

## **SECTION 3 CLAUSE**

### **SECTION 3 REQUIREMENTS**

- 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 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 impediment that would prevent them from complying with 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 24 CFR Part 135.
- 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 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.

### SECTION 3 ASSURANCES

[FORM MUST BE COMPLETED AND SUBMITTED PRIOR TO AWARD]

1. I/We, the undersigned \_\_\_\_\_(representative), as official representative of \_\_\_\_\_(Contractor) agree to comply with Section 3 requirements for the \_\_\_\_\_ (Project). It is understood that failure to comply may result in the following sanctions: cancellation, termination, or suspension in whole or in part of this contract. A copy of this executed form and the charts for hires and contractors will be provided to the County along with any back up documentation requested prior to execution of contract.
2. Complete for Staffing:
  - A. How many **new full time** (permanent, temporary, seasonal) positions will be needed on this project? \_\_\_\_\_
  - B. How many new employment training positions will be created?  
\_\_\_\_\_
  - C. If New Hires and Employment Training will take place, how many positions are projected to be filled by local low income area residents? \_\_\_\_\_(see goal below).

If new hires or employment training are anticipated then Contractor must provide copies of outreach efforts, any preferences given, and any actual Section 3 hires completed. If there were no Section 3 residents hired or the goals were not met, then an explanation of why this happened will be provided.
  - D. If new hires or training were made available, did Contractor reach 30% Section 3 goal/target? \_\_\_\_\_

SEE ATTACHED CHART WITH LIST OF ALL NEW HIRES / TRAINIEES FOR THIS PROJECT

3. Complete for construction subcontractors and non construction contracts:
  - A. How many construction subcontractors will be utilized for this project?  
\_\_\_\_\_
  - B. Of these subcontractors, how many are Section 3 subcontractors? \_\_\_\_\_
    - 1) Was the Section 3 Goal/target of 10% of project dollar amount reached? \_\_\_\_\_
  - C. How many non-construction contracts will be utilized? \_\_\_\_\_

D. Of these, how many are Section 3 businesses? \_\_\_\_\_

- 1) Was the Section 3 Goal/target of 3% of project dollar amount reached?\_\_\_\_\_

SEE ATTACHED CHART WITH LIST OF ALL CONTRACTORS HIRED FOR THIS PROJECT

Authorized Signature \_\_\_\_\_ Date: \_\_\_\_\_

### **Section 3 Resident Eligibility Certification**

The U.S. Department of Housing and Urban Development (HUD) monitors our hiring practices on Section 3-funded projects. It is important, therefore that the information below be provided. Please be aware that your response, though needed, is voluntary and has no affect on your employment status.

Because these questions are personal in nature, your answers will be treated with confidentiality. Thank you for assisting us.

Sincerely,

Fresno County Neighborhood Stabilization Joint Powers Authority

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1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

2. Number of individuals living in your household (include yourself): \_\_\_\_\_

3. Total annual household income (please CIRCLE one):

<b>Household Size</b>	<b>30%</b>	<b>50%</b>	<b>60%</b>	<b>65%</b>	<b>80%</b>
<b>1</b>	<b>\$12,150</b>	<b>\$20,300</b>	<b>\$24,330</b>	<b>\$26,350</b>	<b>\$32,450</b>
<b>2</b>	<b>\$13,900</b>	<b>\$23,200</b>	<b>\$27,780</b>	<b>\$30,100</b>	<b>\$37,050</b>
<b>3</b>	<b>\$15,650</b>	<b>\$26,100</b>	<b>\$31,260</b>	<b>\$33,850</b>	<b>\$41,700</b>
<b>4</b>	<b>\$17,350</b>	<b>\$28,950</b>	<b>\$34,700</b>	<b>\$37,600</b>	<b>\$46,300</b>
<b>5</b>	<b>\$18,750</b>	<b>\$31,300</b>	<b>\$37,530</b>	<b>\$40,650</b>	<b>\$50,050</b>
<b>6</b>	<b>\$20,150</b>	<b>\$33,600</b>	<b>\$40,300</b>	<b>\$43,650</b>	<b>\$53,750</b>
<b>7</b>	<b>\$21,550</b>	<b>\$35,900</b>	<b>\$43,100</b>	<b>\$46,650</b>	<b>\$57,450</b>
<b>8</b>	<b>\$22,950</b>	<b>\$38,250</b>	<b>\$45,850</b>	<b>\$49,700</b>	<b>\$61,150</b>
	<b><i>Check box if above \$61,150</i></b>				

4. Are you currently employed? \_\_\_\_\_ Yes \_\_\_\_\_ No

I certify that the statements made on this sheet are true, complete and correct to be best of my knowledge and belief, and made in good faith.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

### **Section 3 Business Eligibility Certification**

The U.S. Department of Housing and Urban Development (HUD) monitors our hiring practices on Section 3-covered projects. It is important, therefore that the information below be provided. Please be aware that your response is mandatory and has no affect on your contracting.

Your answers will be treated with confidentiality. Thank you for assisting us.

Sincerely,

Fresno County Neighborhood Stabilization Joint Powers Authority

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Business Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

1. Are 51% of the business owners qualified Section 3 Residents?\_\_\_\_\_ If **YES** stop, if **NO** proceed.
2. Are at least 30% of the employees Section 3 Residents (or were they when they started less three years ago)?\_\_\_\_\_ If **YES** then stop, if **NO** then proceed.
3. Will the business subcontract more than 25% of the proposed work under the contract to business concerns that meet the qualification set forth in number 1 & 2 above?\_\_\_\_\_ If **YES** stop, if **NO** proceed.

We currently do not qualify as a Section 3 business \_\_\_\_\_

I certify that the statements made on this sheet are true, complete and correct to be best of my knowledge and belief, and made in good faith.

Date:\_\_\_\_\_ Signature:\_\_\_\_\_

### **SECTION 3 PROJECT WORK FORCE BREAKDOWN**

Job Category	Total Positions Needed for Project	No. Positions Occupied by Permanent Employees	Number of Positions not Occupied	Number of Positions filled with Section 3 residents
Supervisor				
Professional				
Technical				
Office/Cleric.				
Others				
TRADE:				
Journeyman				
Apprentices				
Trainees				
Others				
TRADE:				
Journeyman				
Apprentices				
Trainees				
Others				

**\*Section 3 Resident:**

Individual residing within the Section 3 Area  
Whose family income does not exceed 80% of the  
median income in the Metropolitan Statistical  
Area or the county if not within a MSA in which  
the Section 3 covered project is located. See  
attached income schedule.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Project

\_\_\_\_\_  
Project Number

NOTE: This document must be submitted with bid documents.

Person Completing Form: \_\_\_\_\_

Date: \_\_\_\_\_

**SECTION 3 CONTRACTS / SUBCONTRACTS BREAKDOWN**

Type of Contract (Business or Profession)	Total Number	Total Approx. Dollar Amount	Estimated No. of Contracts to Section 3 Businesses	Estimated Dollar Amount to Sec. 3 Businesses

NOTE:

This document is to be submitted by the Contractor with bid documents.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Project

Person Completing  
Form: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT H

### SECTION 3 BUSINESS UTILIZATION REPORT

Project No. \_\_\_\_\_ Total Dollar Amount of Contract \_\_\_\_\_ \$

Federal ID No. \_\_\_\_\_

Name of Prime Contractor \_\_\_\_\_ Address \_\_\_\_\_

Name of Subcontractor	Sec 3*	Address/Telephone	Trade/Service or Supply	Contract Amount	Award Date	Competitive or Negotiated Bid	Federal Identification No.

\*Check if Section3

Total Dollar Amount Awarded to  
Section 3 Businesses: \$ \_\_\_\_\_

NOTE: This report must be completed and submitted by  
The Contractor (monthly) with each payment request.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Project

\_\_\_\_\_  
Project Number

\_\_\_\_\_  
Date

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\_\_\_\_\_  
Person Completing Form