following compliance documents:

- Contractor Workforce Section 3 Certification
- Section 3 Business Self certification (for qualifying Section 3 Businesses)
- Section 3 Worker Status Certificates (for qualifying Section 3 workers)
- Monthly Section 3 Utilization Report

HUD Section 3 Clause

All Section 3 covered contracts shall include the following information (referred to as the “Section 3 Clause”):

- A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12U.S.C.1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall to the greatest extent feasible, be directed to low- and very-low income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediments that would prevent them from complying with the Part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24CFR Part135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (I) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises.

Parties to this contract that are subject to this provision of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

What is a Section 3 Business Concern?

A Section 3 Business Concern meets one of the following criteria:

- Fifty-one percent (51%) or more of the business is owned by Section 3 residents; OR
- Thirty percent (30%) or more current permanent full-time employees are Section 3 residents or within 3 years of the date of 1st employment with the business concern were Section 3 residents; OR
- Business can provide a firm commitment to subcontract in excess of twenty-five percent (25%) or more of the total dollar amount of contracts to Section 3 business concerns.

Priorities for Section 3 Contracting, Training, and Employment

For contracting:

- Businesses that meet the definition of a Section 3 business concern

For training and employment:

- Persons in public and assisted housing
- Persons in the area where the HUD financial assistance is expended
- Participants in HUD Youth build programs
- Homeless persons

Examples of non-construction and construction jobs include but not limited to:

Non-Construction		Construction
Administrative / Management	Services	
Accounting	Appliance repair	Architecture
Bookkeeping	Carpet installation	Bricklaying
Payroll	Catering	Carpentry
Purchasing	Computer / Information	Cement / Masonry
Research	Florists	Demolition
Word processing / Data entry	Janitorial	Drywall
	Landscaping	Electrical
	Manufacturing	Elevator construction
	Marketing	Engineering
	Photography	Fencing
	Printing	Heating
	Transportation	Iron Works
		Machine operation
		Painting
		Plastering
		Plumbing
		Surveying
		Tile Setting

**Ohio Department of Development
Office of Community Development**

Section 3 Business Self-Certification

Business Name _____
Street Address _____
City _____
State _____
Zip Code _____

Business Phone Number _____
Business Website _____
Business Point of Contact _____
Business Email _____

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

In accordance with 24 CFR 75, a business must meet at least one of the following criteria, documented within the last six-month period, to self-certify as a Section 3 business concern. Select all that apply:

The business is at least 51 percent owned and controlled by low- or very low-income persons¹;

Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers²; or

The business is at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.³

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.

By submitting this form, I certify that the information contained on this form is true and accurate and meets U.S. Department of Housing and Urban Development (HUD) Section 3 business self-certification eligibility requirements in accordance with 24 CFR Part 75.

Date: _____

Signature: _____

Name: _____

Title: _____

¹ HUD income limits are available at <https://www.huduser.gov/portal/datasets/il.html>. Business may be required to provide proof of ownership and a completed Section 3 Worker Status Certification form for each owner.

² Business may be required to provide full staff payrolls for the prior three-month period and completed Section 3 Worker Status Certification forms for all personnel.

³ Business may be required to provide proof of ownership and verification of residence in public housing or Section 8-assisted housing.

**Ohio Department of Development
Office of Community Development**

Section 3 Clause

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 75 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 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.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.
- F. Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

Instructions: Monthly Section 3 Utilization Report

Contractors and subcontractors (Contractors) must submit the Monthly Section 3 Utilization Report form to the Office of Community Development grantee to report labor hours worked on Section 3 projects. See Program Policy 21-04 for more information regarding Section 3 compliance.

¹ The Reporting Period may not exceed four weeks.

² The Project Location should include the local jurisdiction (e.g. township, village, or city) and county.

³ A Section 3 business concern is 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; 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. Contractors must submit a Section 3 Business Self-Certification form to be considered a Section 3 business concern.

⁴ List classification descriptive of work performed by employee.

⁵ Section 3 status: Section 3 Worker, Targeted Section 3 Worker, or Unclassified, as documented by a Section 3 Worker Status Certification form. The status of a Section 3 worker or Targeted Section 3 worker shall not be negatively affected by a prior arrest or conviction.

A Section 3 worker is 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 income limit established by HUD; 2) The worker is employed by a Section 3 business concern; or 3) The worker is a YouthBuild participant.

A Targeted Section 3 worker is a Section 3 worker who is: 1) A worker employed by a Section 3 business concern; or 2) 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; or b) A YouthBuild participant.

An Unclassified worker is a worker who does not meet the criteria for either Section 3 worker or Targeted Section 3 worker.

⁶ Total Labor Hours. Total labor hours worked on the Section 3 project during the reporting period.

⁷ Unclassified Labor Hours. Labor hours performed by an Unclassified worker.

⁸ Section 3 Labor Hours. Labor hours performed by a Section 3 worker. Note: Labor hours for Targeted Section 3 Workers must be entered as Section 3 Labor Hours and Targeted Section 3 Labor Hours.

⁹ Targeted Section 3 Labor Hours. Labor hours performed by a Targeted Section 3 worker. Note: Labor hours for Targeted Section 3 Workers must be entered as Section 3 Labor Hours and Targeted Section 3 Labor Hours.

¹⁰ Labor Hour Classification example:

<u>Employee Name</u>	<u>Work Classification</u> ⁴	<u>Section 3 Status</u> ⁵	<u>Total Labor Hours</u> ⁶	<u>Labor Hour Classification</u> ¹⁰		
				<u>Unclassified Labor Hours</u> ⁷	<u>Section 3 Labor Hours</u> ⁸	<u>Targeted Section 3 Labor Hours</u> ⁹
Employee A	Bricklayer	Unclassified	65	65		
Employee B	Tile Setter	Section 3 Worker	60		60	
Employee C	Roofer	Targeted Section 3 Worker	70		70	70
Total			195	65	130	70

¹¹ The Office of Community Development (OCD) grantee must enter the OCD grant number, project name, and activity name. The grantee must enter initials and date after performing a basic review (e.g., form is complete and Labor Hour Classifications accurately reflect indicated Section 3 Status). The grantee may request additional information or supporting documentation to clarify inaccuracies or omissions.

**Ohio Department of Development
Office of Community Development
Contractor Workforce Section 3 Certification**

Contractor Name: _____
 Contractor Address: _____

 Contractor Phone Number: _____

Project Name: _____
 Project Location¹: _____
 Contractor Type: Prime Contractor: ___ Subcontractor: ___
 Section 3 Business Concern²: Yes ___ No ___

Employee Name	Work Classification ³	Section 3 Status ⁴	Section 3 Classification Criteria ⁵						
			Section 3 Worker Criteria			Targeted Section 3 Worker Criteria ⁹			
			Income below HUD Limit ⁶	Section 3 Business Concern ⁷	Youth Build ⁸	Local Resident ⁹	Section 3 Business Concern ¹⁰	Youth Build ¹¹	

CONTRACTOR CERTIFICATION:

I hereby certify the accuracy of the data reported above.

Date: _____

Signature: _____

Name: _____

Title: _____

FOR GRANT RECIPIENT USE ONLY¹²

Office of Community Development Grant Information
 Grant Number: _____
 Project: _____
 Activity: _____

Reviewed by: _____ Date: _____

Instructions: Contractor Workforce Section 3 Certification

Contractors and subcontractors (Contractors) must submit the Contractor Workforce Section 3 Certification form to the Office of Community Development grantee with the first Monthly Section 3 Utilization Report to document worker Section 3 status. Contractors must attach a completed Section 3 Worker Status Certification form for each worker. Contractors must submit an additional Contractor Workforce Section 3 Certification form if additional workers are hired during the project. See Program Policy 21-04 for more information regarding Section 3 compliance.

¹ The Project Location should include the local jurisdiction (e.g. township, village, or city) and county.

² A Section 3 business concern is 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; 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. Contractors must submit a Section 3 Business Self-Certification form to be considered a Section 3 business concern.

³ List classification descriptive of work performed by employee.

⁴ Section 3 status: Section 3 Worker, Targeted Section 3 Worker, or Unclassified, as documented by a Section 3 Worker Status Certification form. The status of a Section 3 worker or Targeted Section 3 worker shall not be negatively affected by a prior arrest or conviction.

A Section 3 worker is 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 income limit established by HUD; 2) The worker is employed by a Section 3 business concern; or 3) The worker is a YouthBuild participant.

A Targeted Section 3 worker is a Section 3 worker who is: 1) A worker employed by a Section 3 business concern; or 2) 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; or b) A YouthBuild participant.

An Unclassified worker is a worker who does not meet the criteria for either Section 3 worker or Targeted Section 3 worker.

⁵ Section 3 Classification Criteria. Select all that apply.

⁶ The worker's income for the previous or annualized calendar year is below the income limit established by HUD. Either 1) the worker self-certified on a Section 3 Worker Status Certification form that the worker's income for the previous calendar year is below the income limit established by HUD; or 2) the Contractor certifies that the worker's income from the Contractor is below the income limit when based on the Contractor's calculation of what the worker's wage rate would translate to if annualized on a full-time basis.

⁷ Section 3 Business Concern. The Contractor indicated on this form that it is a Section 3 Business Concern and provided a Section 3 Business Self-Certification form.

⁸ The worker self-certified on a Section 3 Worker Status Certification form that the worker is a YouthBuild participant.

⁹ Local Resident. The Contractor confirms that a Section 3 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.

¹⁰ Section 3 Business Concern. The Contractor indicated on this form that it is a Section 3 Business Concern and provided a Section 3 Business Self-Certification form.

¹¹ The worker self-certified on a Section 3 Worker Status Certification form that the worker is a YouthBuild participant.

¹² The Office of Community Development (OCD) grantee must enter the OCD grant number, project name, and activity name. The grantee must enter initials and date after performing a basic review (e.g., 1) form is complete; 2) selected Section 3 Classification Criteria accurately reflect indicated Section 3 Status; 3) Contractor submitted a Section 3 Worker Status Certification form for each worker; and 4) if applicable, Contractor submitted a Section 3 Business Self-Certification form). The grantee may request additional information or supporting documentation to clarify inaccuracies or omissions.

**Ohio Department of Development
Office of Community Development**

Section 3 Worker Status Certification

An individual who works or seeks to work on a Section 3 project must certify his/her eligibility to be classified as a Section 3 Worker or Targeted Section 3 Worker, as defined in 24 CFR part 75. The status of a Section 3 Worker or Targeted Section 3 Worker shall not be negatively affected by a prior arrest or conviction.

Please select the applicable classification.

I am a worker who currently fits or when hired within the past five years fit one of the following categories, as documented:

Section 3 Worker

My income for the previous calendar year is below the income limit¹ established by HUD;

Targeted Section 3 Worker

I am a YouthBuild participant ²; or

Unclassified

None of the above.

By submitting this form, I certify that the information contained on this form is true and accurate and meets U.S. Department of Housing and Urban Development (HUD) Section 3 self-certification eligibility requirements in accordance with 24 CFR part 75.

Date: _____

Signature: _____

Name: _____

Address: _____

¹ HUD income limits are available at <https://www.huduser.gov/portal/datasets/il.html>.

² Individual may be required to provide evidence that he/she is a YouthBuild participant.