

Lowell Housing Authority

Section 3 Program

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Overview of Section 3 Requirements

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.

Purpose of This Document

This plan outlines how the Lowell Housing Authority (LHA) and its subrecipients, contractors and subcontractors will comply with HUD's Section 3 requirements in implementing Lowell Housing Authority's public housing program. LHA 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. These requirements do not supersede Government requirements for competitive procurement and Davis Bacon wages. These requirements do not supersede the requirements of Massachusetts laws regarding bidding and construction.

LHA 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.

Section 3 Coordinator

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

Sherry Giblin
Chief Financial Officer
sgiblin@lhma.org

Employment, Training and Contracting Goals

A. Safe Harbor Compliance

LHA 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.

B. Safe Harbor Benchmarks

LHA 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. 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 employed with public housing financial assistance in the PHA's fiscal year 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 employed with public housing financial assistance in the PHA's fiscal year are Targeted Section 3 workers, as defined at CFR 24 Part 75.11.

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

At the time of bid, the contractor will be required to present a list of the projected number of available positions expected to be needed to complete the project. In an effort to assist contractors with meeting or exceeding the Section 3 goals, LHA will do the following:

- 1) Share Section 3 Plan with contractors and subcontractors and explain policies and procedures.
- 2) Require contractor to sign Certification of Intent to Comply with Section 3
- 3) Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure goals are understood.
- 4) Inform contractors about the HUD Section 3 Opportunity Portal
<https://hudapps.hud.gov/OpportunityPortal/>
- 5) Require contractors to notify LHA of their interests regarding employment of Section 3 workers prior to hiring.
- 6) Encourage local businesses to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business registry
<https://www.hud.gov/section3businessregistry>
- 7) Leverage LHA's communication outlets (Website, digital signage, Facebook) to effectively communicate employment and contracting opportunities that arise.
- 8) 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.

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 HUD funding.

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, LHA will review and update the Section 3 Plan every 3 years/months, 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 was not feasible. All contractors submitting bids or proposals to the LHA 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

Under the LHA 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:

- 1) To residents of the public housing projects for which the public housing financial assistance is expended.
- 2) To residents of other public housing projects managed by the PHA that is providing assistance or for residents of Section 8-assisted housing managed by the PHA.
- 3) To participants in Youth Build programs; and
- 4) To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

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 LHA'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) Section 3 business concerns that provide economic opportunities for residents of public housing projects for which the assistance is provided.
- 2) Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by the PHA that is providing assistance.
- 3) Youth Build programs; and

- 4) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

Section 3 Eligibility and Certifications

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 LHA may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities.

A. Contractor 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, LHA will use individual income rather than family/household income to determine eligibility. The income limits will be determined annually using the guidelines published <https://www.huduser.org/portal/datasets/il.html>.

Persons seeking the Section 3 worker preference shall demonstrate they meet 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 Youth Build 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) A resident of public housing; or
 - b) A resident of other public housing projects or Section 8-assisted housing; or
 - c) A YouthBuild participant.

B. Section 3 Worker and Targeted Section 3 Worker Certification

All residents of LHA's Federal and State Public Housing Developments, the HCVP program, and other state assisted housing programs administered by the LHA qualify as Section 3 residents and are considered to be Sec 3 eligible. All residents of Lowell whose incomes are 80% or less of the medium family income for the Lowell HUD MFI table can also qualify for Section 3 status. The

LHA will require that all applicants who are identified as Section 3 eligible provide a Section 3 Resident Application with the appropriate supporting documentation to the LHA Section 3 Officer.

C. Section 3 Business Concern Certification

LHA encourages contractors and subcontractors to make their best efforts to award contracts and subcontracts to Section 3 business concerns.

Businesses that believe they meet the Section 3 Business requirements can 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 LHA, 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.

Section 3 Contracting Policy and Procedures

The Authority shall, to the greatest extent feasible and consistent with Commonwealth of Massachusetts bid laws, direct its efforts to ensuring that contracts are awarded to Section 3 Business Concerns in the following order of priority, as more fully defined in the applicable federal regulations, presently codified as 24 CFR § 135.36:

1. Businesses that are 51% or more owned and controlled by residents of LHA development for which Section 3 covered assistance is expended or whose full-time permanent workforce includes 30% of these persons as employees.
2. Businesses that are 51% or more owned and controlled by any LHA residents whose full-time permanent workforce includes 30% of any LHA residents.
3. HUD Youth-Build programs being carried out in Lowell.
4. Businesses that are 51% or more owned and controlled by Section 3 residents of Lowell whose full-time permanent workforce includes 30% of Section 3 residents of Lowell, or subcontract more than 25% of the total amount of subcontracts to Section 3 businesses.
5. LHA will include standard Section 3 language in all of its contracts to ensure compliance with regulations in 24 CFR Part 75. LHA 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.

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 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.

Reporting Requirements

A. Monthly Reporting

Contractors are required to submit monthly activity reports to LHA's Section 3 Coordinator by the 10th of each month.

B. Final Reporting

- 1) Once a project is completed, contractors must submit a final Section 3 cumulative report.
- 2) Upon completion of a project, LHA's Section 3 project coordinator will conduct a final review of the project's overall performance and compliance.
- 3) LHA's Section 3 coordinator will submit the Section 3 data into HUD's reporting system.

Section 3 Complaint Procedure

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

1. Complaints of non-compliance should be filed in writing and must contain the names of the complainant and a brief description of the alleged violation of 24 CFR 135.
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 the complaint is found to be valid.
4. The LHA will review the findings for accuracy and completeness before it is released to complainants.

If complainants wish to have their concerns considered outside of the LHA, a complaint may be filed with:

The HUD program office is responsible for the public housing financial assistance or the Section 3 project, 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/>.

SECTION 3 SUBMISSION FORMS

Form 1	Certification of Intention to Comply with Section 3	Submit with Bid/Proposal
Form 2	Section 3 Hiring, Training, and Subcontracting Opportunities	Submit with Bid/Proposal
Form 3	Monthly Section 3 Report	Submit Monthly and at Completion of Project
Form 4	Section 3 Worker Affidavit Certification of Section 3 Worker And Targeted Section 3 Worker	Submit with Form 3
Form 5	Section 3 Business Certification Certification for Business Concerns Seeking Section 3 Preference in Contracting	Submit with Form 3



FORM 1

Certification of Intent to Comply with Section 3

This form is to be submitted by proposers with their bid/ proposal. Failure to submit this form may result in the rejection of your bid/proposal.

I hereby certify that:

1. I am the _____ [Insert Title] of _____ [Insert Name of Proposer] (the "Company");
2. I am duly authorized by the Company to submit a proposal on its behalf to the Lowell Housing Authority for _____ [Insert Project Name and Number] and to execute any and all documents required to be filed as a condition of such proposal;
3. I have read and understood the Section 3 Provision, which applies Section 3 of the Housing and Urban Development Act of 1968, as amended, and the Section 3 regulations found at 24 CFR 135.
4. The Company will comply with the requirements of 24 CFR 135 and the Section 3 Provision. This includes ensuring that, to the greatest extent feasible, at least twenty-five **(25) percent or more of the total number of labor hours worked by all Workers on a Section 3 project are Section 3 Workers; and Five (5) percent or more are Targeted Section 3 Workers.**
5. The Company is responsible for the compliance of its subcontractors and will ensure that its subcontractors comply with the requirements set out in 24 CFR 135 and the Section 3 Provision.
6. Any vacant positions filled after the contract award notification but before contract execution will not be filled to circumvent the Company's Section 3 obligations.

Signed under the penalties of perjury

Company

Date

Signature
Duly Authorized



FORM 2

Section 3 Hiring, Training, and Contracting Opportunities

This form is to be completed by the proposer on behalf of itself and all projected subcontractors, if any. Provide estimates of hiring and contracting needs on the project.

HIRING OPPORTUNITIES

Job Category	Number of positions needed to complete project	Number of positions filled by current employees*	Number of positions to be filled by Section 3 Workers	Anticipated dates of work
<i>Example: Tenant Coord</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>10/1/21- 12/31/21</i>
1) Technicians				
2) Office/Clerical				
3) Trade				
4) Trade				
5) Trade				
6) Tenant Coordinator				
7) Other:				
Totals				

SUBCONTRACTING OPPORTUNITIES

Sub-trade and Company (if known)	Filed Sub-trade? (Y/N)	Section 3 Business Concern? (YIN)	Specification Reference	Amount of Contract
<i>Example: HVAC Inc.</i>		<i>y</i>	<i>06200</i>	<i>8,000</i>
1)				
2)				
3)				-

The above tables represent an accurate estimate of workforce and subcontracting needs for this project and also represent the number of Section 3 Workers, Targeted Section 3 Workers, and business concerns that the company proposes to employ and/or contract with.

Signed under the penalties of perjury.

Company: _____

Date: _____

By: _____



FORM 3

Monthly Section 3 Report

This form or a certified substitute document containing the information requested below is to be completed by the consultant and all subcontractors, if any, and submitted upon request. Attach verifications (e.g. • Section 3 Workers Affidavit and copy of photo identification) as necessary.

LHA Project _____

Month Ending _____

SECTION 3 WORKER LABOR HOURS

Employee Name	Job Title	Targeted/Section 3 Worker? (Y/N)	Address	Date Hired	Labor Hours this month	Labor Hours to date
<i>Example: Gladys Jones</i>	<i>Project Assistant</i>	<i>y</i>	<i>Franklin Field, 100 Ames St. Dorchester, MA 02124</i>	<i>10/15/2021</i>	<i>80</i>	<i>200</i>
1)						
2)						
3)						
4)						
5)						

SECTION 3 BUSINESS CONCERNS

Section 3 Business Concern	Address	Dates of Work	Contract Price	Paid to Date	Amount Remaining to be paid
<i>Example: ABC Security Co.</i>	<i>123 Main St., Boston MA 02111</i>	<i>11/1/20- 5/30/21</i>	<i>15,000</i>	<i>2,500</i>	<i>12,500</i>
1)					
2)					
3)					
4)					

Company: _____

e _____

Signature: _____

Print Name & Title _____

FORM 4

Section 3 Worker Self-Certification Form- Public Housing	U.S. Department of Housing and Urban Development Office of Field Policy and Management	HUD FORM 4736D OMB Approval Number 2501-0041 (Exp. 04/30/2025)
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(In compliance with Section 3 of the HUD Act of 1968 and 24 CFR Part 75)

Public reporting for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information.

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992 (Section 3), and 12 U.S.C. § 1701u ensure that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low- and very low-income persons, particularly those who receive government assistance for housing. The regulations are found at 24 CFR Part 75. This collection of information is required in order to ensure that a worker can be certified as an eligible Section 3 worker as outlined in 24 C.F.R. § 75.31. The information will be used by the Department to ensure compliance with Section 3 of the HUD Act of 1968 employer certification requirements listed in 24 CFR § 75.31, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients to ensure they are complying with their recordkeeping requirements found in the regulation, and as a self-monitoring tool.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to Anna P. Guido, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. XXXX-XXXX. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number. No assurances of confidentiality are provided for this information collection.

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 self-certification requirements. To qualify as a Section 3 worker, the United States legal resident's annual income must not exceed the HUD income limits for the year before the worker was hired, or, the individual's current income annualized on a full-time basis for the year must be below the HUD income limit. Additionally, an individual can qualify as a Section 3 worker if they are a YouthBuild participant or employee of a Section 3 Business concern.

Printed Name: _____

Street Address (Not a PO Box) Apt# City State Zip

Phone #: _____ Email: _____

To qualify as a Section 3 Worker, you must self-certify that you meet **one** of the following requirements **OR** have your employer certify that you are employed by a Section 3 Business concern:

<ul style="list-style-type: none">• Income for the previous calendar year is below the income limit*• A participant in a means-tested program such as public housing or Section 8-assisted housing• A YouthBuild Participant*	Income limit \$XX,XXX
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*Currently or at the time of hire if hired within the past 5 years

I meet at least one of the requirements in the box above and therefore qualify to be counted as a Section 3 Worker under 24 CFR § 75.

If applicable, please indicate which requirement listed below you meet to be considered a Targeted Section 3 worker in the box below. If you do not meet any of these requirements or do not know if you meet any of the requirements listed below, you may leave this section blank.

<p>___ A participant in a means-tested program such as public housing or Section 8-assisted housing</p> <p>___ A YouthBuild participant*</p>
--

*Currently or at the time of hire if hired within the past 5 years

In addition to qualifying as a Section 3 Worker, I meet at least **one** of the requirements in the box above and therefore qualify to be counted as a Targeted Section 3 Worker under 75 CFR § 75.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct and certifies that the worker identified above meets the definition of a Section 3 worker. **WARNING:** Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802)

Signature

Date

FORM 5

CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3
PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY

Name of Business _____

Address of Business _____

Type of Business: Corporation Partnership
 Sole Proprietorship Joint Venture

Attached is the following documentation as evidence of status:

For Business claiming status as a Section 3 resident-owned enterprise:

- | | |
|--|---|
| <input type="checkbox"/> Copy of resident lease | <input type="checkbox"/> Copy of receipt of public assistance |
| <input type="checkbox"/> Copy of evidence of participation
in a public assistance program | <input type="checkbox"/> Other evidence |

For business entity as applicable:

- | | |
|---|---|
| <input type="checkbox"/> Copy of Articles of Incorporation | <input type="checkbox"/> Certificate of Good Standing |
| <input type="checkbox"/> Assumed Business Name Certificate | <input type="checkbox"/> Partnership Agreement |
| <input type="checkbox"/> List of owners/stockholders and
% ownership of each | <input type="checkbox"/> Corporation Annual Report |
| <input type="checkbox"/> Organization chart with names and titles
and brief function statement | <input type="checkbox"/> Latest Board minutes appointing officers |
| | <input type="checkbox"/> Additional documentation |

For business claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:

- List of subcontracted Section 3 business(es) and subcontract amount

For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:

- | | |
|--|--|
| <input type="checkbox"/> List of all current full-time employees | <input type="checkbox"/> List of employees claiming Section 3 status |
| <input type="checkbox"/> PHA/IHA Residential lease less than 3
years from day of employment | <input type="checkbox"/> Other evidence of Section 3 status less than 3
years from date of employment |

Evidence of ability to perform successfully under the terms and conditions of the proposed contract:

- Current financial statement
- Statement of ability to comply with public policy
- List of owned equipment
- List of all contracts for the past two years

Authorizing Name and Signature

(Corporate Seal)

Attested by: _____