



IOWA FINANCE
AUTHORITY

Section 3 Policy

January 1, 2015

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General Policy Statement

It is the policy of the Iowa Finance Authority (IFA) to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701 u).

Purpose

Section 3 of the Housing and Urban Development Act of 1968, as amended, requires IFA to ensure that training, employment and other economic opportunities generated by HOME financial assistance shall be directed, to The Greatest Extent Feasible, and consistent with existing federal, state, and local laws and regulations, to Low and Very Low-Income Persons.

IFA will make every effort to ensure Recipients of HOME funding ensure their own compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR §135.32.

Key provisions to achieve this goal include:

- **Recipients of awards over \$200,000 must create and adopt a Section 3 Plan locally and submit a copy of their Section 3 Plan to their IFA Project Manager for approval.** The Section 3 Plan must be submitted to IFA no more than 60 days from the contract award date. The plan must include how the Recipient intends to comply with Section 3 in its own operations and ensure compliance in the operations of its contractors and subcontractors. The Section 3 Plan must cover in detail:
 - Training;
 - Outreach, compliance, and reporting methods regarding employment, job training and contracting opportunities for Section 3 residents and/or businesses;
 - The identification of a Section 3 Coordinator(s) to ensure compliance and monitoring of its Section 3 activities.
- As part of this policy, **the IFA Project Manager will assist, report, and monitor for compliance of Section 3 activities.** The Project Manager will provide technical assistance to Recipients regarding their Section 3 program requirements. Recipients must submit to IFA a Section 3 Coordinator Designation Form (Exhibit I).

Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of the Recipient's contract for default, and debarment or suspension from future HUD assisted contracts and future IFA funds. (24CFR135.38(F))

Applicability

Section 3 requirements are triggered when HOME assistance is expended for housing rehabilitation, housing construction or other public construction projects that are equal to or greater than \$200,000 and sub-contracts of such projects in the amount of \$100,000 or more (see below).

IFA HOME covered projects include:

- Housing Rehabilitation (to include reduction of lead-based paint hazards, and demolition)
- Housing Construction (to include reduction of lead-based paint hazards and demolition)

Section 3 does not apply to homebuyer assistance activities (e.g. down payment assistance). Section 3 requirements apply to the entire project or activity, regardless of whether it is fully or partially funded. (135.3(b))

Section 3 Definitions

Employment Opportunities Generated by Section 3 Covered Assistance — “all employment opportunities generated by the expenditure of Section 3 covered projects (as described in §135.3(a)(2)), including management and administrative jobs connected with the Section 3 Covered Project. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.” (24 CFR §135.5)

Housing and Community Development Assistance — “any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.” (24 CFR §135.5)

HUD Youthbuild Programs — “programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.”

Low-Income Person — “families (including single persons) whose household incomes do not exceed 80 percent of the median income for the area.” To determine if a household’s income is considered low-income, HUD’s income limits may be obtained from: <http://www.huduser.org/portal/datasets/il.html>

Metropolitan Area — “metropolitan area means a metropolitan statistical area (MSA), as established by the Office of Management and Budget.”

New Hires — “a full-time employee for a new permanent, temporary, or seasonal position that is created during the expenditure of Section 3 covered financial assistance.”

Non-Metropolitan County — “any county outside of a Metropolitan Area.”

Recipient — “any entity which receives Section 3 Covered Assistance, directly from HUD or from another recipient and includes, but is not limited to, any state, unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.”

Section 3 — “Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u)” (24 CFR §135.1)

Section 3 Business Certification form — A form used to document a business as a “Section 3 Business Concern.”

Section 3 Clause — “the contract provisions set forth in § 135.38.” (24 CFR §135.5)

Section 3 Covered Activity — “any activity which is funded by Section 3 Covered Assistance or Public and Indian Housing Assistance.” (24 CFR §135.5)

Section 3 Business Concern(s) — “a business concern, (1) That is 51 percent or more owned by Section 3 residents; or (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of “Section 3 business concern.” (24 CFR §135.5)

Section 3 Covered Assistance — “assistance provided under any HUD housing or community development program that is expended for work arising in connection with: (i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement); (ii) Housing construction; or (iii) Other public construction project (which includes other buildings or improvements, regardless of ownership).” (24 CFR §135.5)

Section 3 Covered Contract — “a contract or subcontract (including a professional service contract) awarded by a Recipient or contractor for work generated by the expenditure of Section 3 Covered Assistance, or for work arising in connection with a Section 3 Covered Project.” (24 CFR §135.5)

Section 3 Covered Project — “the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.” (24 CFR §135.5)

Section 3 Joint Venture — “means an association of business concerns, one of which qualifies as a Section 3 Business Concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which Section 3 business concern (1) Is responsible for a

clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and (2) Performs at least 25% of the work and is contractually entitled to compensation proportionate to its work.” (24 CFR §135.40)

Section 3 Resident(s) — 1) A public housing resident; or 2) A Low or Very Low-Income Person residing in the Metropolitan Area or Non-Metropolitan county where the Section 3 Covered Assistance is expended. (24 CFR §135.5)

Section 3 Resident Self-Certification Form — A form used to document a resident of a local community as a Section 3 Resident.

Service Area — “is the geographical area in which the persons benefiting from Section 3 Covered Project reside. The Service Area shall not extend beyond the unit of local government in which the Section 3 covered financial assistance is expended.” (24 CFR §135.5)

Subcontractor — “any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor’s obligation for the performance of work generated by the expenditure of Section 3 Covered Assistance, or arising in connection with a Section 3 Covered Project.” (24 CFR §135.5)

The Greatest Extent Feasible — “every effort must be made to comply with the regulatory requirements of Section 3, meaning Recipients of Section 3 covered financial assistance should make every effort within their disposal to meet the regulatory requirements. For instance, this may mean going a step beyond the normal notification procedures for employment and contracting procedures by developing strategies that will specifically target Section 3 residents and businesses for these types of economic opportunities.” <http://portal.hud.gov/hudportal/documents/huddoc?id=11secfaqs.pdf>

Very Low-Income Person — “families (including single persons) whose household income do not exceed 50 percent of the median family income for the area.” (24 CFR §135.5) HUD’s income limits may be obtained from:
<http://www.huduser.org/portal/datasets/il.html>.

Compliance with Section 3

Recipients and contractors may demonstrate compliance with the “Greatest Extent Feasible” (CFR 24 §135.30) requirement of Section 3 by meeting HUD’s numerical goals for providing training, employment, and contracting opportunities to Section 3 Residents and Section 3 Business Concerns.

The minimum numerical goals are:

- 30% of total number of New Hires as Section 3 Residents;
- 10% of all awarded construction contracts, awards to Section 3 Business Concerns;
- 3% of all awarded non-construction contracts, awards to Section 3 Business Concerns.

For Recipients that do not engage in training, or hiring, but award contracts to contractors that will engage in training, hiring, and subcontracting, Recipients must ensure that, to The Greatest Extent Feasible, contractors will make good faith efforts to provide training, employment, and contracting opportunities to Section 3 Residents and Section 3 Business Concerns. The numerical goals established in this section represent **minimum goals** and are considered safe harbor numerical targets. Recipients are strongly encouraged to adopt numerical goals that exceed the **minimum** requirements.

If a Recipient fails to fully meet the Section 3 minimum numerical goals, it must be prepared to demonstrate that efforts were made in an attempt to meet the numerical goals. Failure to meet numerical goals requires a detailed explanation to IFA. IFA will then examine the Recipient’s documented efforts and provide technical assistance as necessary. However, “failure to comply may lead to sanctions, suspension and limited denial of participation for the Recipient and/or contractor in HUD and IFA programs”.

❖ Section 3 Residents

Residents to be given priority in hiring are those who live in the Service Area where a Section 3 project is located who are either:

- Public housing residents including persons with disabilities;
- Low-Income or Very Low-Income Person(s) who live in the metropolitan statistical area (MSA) or non-metro county area of project;
- HUD Youthbuild Program participants (centers in Des Moines, Sioux City, and West Burlington);
- Homeless, defined under McKinney Act (42 U.S.C. 11301 et seq.).

A resident seeking Section 3 preference shall submit a Section 3 Resident Certification Form (see Exhibit A for sample) to the Recipient’s Project Manager or the contractor or Subcontractor to verify and approve the certification. The Recipient’s Section 3 Coordinator(s) should maintain a list of Section 3 Residents for current and/or future Section 3 job opportunities.

HUD has clarified that a self-certification is an acceptable means for establishing eligibility as a Section 3 Resident. However, Recipients may utilize acceptable support documentation with the Section 3 Resident Self-Certification Form which can include:

- Proof of residency in a public housing development;
- Evidence of participation in a HUD Youthbuild Program operated in the metropolitan (or Non-Metropolitan county) where the Section 3 Covered Assistance is spent;
- Copy of Section 8 voucher certificate or voucher;
- Evidence of eligibility or participation in a federally-assisted program for Low and Very Low-Income Persons (e.g. Jobs, JTPA, Job Corps, etc.);
- Evidence that the individual resides in the Section 3 area and is a Low or Very Low-income person, as defined in Section 3(b) (2) of the U.S. Housing Act of 1937 (1937 Act);
- Other acceptable documentation to the Recipient.

❖ **Section 3 Business Concern**

To determine if a business qualifies for a Section 3 designation, Recipients and/or their assigned Section 3 Coordinator(s) will be required to perform a local Section 3 Business Concern Certification. Recipients and/or their assigned Section 3 Coordinator(s) should verify and approve the certification (see sample form for a Business Concern Certification (Exhibit B) attached in this policy).

A Section 3 Business Concern is one that is:

- Owned, 51% or more, by Section 3 Residents; or
- Employs at least 30% of employees who qualify as Section 3 Residents (or within 3 years of the date of first employment with the business concern were Section 3 Residents); or
- Commits to subcontract in excess of 25% of the dollar award of all subcontracts to business concerns that meet one of the first two qualifications above.

Recipients must include the Contractor Certification of Efforts to Comply Notice (Exhibit C) in all bid packets.

Contractors and subcontractors must post all new hire opportunities with the local Iowa Workforce Development Center and IowaJobs.org.

Section 3 Preference

HUD requires that preference be given to Section 3 Residents in training and employment opportunities and preference for contracting opportunities be given to Section 3 Business Concerns.

- I. “Recipients and their contractors and subcontractors will provide **Preference for Section 3 Residents in training and employment opportunities** and shall direct their efforts to provide to the Greatest Extent Feasible training and employment opportunities generated from

expenditure of Section 3 Covered Assistance to Section 3 Residents” (24 CFR §135.34) in order of priority:

- Section 3 Residents residing in the Service Area or neighborhood in which the Section 3 Covered Project is located (collectively, referred to as category 1 residents); and
- Participants in HUD Youthbuild programs (category 2 residents);
- Where the Section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the Service Area or neighborhood in which the Section 3 Covered Project is located shall be given the highest priority;
- Other Section 3 Residents.

Types of economic opportunities that may arise from a Section 3 Project:

- All employment opportunities arising in connection with housing rehabilitation (including reduction and abatement of lead base paint hazards), housing construction, or other public construction (management and administrative jobs, technical, professional, and construction and non-construction jobs; and jobs at all levels).

HUD offers examples of efforts that can be made to Offer Training and Employment Opportunities to Section 3 Residents training. (See Exhibit D)

A Section 3 Resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the Recipient, contractor or Subcontractor, if requested, that the person is a Section 3 Resident. A Section 3 Resident must demonstrate that they meet the qualifications for Employment Opportunities Generated by Section 3 Covered Assistance.

II. Preference for Section 3 Business Concerns in contracting opportunities (24 CFR §135.36) Recipients, contractors and subcontractors shall direct their efforts to award Section 3 Covered contracts, to The Greatest Extent Feasible, to Section 3 Business Concerns in order of priority to:

- (First priority)- Business concerns that provide economic opportunities for Section 3 residents in the Service Area or neighborhood in which the Section 3 Covered Project is located (category 1 businesses);
- (Second priority)- HUD Youthbuild programs (category 2 businesses);
- (Third Priority)- Other Section 3 Business Concerns.

Recipients may establish stricter preferences for Section 3 Business Concerns. A business concern seeking to qualify for a Section 3 contracting preference shall certify and may be required to submit

evidence that the business concern is a Section 3 Business Concern; and demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (24 CFR §85.36) This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. HUD offers examples of procurement procedures that provide for preference for Section 3 Business Concerns. (See Exhibit E)

❖ **Section 3 Clause**

Recipients must incorporate the Section 3 Clause into all solicitations and any contracts or subcontracts in excess of \$100,000 (24 CFR §135.38) (See Exhibit F)

❖ **Reporting Requirements**

Recipients must document actions taken to comply with the employment, training and contracting requirements of Section 3, the results of actions taken, and impediments encountered. Recipients should maintain records of job vacancies, solicitation of bids or proposals, selection materials and contracting documents (including scope of work and contract amount), in accordance with federal and state procurement laws and regulations. The documentation should demonstrate efforts taken towards the achievement of the Section 3 numerical goals.

Recipients must submit a Section 3 Report to IFA at project closeout.

Contractors must submit a New Hires Section 3 Monthly Compliance Report (Exhibit G) to the Recipient (Recipients may request additional reporting from contractors as necessary).

❖ **Complaint Process**

In the event that a complaint is received, the IFA Section 3 Coordinator will assist or work with the applicable Recipient to obtain:

- Relevant information regarding the complaint at hand;
- Documentation used to comply with Section 3;
- Reports submitted to the Recipient to monitor Section 3 compliance;
- All other relevant information.

Complaints will be accepted by IFA using HUD's Section 3 Complaint Register Form. (See Exhibit H)

❖ Section 3 Best Practices

Section 3 Plans must capture how the Recipient will ensure that the community and its contractors meet or exceed the numerical goals (CFR 24 §135.30). Below is a guide to developing a Section 3 Plan by incorporating best practices into the plan.

A SECTION 3 PLAN SHOULD ANSWER ALL OR MOST OF THE FOLLOWING QUESTIONS:	
<p>1. Does the Section 3 Plan have a designated Section 3 Coordinator(s)? A designated Section 3 Coordinator can:</p>	<ul style="list-style-type: none"> a. Monitor for compliance of Section 3 activities; b. Coordinate and/or conduct outreach opportunities to Section 3 businesses; c. Facilitate training and employment of eligible Section 3 residents and businesses; d. Notify contractors of Section 3 responsibilities; e. Certify Section 3 businesses; f. Certify Section 3 residents; g. Document Section 3 compliance actions; h. Conduct a workforce needs analysis that could be used to identify and quantify training, employment and contracting opportunities; i. Develop resources or seek out trainings to assist residents interested in starting their own businesses with local workforce centers, non-profit organizations, small business administration, etc. to assist local businesses in how to prepare contracts, prepare taxes, and/or obtain licenses, bonding, and insurance requirements, so they too can become a Section 3 business; j. Host educational workshops to Section 3 businesses; k. Maintain a list of certified Section 3 residents by trade for Section 3 businesses; l. Establish relationships with the Small Business Administration (SBA), Minority and Women’s Business Enterprise M/WBE association, Community Development Corporations, and other sources as necessary to assist local housing authorities with educating and mentoring residents with a desire to start their own businesses; m. Participate in the pre-bid, pre-construction, bid opening and or construction meetings to ensure that Section 3 Business Concerns are addressed; n. Ensure that the Section 3 Clause is noted in all contracts; o. Prepare, create and or submit required Section 3 Reports to IFA; p. Report to Section 3 committee (if applicable); q. Other duties.
<p>2. Does the Section 3 Plan demonstrate how the Recipient will monitor and enforce compliance with Section 3? A plan may capture:</p>	<ul style="list-style-type: none"> a. Regular monitoring of Section 3 businesses; b. Section 3 business reporting requirements (e.g. New Hires Section 3 Monthly Compliance Report Form (Exhibit G), listing of certified Section 3 Residents, etc.; c. A detailed process on how/ who will review, document

	<ul style="list-style-type: none"> and submit required reports; d. Dealing with non-compliance of contractors; e. How it will provide incentives for good performance; f. How it will refrain from entering into contracts with any contractor that previously failed to comply with the requirements of Section 3; g. Other items as determined locally.
3. Does the Section 3 Plan have preferences for Section 3 businesses in the method of award?	<ul style="list-style-type: none"> a. Incorporate (Exhibit C) into procurement notices; b. Provide a Section 3 Business Certification Form, with bid packets and require form completion at bid submittal; c. Require contractors to submit a listing of needed trades for possible New Hires for the Section 3 project at bid submittal or prior to bid closing; d. Procurement procedures may include a scoring matrix that outlines scoring preference to Section 3 business concerns. Points may be awarded for any builder who has an existing training or apprenticeship program for the designated Section 3 Residents and Business Concerns that will be used on the project. e. Points may be awarded for an apprenticeship or training program for Section 3 residents, which is directed toward training craftsmen or qualifying agents in trades that are required by state or local regulations to be certified, such as electricians, plumbers, HVAC mechanics, etc.
4. Does the Section 3 Plan identify reporting requirements to the Recipients and subsequently to IFA?	<ul style="list-style-type: none"> a. Detailed reporting requirements should be noted in the Recipient’s Section 3 Plan, procurement documents/notices and contracts; b. Ideally, contractors should submit regular reports on New Hires and certified payroll records once the contracted scope of work is underway; c. Detailed process for contractors who fail to submit reports.
5. Does the Section 3 Plan cover the requirements of adding the Section 3 Clause into its contracts?	<ul style="list-style-type: none"> a. All Recipients must capture the Section 3 Clause (24CFR §135.38) in solicitations and all contracts, specifying that work performed under the contract adheres to Section 3 requirements.(See <i>Exhibit F</i>)
6. Does the Section 3 Plan identify procedures on how the Recipient plans to notify Section 3 Residents about training and employment opportunities (outreach)?	<ul style="list-style-type: none"> a. Outreach to Section 3 Residents includes advertising in the area where the project will take place; flyers handed to local workforce centers, PHAs, non-profit organizations, neighborhood community organizations, church organizations, etc.
7. Does the Section 3 Plan identify procedures on how it will notify contractors about Section 3	<ul style="list-style-type: none"> a. The Recipient should provide outreach/training work-shops about Section 3 economic opportunities and requirements prior to bid closure with interested

<p>requirements?</p>	<p>contractors;</p> <p>b. Provide Section 3 trainings after bid award with Contractors;</p> <p>c. Bid advertisement documents should discuss Section 3 economic opportunities and requirements;</p> <p>d. Bid information should be posted on Recipient's website, local newspapers and local workforce centers where the Section 3 project is located;</p> <p>e. Bid information should be in languages other than English if necessary to accommodate all interested parties;</p> <p>f. Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.</p>
<p>8. Does the Section 3 Plan discuss ways it will provide, coordinate and or facilitate training for upcoming economic opportunities for Section 3 businesses and Section 3 Residents?</p>	<p>a. Recipients and businesses and trade unions should collaborate together with local community colleges and technical schools to develop curricula and conduct training to Section 3 Residents that improves the abilities of their workforce to meet local business needs;</p> <p>b. There are many existing resources available within the applicable community; start at the local workforce center.</p>
<p>9. Does the Section 3 Plan discuss maintaining a list of Section 3 Business Concerns?</p>	<p>a. Maintaining a list will allow for Recipients to utilize the inventory of Section 3 Business Concerns for possible future Section 3 project opportunities.</p>
<p>10. Does the Section 3 Plan discuss the maintaining of an advisory board?</p>	<p>a. An advisory board can be served by several interested parties or groups that will help guide compliance and success of Section 3 by participating in the decision-making/recommendation of program requirements, improvements, outreach, reporting and or monitoring of Section 3 activities.</p>
<p>11. Does the Section 3 Plan discuss steps to perform a prospective workforce needs analysis that could be used to identify and quantify training, employment and contracting opportunities with local workforce centers, local community colleges, local training programs, local PHAs and local community groups?</p>	<p>a. Recipients should work with its procurement division to ensure that future participating contractors provide a workforce needs analysis that details upcoming new hire opportunities for the project. The workforce needs analysis can be used to inform Section 3 Residents of future job opportunities.</p> <p>b. All participating contractors and subcontractors must post new hire opportunities with the local Iowa Workforce Development office and IowaJobs.org.</p>
<p>12. Does the Section 3 Plan discuss processes so that contracting will not be done with Section 3 regulation violators, as identified by HUD (24 CFR §135.72)?</p>	<p>a. Recipients should ensure that contracting opportunities do not go to Section 3 violators. Recipients should describe a process in their plans that address verification of Section 3 violators.</p>

EXHIBITS



Iowa Finance Authority
Home Investment Partnerships Program (HOME)

**SECTION 3
RESIDENT EMPLOYMENT OPPORTUNITY DATA
ELIGIBILITY FOR PREFERENCE**

Economic Opportunities for Low and Very Low-Income Persons

Recipient: <input type="text"/>	HOME Contract Number: <input type="text"/>	Date: <input type="text"/>
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ELIGIBILITY FOR PREFERENCE

A Section 3 Resident seeking the preference in training and employment provided by this part shall certify or submit evidence to the Recipient, contractor or Subcontractor, if requested, that the person is a Section 3 Resident, as defined in Section CFR 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

**Section 3 Resident Certification
for Worker Seeking Preference in
Training and Employment**

RESIDENT COMPLETES THIS SECTION:

I, _____, am a legal resident of _____

_____ and meet the income eligibility guidelines for a Low or Very Low-Income person as published on HUD'S income limits www.huduser.org/portal/datasets/il.html and documented on the reverse side of this form.

My permanent address is: _____

I have attached the following documentation as evidence of my status:

Copy of lease

Copy of receipt of public assistance

Copy of evidence of participation in a public assistance program

Other evidence

Resident Signature _____

Date _____

Print Name _____

SECTION 3 INCOME LIMITS

All residents of public housing developments of the Housing Authority of _____ qualify as Section 3 Residents.

Alternatively, individuals residing in the City of _____ or County of _____ who meet the income limits set forth below, can also qualify for Section 3 status.

Obtain a picture identification card and proof that illustrates applicant is a current resident of the subject area. HUD updates area median income (AMI) annually and income limits vary by county. To find the latest income limits visit HUD's website: www.huduser.org/portal/datasets/il.html

Eligibility Guideline

Number in Household	Very Low-Income (50% AMI)	Low-Income (80%)
1 Individual		
2 Individuals		
3 Individuals		
4 Individuals		
5 Individuals		
6 Individuals		
7 Individuals		
8 Individuals		

Signature

Date

Print Name



Iowa Finance Authority
Home Investment Partnerships Program (HOME)

CERTIFICATION FOR BUSINESS CONCERNS
Seeking Section 3 Preference in Contracting and
Demonstration of Capability

Economic Opportunities for Low and Very Low-Income Persons

Recipient: <input type="text"/>	HOME Contract Number: <input type="text"/>	Date: <input type="text"/>
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CONTRACTOR INFORMATION

Name of Business

Address of Business

Type of Business: Corporation Partnership Non-Profit
 Sole Proprietorship Joint Venture Consortium

Attach the following documentation as evidence of Section 3 eligible status:
(Definition of "Section 3 Business Concern" in 24 CFR 135 describes the three alternative qualifications.)

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 appointed officers | <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 |
| | <input type="checkbox"/> Additional documentation |

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

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

For business claiming Section 3 status, by 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:

- | | |
|---|--|
| <input type="checkbox"/> Current financial statement | <input type="checkbox"/> Statement of ability to comply with public policy |
| <input type="checkbox"/> List of owned equipment | |
| <input type="checkbox"/> List of all contracts for the past two years | |

Authorized Name and

Date

Signature Attested By: _____



Iowa Finance Authority
Home Investment Partnership Program (HOME)

Recipient:
Include this document in all applicable bid packets.

**Contractor Certification of Efforts to Fully Comply
with Employment and Training Provisions of Section 3**

Economic Opportunities for Low and Very Low-Income Persons

THE BIDDER REPRESENTS AND CERTIFIES AS PART OF ITS BID/OFFER THAT IT:

- Is a Section 3 Business Concern. A Section 3 Business Concern means a business concern:
 1. That is 51% or more owned by Section 3 Resident(s); or
 2. Whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 Residents; or
 3. That provides evidence of a commitment to subcontract in excess of 25% of the dollar value of all subcontracts to be awarded to Section 3 Business Concerns, that meet the qualifications set forth in paragraphs 1 or 2 herein.

- Is **NOT** a Section 3 Business Concern, but who has and will continue to seek compliance with Section 3 by certifying the following efforts to be undertaken.

EFFORTS TO AWARD SUBCONTRACTOR TO SECTION 3 CONCERNS
(Check ALL that apply)

- By contacting business assistance agencies, minority contractors associations and community organizations to inform them of the contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids for a portion of the work.
- By advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas of the applicable development.
- By providing written notice to all known Section 3 Business Concerns of contracting opportunities. This notice should be in sufficient time to allow the Section 3 Business Concerns to respond to bid invitations
- By following up with Section 3 Business Concerns that have expressed interest in the contracting opportunities.
- By coordinating meetings at which Section 3 Business Concerns could be informed of specific elements of the work for which subcontract bids are being sought.
- By conducting workshops on contracting procedures and specific contracting opportunities in a timely manner so that Section 3 Business Concerns can take advantage of contracting opportunities.
- By advising Section 3 Business Concerns as to where to seek assistance to overcome barriers such as inability to obtain bonding, lines of credit, financing, or insurance and aiding Section 3 Businesses in qualifying for such bonding, financing, insurance, etc....
- Where appropriate, by breaking out contract work into economically feasible units to facilitate participation by Section 3 businesses.
- By developing and using a list of eligible Section 3 Business Concerns.
- By actively supporting and undertaking joint ventures with Section 3 Businesses.

EFFORTS TO PROVIDE TRAINING AND EMPLOYMENT TO SECTION 3 RESIDENTS

- By entering into a "first source" hiring agreements with organizations representing Section 3 Residents.
- By establishing training programs, which are consistent with the requirements of the Department of Labor, specifically for Section 3 Residents in the building trades.
- By advertising employment and training positions to dwelling units occupied by Category 1 and 2 residents.
- By contacting resident councils and other resident organizations in the affected housing development to request assistance in notifying residents of the training and employment positions to be filled.
- By arranging interviews and conducting interviews on the job site.
- By undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 Residents previously hired for employment opportunities.
- By posting job vacancies with Iowa Workforce Development Center and IowaJobs.org

Contractor Name/Business Name: _____

Date: _____

Authorized Representative Name: _____

Signature: _____



Iowa Finance Authority
Home Investment Partnerships Program (HOME)

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2003]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR135.92]
[Page 704-707]

TITLE 24--HOUSING AND URBAN DEVELOPMENT
CHAPTER I--OFFICE OF ASSISTANT SECRETARY FOR EQUAL OPPORTUNITY,
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PART 135--ECONOMIC OPPORTUNITIES FOR LOW- and VERY LOW-INCOME PERSONS

Table of Contents

Appendix to Part 135

I. EXAMPLES OF EFFORTS TO OFFER TRAINING AND EMPLOYMENT OPPORTUNITIES TO SECTION 3 RESIDENTS

- (1) Entering into "first source" hiring agreements with organizations representing Section 3 residents.
- (2) Sponsoring a HUD-certified "Step-Up" employment and training program for section 3 residents.
- (3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other section 3 residents in the building trades.
- (4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments where category 1 or category 2 persons (as these terms are defined in Sec. 135.34) reside.
- (5) Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAs, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other recipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or Service Area of the Section 3 Covered Project.
- (6) Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

- (7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or Service Area of the Section 3 Covered Project.
- (8) Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments where category 1 or category 2 persons reside and in the neighborhood or Service Area in which a section 3 project is located.
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- (9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or Service Area of the project, where job applications may be delivered to and collected by a Recipient or contractor representative or representatives.
- (10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or Service Area of the Section 3 Covered Project.
- (11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild Program participants for the HA's or contractor's training and employment positions.
- (12) Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the HA's or contractor's training and employment positions.
- (13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- (14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the section 3 business concerns identified in part 135), that will undertake, on behalf of the HA, other Recipient or contractor, the efforts to match eligible and qualified section 3 residents with the training and employment positions that the HA or contractor intends to fill.
- (15) For an HA, employing section 3 residents directly on either a permanent or a temporary basis to perform work generated by section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and Sec. 905.201(a)(6).)
- (16) Where there are more qualified section 3 residents than there are positions to be filled, maintaining a file of eligible qualified section 3 residents for future employment positions.
- (17) Undertaking job counseling, education and related programs in association with local educational institutions.
- (18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of section 3 residents previously hired for employment opportunities.
- (19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other section 3 residents to be trained or employed on the Section 3 Covered Assistance.
- (20) Coordinating plans and implementation of economic development (e.g., job training and preparation, business development assistance for residents) with the planning for housing and community development.



Iowa Finance Authority
Home Investment Partnerships Program (HOME)

III. EXAMPLES OF PROCUREMENT PROCEDURES THAT PROVIDE FOR PREFERENCE FOR SECTION 3 BUSINESS CONCERNS

This Section III provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the Section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

(1) Small Purchase Procedures. For Section 3 covered contracts aggregating no more than \$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth in paragraphs (2) and (3) of this Section III may be utilized.

(i) Solicitation.

(A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of:

- the Section 3 Covered Contract to be awarded with sufficient specificity;
- the time within which quotations must be submitted; and
- the information that must be submitted with each quotation.

(B) If the method described in paragraph (i) (A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.

(ii) Award.

(A) Where the Section 3 Covered Contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 Business Concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 Business Concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

(B) Where the Section 3 Covered Contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to

be set aside for the provision of preference for Section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

- (2) Procurement by sealed bids (Invitations for Bids). Preference in the award of Section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:
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(i) Bids shall be solicited from all businesses (Section 3 business concerns, and non-Section 3 business concerns). An award shall be made to the qualified Section 3 Business Concern with the highest priority ranking and with the lowest responsive bid if that bid-- (A) is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and (B) is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

 x=lesser of:

When the lowest responsive bid is less than \$100,000.	10% of that bid or \$9,000.
When the lowest responsive bid is:	
At least \$100,000, but less than \$200,000.	9% of that bid, or \$16,000.
At least \$200,000, but less than \$300,000.	8% of that bid, or \$21,000.
At least \$300,000, but less than \$400,000.	7% of that bid, or \$24,000.
At least \$400,000, but less than \$500,000.	6% of that bid, or \$25,000.
At least \$500,000, but less than \$1 million.	5% of that bid, or \$40,000.
At least \$1 million, but less than \$2 million.	4% of that bid, or \$60,000.
At least \$2 million, but less than \$4 million.	3% of that bid, or \$80,000.
At least \$4 million, but less than \$7 million.	2% of that bid, or \$105,000.
\$7 million or more.....	1-1/2% of the lowest responsive bid, with no dollar limit.

(ii) If no responsive bid by a Section 3 Business Concern meets the requirements of paragraph (2)(i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

(3) Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)).

(i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.

(ii) One of the evaluation factors shall address both the preference for Section 3 business concerns and the acceptability of the strategy for meeting The Greatest Extent Feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.

(iii) The component of this evaluation factor designed to address the preference for Section 3 business concerns must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.

(iv) With respect to the second component (the acceptability of the Section 3 strategy), the RFP shall require the disclosure of the contractor's Section 3 strategy to comply with the Section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility will include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 Business Concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.



Iowa Finance Authority
Home Investment Partnerships Program (HOME)

Code of Federal Regulations
Title 24- Housing and Urban Development

Volume: 1

Date: 2003-04-01

Original Date: 2003-04-01

Title: Section 135.38- Section 3 Clause

Context: Title 24- Housing and Urban Development. Subtitle B- Relating to Housing and Urban Development . Chapter 1- Office of Assistant Secretary for Equal Opportunity, Department. Part 135 Economic Opportunities for Low-and Very Low-Income Persons. Subpart B- Economic Opportunities for Section 3 Residents and Section 3 Business Concerns.

§ 135.38 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 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 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 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.
- 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 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).



Iowa Finance Authority
Home Investment Partnerships Program (HOME)

**NEW HIRES SECTION 3
MONTHLY COMPLIANCE REPORT**

Reporting Month:

Economic Opportunities for Low and Very Low-Income Persons

This form is distributed to the General Contractor (GC) at the Pre-Construction Meeting. GC is also required to provide this form to any Subcontractor firms that they anticipate hiring for this project.

CONTRACTOR INFORMATION

Name of Business:

Address of Business:

Authorized Representative for this contract:

Authorized Signatory:

ADDITIONALLY, PLEASE REVIEW AND COMPLY WITH STEPS 1 - 3 BELOW:

1. You must **sign and date** this form for the each applicable reporting month in connection with the awarded project and deliver to:

2. When you **hire** a Section 3 Resident in connection with this project, you must also complete this form and submit it to the Section 3 Coordinator identified above. Even if there were no **new hires**, this form **must be completed and submitted to the Section 3 Coordinator identified above.**

I have not hired any new employees during the reporting month specified.

I have hired Section 3 employees and/or non-Section 3 employees during the reporting month shown here.

The following is a list of the new hires and the trades:

	New Hire Name	Job Category/Trade	Full-time? Yes or No
1.			<input type="text"/>
2.			<input type="text"/>
3.			<input type="text"/>
4.			<input type="text"/>

I have taken one or more of the following recruitment steps to hire a Section 3 Resident with the highest training and employment priority ranking. **Provide a brief description of actions taken:**

I have taken steps to find a Section 3 Resident in the applicable targeted areas where the project(s)/assistance will take place. **List areas:**

- Placed signs or posters at prominent places in each of the above listed areas. *Photographs were taken to document this action.*

I have advertised to fill vacancy(ies) at the site(s), where work is taking place, in connection with this project.

List advertisements (name publication and/or website(s):

- Distributed employment flyers to the administrative office of the local Public Housing Authority.
- Provided notice of positions available to the Iowa Workforce Development Center and IowaJobs.org for potential applicants. *Provide copy of notice.*
- Contacted employment referrals or Youthbuild program referrals. **List contacts:**

- Contacted with applicable parties to ensure that any HUD Youthbuild programs currently operating in the project(s) area/ assistance will take place.
- Kept a log of all applicants and indicate the reasons why Section 3 Residents who applied were not hired.
- Retained copies of any employment applications completed by public housing, Section 8 certificate or voucher holders or other Section 3 Residents.
- Sent a notice about Section 3 training and employment requirements and opportunities to labor organizations or to worker representatives with whom our firm has a collective bargaining or other agreement.

3. Verification

- I have attached proof of all checked items.

Authorized Name and Signature

Date

Complaint Register

Under Section 3 of the Housing
And Urban Development Act of 1968

U.S. Department of Housing and Urban Development

Office of Fair Housing
and Equal Opportunity

Name of Complainant (Person or organization)	Home Phone
--	------------

Street Address	Work Phone
----------------	------------

City, State, Zip code

Against whom is this complaint being filed?	Business Phone
---	----------------

Name of organization or company

Street Address

City, State, Zip code

Name and identify others (if any) who violated the law in this case

You are (check all that apply)

<input type="checkbox"/> A. Low/Very low income	<input type="checkbox"/> D. Section 3 Business Concern
<input type="checkbox"/> B. Public housing resident	<input type="checkbox"/> E. A representative of D
<input type="checkbox"/> C. A representative of A or B	

Complaint is against (check one or more boxes)

<input type="checkbox"/> A. Applicant	<input type="checkbox"/> D. Recipient
<input type="checkbox"/> B. Sub-Recipient	<input type="checkbox"/> E. Contractor
<input type="checkbox"/> C. Subcontractor	<input type="checkbox"/> F. Other (please specify) _____

Basis for non compliance with Section 3

<input type="checkbox"/> Denied Training	<input type="checkbox"/> Denied Employment	<input type="checkbox"/> Denied Contracting
--	--	---

What did the person you are complaining against do? (Check all that apply – provide documentation)

<input type="checkbox"/> A. Failed to meet numerical goals, as set out in the Section 3 regulations	<input type="checkbox"/> G. Failed to train and/or employ Section 3 residents
<input type="checkbox"/> B. Failed to ensure that its contractors and subcontractors comply with Section 3	<input type="checkbox"/> H. Failed to award contracts to Section 3 business concerns
<input type="checkbox"/> C. Failed to notify Section 3 residents about training and/or employment opportunities	<input type="checkbox"/> I. Contracted with a contractor found to be in violation of applicable statues and/or HUD regulations
<input type="checkbox"/> D. Failed to notify Section 3 business concerns about contracting opportunities	<input type="checkbox"/> J. Failed to provide preference to Section 3 residents in training and or employment opportunities.
<input type="checkbox"/> E. Failed to notify potential contractors for Section 3 covered projects of the requirements of Section 3	<input type="checkbox"/> K. Failed to provide preferences for Section 3 business concerns in contracting opportunities
<input type="checkbox"/> F. Failed to incorporate the Section 3 clause in Section 3 solicitations or contracts	

When did the act(s) checked above occur? (Include the most recent date if several dates are involved):

Summarize what happened? Attach additional information if necessary

--

	Date:

Instructions for the Complaint Register
Section 3 of the Housing and Urban Development Act of 1968

Public reporting burden for this collection of information is estimated to average 1 hour 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. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

The information is given voluntarily and provides the basis for HUD's investigation of the complaint to determine if the allegations of noncompliance are valid. The Department will use the information provided as the basis for its determination of jurisdiction over a complainant's allegations. All information collected complies with the Privacy Act of 1974 and OMB Circular A-108. The information is not of a sensitive nature. The information is unique to the processing an allegation of noncompliance with the Section 3 statute or implementing regulations.

This form is to be used to report allegations of noncompliance with Section 3 of the Housing and Urban Development Act of 1968, as amended and implementing regulations at 24 CFR Part 135.

What does Section 3 of the Housing and Urban Development Act of 1968 provide?

The law describes the HUD programs directly affected by Section 3, receiving Federal financial assistance from the Department, and dictates how these programs are to provide employment and other economic opportunities for low and very low income persons.

What does the law cover?

Section 3 applies to any Public and Indian Housing programs that receive: (1) developmental assistance pursuant to section 5 of the U. S. Housing Act of 1937; (2) operating assistance pursuant to section 5 of the U.S. Housing act of 1937; or (3) modernization grants pursuant to section 14 of the U.S. Housing Act of 1937, and to Housing and Community Development Assistance extended for: (1) housing rehabilitation (including reduction and abatement of lead based paint hazards); (2) housing construction or (3) other public construction projects; and for which the contract and subcontract exceeds \$100,000.

What can you do about violations of the Law?

Remember, Section 3 applies to the awarding of jobs, training programs, and contracts, generated from projects receiving HUD financial assistance. If you believe that, as a Low-Income Person or a Section 3 Business Concern, the responsibilities to provide economic opportunities under Section 3 have been violated, you have a right to file a complaint within 180 days of the last alleged occurrences of noncompliance.

Complain to the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, by filing this form by mail or in person. The information received will be used by HUD to determine jurisdiction under Section 3.

HUD will send the complaint to the appropriate HUD Recipient for resolution. If resolution by the Recipient fails, HUD will investigate. If HUD finds that the complaint has merit, it will try to end the violation by informal resolution. If conciliation fails, HUD may initiate other steps to enforce the law, including but not limited to suspension and debarment of the Recipient or contractors as applicable.

You can obtain assistance in learning about Section 3 or in filing a complaint at the HUD Office listed below:

Assistant Secretary
HUD Fair Housing and Equal Opportunity
451 7th Street SW
Washington, DC 20410
(202)-708-3633

Privacy Act of 1974 (P.L.93-579)

Authority: Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1968, as amended by the Housing and Community Development Act of 1992, U.S.C. 1701u and implementing regulations at 24 CFR Part 135.

Purpose: The information requested on this form is to be used to investigate and process Section 3 complaints.

Use: The information requested will be used to process a complaint filed under Part 135. HUD may disclose certain information for Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law.

Penalty: Failure to provide some or all of the requested information will result in delay or denial of HUD assistance.

Disclosure of this information is voluntary.



Iowa Finance Authority
Home Investment Partnerships Program (HOME)

Economic Opportunities for Low and Very Low-Income Persons

Appointment of Section 3 Coordinator

Recipient:

IFA HOME Contract No:

Contract Award Date:

Section 3 Coordinator Information:

Appointed Section 3 Coordinator:
(Print Name)

I will serve as the Section 3 Coordinator for the aforementioned contract. I understand Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701 u) and the GLO Section 3 Policy. My contract information is as follows:

Address: City: State: Zip:

Phone No: Fax No: E-mail Address:

Section 3 Coordinator Signature: Date:

Authorized Recipient Representative:
(Print Name)

Authorized Recipient Representative: Date:
(Signature)



Section 3 Plan Resource Checklist

(This optional checklist is intended for Recipients to use as a resource guide in developing a local Section 3 Plan.)

	Yes	No	Criterion	Comments
1.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan have a designated Section 3 Coordinator or Coordinators?	
2.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan have procedures to monitor and enforce compliance with Section 3?	
3.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan have preferences for Section 3 businesses for method of award?	
4.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan identify reporting requirements to IFA? And to Recipient/ Developer (Monthly basis).	
5.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan identify how it will document compliance on how it anticipates meeting the "Greatest Extent Feasible" requirement?	
6.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan identify procedures on how it plans to notify Section 3 residents about training and employment opportunities (outreach)?	
7.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan identify procedures on how it will notify contractors about Section 3 requirements to include outreach?	
8.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan cover the requirements of adding the Section 3 clause into its contracts?	
9.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan discuss how it will <u>facilitate</u> training and employment opportunities of Section 3 residents and Section 3 business concerns?	

10.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan document how <u>actions will be taken</u> to comply with Section 3 requirements and how it will document and identify impediments?	
11.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan discuss bidding procedures and Section 3 preference requirements?	
12.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan discuss maintaining a list of Section 3 Business Concerns?	
13.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan discuss priority requirements by contractors and subcontractors when it comes to employment opportunities to Section 3 residents/participants?	
14.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan discuss maintaining an advisory board/committee?	
15.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan discuss requirements for contractors and subcontractors to post employment notices with Iowa Workforce Development Center and IowaJobs.org?	
16.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan discuss how to deal with businesses that do not comply with Section 3 requirements?	
17.	<input type="checkbox"/>	<input type="checkbox"/>	Does the Section 3 Plan discuss steps to perform a prospective workforce needs analysis that could be used to identify and quantify training, employment and contracting opportunities with local workforce centers?	