

City of Revere's Section 3 Policies and Procedures



Department of Planning and Community Development
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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 City of Revere and its subrecipients, contractors and subcontractors will comply with HUD's Section 3 requirements in implementing the City of Revere's Community Development Block Grant program. The City of Revere 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.

The City of Revere 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.

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.

d. Section 3 Coordinator

The City of Revere's Section 3 Coordinator serves as the central point of contact for Section 3 compliance for the City of Revere and its subrecipients, contractors and subcontractors supporting the program.

Subrecipients, contractors, subcontractors and others are encouraged to reach out to the City of Revere's Section 3 Coordinator with questions regarding Section 3 compliance:

Danielle Osterman
Community Development Program Manager
dosterman@revere.org

2. Employment, Training, and Contracting Goals

a. Safe Harbor Compliance

The City of Revere will be considered to have complied with the Section 3 requirements and met safe

harbor, if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence of the contrary.

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

If the contractor and subcontractor do 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

The City of Revere has established employment and training goals that subrecipients, contractors, and subcontractors should meet to comply with Section 3 requirements outlined in 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,

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

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 75.21.

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

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, at least once every 3 years. This policy will be revised as needed to include updated benchmarks.

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 City of Revere 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**

Where feasible, priority of opportunity and training should be given to:

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 beginning work and after work is completed.

Contracting

Under the City of Revere'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 works in the following order or priority:

1. Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (Revere) 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 projects; and
 - b. YouthBuild programs

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

3. Section 3 Eligibility and Certifications

Individuals and businesses that meet Section 3 criteria may seek Section 3 preference from the City of Revere 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 the City of Revere may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities.

A. 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, the City of Revere 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.gov/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 (if hired before November 30, 2020, the employee needs to currently meet one of the following):

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) (Exhibit B); or
2. Employed by a Section 3 business concern (Exhibit C); or
3. A YouthBuild participant.

B. Targeted Section 3 Worker Certification

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

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 (if hired before November 30, 2020, the employee needs to currently meet one of the following):
 - 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.

C. Section 3 Business Concern Certification

The City of Revere should encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns.

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.

Section 3 Business Concern Certification forms (Exhibit C) must be submitted at the time of the bid/proposal. If the City of Revere 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 one year. Businesses which are identified as Section 3 business concerns on covered projects may be required to provide the City of Revere with an updated Section 3 Business Certification form, regardless of whether the business previously submitted this form or was determined eligible by the city.

4. Assisting Contractors with Achieving Section 3 Goals

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

1. Share Section 3 Plan with contractors and subcontractors and explain policies and procedures.
2. Hold a pre-bid meeting for interested contractors wishing to submit a bid/offer/proposal.
3. Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort outlined in Section #3) before any other person, when hiring

additional employees is needed to complete proposed work to be performed with Housing and Community Development.

4. At the time of bid, require the contractor to present a list of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions, to include job descriptions and wage rates.
5. Require contractors to notify Section 3 Coordinator of their interests regarding employment of Section 3 workers prior to hiring.
6. Leverage City of Revere's communication outlets to effectively communicate employment and contracting opportunities that arise.
7. 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 Provisions/Contract Language

Revere will utilize the following procedures during procurement and contracting involving HUD financial assistance to ensure subrecipients, prime contractors, and subcontractors are aware of and prepared to comply with applicable Section 3 requirements.

A. Bids and Proposals

1. Pre-bid
 - a. The Section 3 Coordinator will provide information about Section 3 and answer any questions that bidders have,
 - b. A Certification of Acknowledgement of Section 3 Requirements document will be provided with the bid specifications and must be submitted as part of a contractor's bid response. This document contains information about Section 3 requirements and serves as the bidder's or respondent's commitment and plan to meet the Section 3 benchmarks.
2. Bid, Offer, Proposal Submission
 - a. Bidders and respondents that fail to submit a Certification of Acknowledgement of Section 3 Requirements document may be deemed non-responsive and ineligible for the contract award.
3. Contract Award/Prior to Execution
 - a. Once the bidder or successful respondent has been identified, all identified subcontractors must also complete and submit a Certification of Acknowledgement of Section 3 Requirements document.
 - b. The Section 3 Coordinator will review all Section 3 submissions for completeness and may request additional information or documentation as necessary.
 - c. The Section 3 Coordinator must receive all required documentation before the contract can be executed.

B. Contract Provisions

The city will include standard Section 3 language in all HUD-funded subrecipient agreements and contracts to ensure compliance with the regulations is 24 CFR Part 75.

Subrecipients and contractors are required to meet the requirements of 24 CFR Part 75, regardless of whether Section 3 language is included in subrecipient agreements, program regulatory agreements, or contracts. Refer to language included in the Certification of Acknowledgement of Section 3 Requirements (Exhibit D).

6. Reporting Requirements

a. Monthly Reporting

Subrecipients and contractors are required to submit monthly compliance reports (Exhibit E). Monthly reports will be due on the 15th of each month for the preceding month.

b. Annual Reporting

1. Once a project is completed, contractors must submit a final Section 3 cumulative report for the program year (Exhibit E).
2. Upon completion of the project, the City of Revere's Section 3 Coordinator will conduct a final review of the project's overall performance and compliance.
3. The City of Revere's Section 3 Coordinator will submit the Section 3 data to HUD through the Consolidated Annual Performance and Evaluation Report (CAPER).

Appendix A: Definitions

- A. Contractor** means any entity entering into a contract with the City of Revere or one of its subrecipients to perform work in connection with a Section 3 project.
- B. Construction** means the creation of a new or replacement facility, the substantial rehabilitation of an existing facility, or the limited rehabilitation of an existing facility, this includes construction and/or rehabilitation of water and wastewater systems. The cost of acquiring new or replacement equipment may be included in the cost of construction.
- C. Housing and Community Development Financial Assistance** has the meaning described by HUD and includes, without limitation, the following sources of funding:
1. Community Development Block Grant (CDBG)
 2. HOME Investment Partnership Program (HOME)
 3. National Disaster Resilience (NDR)
 4. Housing Opportunities for Persons with AIDS (HOPWA)
 5. Emergency Solutions Grants (ESG)
 6. Neighborhood Stabilization Program (NSP)
 7. Lead Hazard Control Grants
 8. Healthy Homes Production Grants
 9. Disaster Recovery Grants
 10. Economic Stimulus Funds
- D. HUD** means the United States Department of Housing and Urban Development.
- E. 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.
- F. Low-income persons** mean a person whose income does not exceed 80% of the area median income, as defined in Section 3 (b)(2) of the 1937 Act. Note that Section 3 worker eligibility uses individual income rather than family/household income.
- G. 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.
- H. Metropolitan area** means a metropolitan statistical area (MSA) as established by the Office of Management and Budget. The City of Revere is contained within the Boston-Cambridge-Quincy MSA.
- I. Professional services** mean 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.
- J. 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, and State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.
- K. Section 3** means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).
- L. Section 3 business concern** means a business concern meeting at least one of the following criteria, documented within the last six-month period:
1. It is at least 51% owned and controlled by low- or very low-income persons;
 2. Over 75% of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers: or
 3. It is at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

- M. Section 3 project** means any housing rehabilitation, housing construction, and other public construction project assisted under HUD programs that provide Housing and Community Development Financial Assistance when the total amount of assistance exceeds \$200,000. Further defined in 24 CFR Part 75.3 (a)(2).
- N. Section 3 worker** means any worker who currently fits or when hired within the past five years fit at least one of the following categories (if hired before November 30, 2020, the employee needs to currently meet one of the following):
1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD, based on where they reside.
 2. The worker is employed by a Section 3 business concern: or
 3. The worker is a YouthBuild participant.
- O. 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.
- P. Subcontractor** means an entity that has a contractor to undertake a portion of the contractor's obligation to perform work in connection with a Section 3 project.
- Q. Subrecipient** means an entity that receives a subaward from the City of Revere to carry out part of a federal award but does not include an individual that is a beneficiary of the award.
- R. Targeted Section 3 worker** for Housing and Community Development Financial Assistance, as defined in 24 CFR 75.21, means 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 within the past 5 years, fit at least one of the following categories (if hired before November 30, 2020, the employee needs to currently meet one of the following)
 - a. Living within the service area or the neighborhood of the project, or
 - b. A YouthBuild participant.
- S. Very low-income persons** mean a person whose income does not exceed 50 percent of the area median income, per the definition of this term set forth in Section 3 (b)(2) of the 1937 Act.
- T. YouthBuild programs** refers to a community-based pre-apprenticeship program that provides job training and educational opportunities for at-risk youth aged 16-24 who have previously dropped out of high school. YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

Appendix B

Section 3/Targeted Section 3 Worker Self-Certification Form

Name: _____

Address: _____

Type of Section 3 Worker (check all that apply):

_____ The Worker's household income for the previous or annualized calendar year does not exceed 80% AMI
(Section 3 Worker)

Select household size/income below:

_____ 1 Person - \$82,900

_____ 2 Persons - \$94,800

_____ 3 Persons - \$106,650

_____ 4 Persons - \$118,450

_____ 5 Persons - \$127,950

_____ 6 Persons - \$137,450

_____ The Worker is employed by a Section 3 business concern **(Section 3 Worker)**

_____ The Worker is a YouthBuild participant **(Targeted Section 3 Worker)**

_____ The Worker is a resident of public housing or Section 8-assisted housing **(Targeted Section 3 Worker)**

_____ The Worker is a resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance **(Targeted Section 3 Worker)**

_____ The Worker lives within the service area or neighborhood of the project **(Targeted Section 3 Worker)**

Under the Pain and Penalty of perjury I hereby certify that the information provided on this form is true and accurate.

Section 3 Worker

Date

Appendix C

Section 3 Business Self-Certification Form

Business Name: _____

Business Address: _____

FIN: _____ UEI: _____

Describe the Nature of the Business:

Business/Corporate Officers (Name, Title):

Contact Person (Name, Title, Phone):

Type of Section 3 Business (choose one):

_____ 51% or more owned/controlled by Section 3 Residents (Owner's household income does not exceed 80% of area median income) *(Please attach documentation of majority ownership and Section 3 Resident Self-Certification Form.)*

_____ Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers *(Please attach Section 3 Resident Self-Certification Forms.)*

_____ 51 percent or more owned/controlled by current public housing residents or residents who currently live in Section 8-assisted housing. *(Please attach documentation of majority ownership and Section 3 Resident Self-Certification Form.)*

Under the Pain and Penalty of perjury I hereby certify that the information provided on this form is true and accurate.

Authorized Official

Title

Date

Appendix D

Certification of Acknowledgement of Section 3 Requirements

24 CFR Part 75

Section 3 of the Housing and Urban Development Act of 19681 (“Section 3”) requires that economic opportunities (employment, training and contracting opportunities), generated by certain U.S. Department of Housing and Urban Development (“HUD”) financial assistance, to the greatest extent feasible be directed to low- and very low-income persons, particularly those who are either recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

The project that is the subject of this solicitation (“project”) and the resulting contract award will be funded using federal financial assistance and thus qualifies as Housing and Community Development Financial Assistance for purposes of Section 3 regulations and is subject to Section 3 compliance.

As a participating Bidder/Proposer, please answer the questions and provide the requested information on the pages that follow and sign where indicated. Subcontractors employed on the project must also complete these Section 3 forms, if feasible. Include your completed Section 3 forms, and the completed forms for each of your subcontractors with your bid/proposal. Failure to complete all information and/or submit all pages may result in a finding that your bid/proposal is non-responsive.

If awarded a contract, you will be required to provide reports documenting your efforts to comply with the requirements of Section 3 as follows:

Meeting the Section 3 Worker and Targeted Section 3 Worker labor hour benchmarks as follows:

- 25% or more of the total number of labor hours worked by all workers on the project are Section 3 workers, and
- 5% or more of the total number of labor hours worked by all workers on the project are Targeted Section 3 workers.

Directing economic opportunities to persons and businesses in the following order of priority:

Employment & Training Opportunities

- Section 3 workers residing within the service area or the neighborhood of the project.
- Participants in YouthBuild programs

Contracting Opportunities

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

A copy of your completed Section 3 certification of acknowledgement of Section 3 requirements form will be included in the contract. General questions and assistance in completing Section 3 forms can be directed to Danielle Osterman, dosterman@revere.org.

Section 3 Business Concern Certification

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

- It is at least 51% or more owned by low- or very low-income persons at or below (80% area median income) based on individual income limits.
- Over 75 % of the labor hours performed for the business over the prior three-month period are performed by low- or very low- income persons.
- It is a business at least 51% owned by current public housing residents or residents who currently live in Section 8- assisted housing.

The Bidder/Proposer certifies that it (check one):

It is a Section 3 Business Concern.

It is not a Section 3 Business Concern.

The Bidder/Proposer certifies that:

- a. The Bidder/Proposer is under no contractual or other impediment that would prevent them from complying with the 24 CFR Part 75 regulations.
- b. To the greatest extent feasible, employment and other economic opportunities generated by a HUD-assisted project will be directed to low and very low-income persons, particularly who are recipients of HUD assistance for housing.
 - a. Section 3 workers and Targeted Section 3 workers as defined by HUD, will be notified of availability of training and/or employment opportunities.
 - b. Labor organizations or representatives of workers with which the contractor has a collective bargaining agreement or other understanding, if any, will be sent a notice advising of the contractors' commitments under Section 3.
 - c. Post a 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 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.
- c. Regardless of hiring or other economic opportunity commitments, the bidder/proposer understands that it also needs to make good faith efforts to achieve the labor hour benchmarks established by HUD pursuant to 24 CFR Part 75.23 and report such labor hours pursuant to 24 CFR Part 75.25. For purposes of Section 3, good faith efforts include, but are not limited to:
 - a. Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers, including posting job openings at the job site, social media pages, and other platforms.
 - b. Provided training or apprenticeship opportunities.

- c. Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
 - d. 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.
 - e. Held one or more job fairs.
 - f. 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).
 - g. Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
 - h. Assisted Section 3 workers to obtain financial literacy training and/or coaching.
 - i. Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
 - j. Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
 - k. Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
 - l. Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
 - m. Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
 - n. Outreach, engagement, or referrals with the state one-stop system as defined in Section 1211(2) of the Workforce Innovation and Opportunity Act.
- d. The contractor will track and certify ALL employee names, labor hours, and Section 3 worker/Targeted Section 3 worker status per project and provide this information to the City of Revere. A good faith estimate of labor hours for each full or part time employee can be used if a detailed time attendance system is not in place. Some Exclusions apply for non-construction services contracts.
 - e. 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 obligation under 24 CFR Part 75.
 - f. The Section 3 clause will be included in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to collect and provide all subcontractor information and take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause. 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.
 - 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 are subject to the provisions 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). Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of contract for default, and debarment or suspension from future HUD-assisted contracts.

Contractor’s Signature

Please sign below to acknowledge the following:

- You have read and understood the Section 3 requirements set forth herein.
- If awarded a contract, you intend to comply with all applicable requirements and satisfy Section 3 benchmarks and your expressed commitments
- You understand that if awarded a contract you may be held in material default of the contract if you fail to comply with your expressed commitments.
- You understand that if awarded a contract, your business is required to submit compliance reports, worker certification forms, payroll or time and attendance records and documentation evidencing your efforts to satisfy Section 3 benchmarks and your expressed commitments.

Authorized Official

Title

Date

Appendix E

Section 3 Monthly & Annual Report

Name of Project: _____

Name of Contractor: _____

Reporting Period: _____

(Year ended June 30)

Section 3 Labor Hours

This section must include employee information from the Contractor and all Subcontractors.

a. Total labor hours worked by all employees (A): _____

b. Total labor hours worked by Targeted Section 3 Workers (B): _____

c. Total labor hours worked by Section 3 Workers
(including total labor hours worked by Targeted Section 3 Workers) (C): _____

Section 3 Benchmark Compliance

Using the information reported above, please determine whether Section 3 compliance has been achieved:

1. Targeted Section 3 Workers comprised 5 percent or more of the total labor hours worked.

Total labor hours worked by Targeted Section 3 Workers (B) / Total labor hours worked by all employees (A)
= _____ (D)

Was compliance achieved (D is 5% or greater)? yes no

2. Section 3 Workers comprised 25 percent or more of the total labor hours worked.

Total labor hours worked by Section 3 Workers (C) / Total labor hours worked by all employees (A)
= _____ (E)

Was compliance achieved (E is 25% or greater)? yes no

Nature of Agency Efforts

This section is required if, based on the labor hours reporting above, the reporting agency did not meet the safe harbor benchmarks.

Check all that apply. Maintain records available for HUD review to document any efforts checked.

- Outreach efforts to generate job applicants who are Public Housing Targeted Workers
- Outreach efforts to generate job applicants who are Other Funding Targeted Workers.
- Direct, on-the job training (including apprenticeships).
- Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.
- Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- Outreach efforts to identify and secure bids from Section 3 business concerns.
- Technical assistance to help Section 3 business concerns understand and bid on contracts.
- Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.
- Held one or more job fairs.
- Provided or connected residents with supportive services that can provide direct services or referrals.
- Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.
- Assisted residents with finding childcare.
- Assisted residents to apply for, or attend community college or a four year educational institution.
- Assisted residents to apply for, or attend vocational/technical training.
- Assisted residents to obtain financial literacy training and/or coaching.
- Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Provided or connected residents with training on computer use or online technologies.
- Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.

Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

Other. Please specify in the space below

If compliance was not achieved for either of the benchmarks above, please explain. Attach additional page(s) if necessary.

Contractor’s Certification

As officer and representative of:

Contractor Name: _____

Address: _____

Telephone Number: _____

On behalf of the Contractor, I hereby certify that the above information is true and accurate and is reported fully as required by the Section 3 Plan as part of the contract for this CDBG- and/or HOME-assisted project. It is further understood that final payment from the City of Boston for this project cannot be made until this report is submitted to the CDBG and/or HOME Grantee or authorized designee.

Name and Title of Authorized Representative

Signature of Authorized Representative

Date