

HAMILTON COUNTY PLANNING AND DEVELOPMENT
SECTION 3 POLICIES AND PROCEDURES
&
SECTION 3 ACTION PLAN

(updated 4-7-2015)

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HAMILTON COUNTY PLANNING AND DEVELOPMENT

SECTION 3 POLICIES AND PROCEDURES

I. SECTION 3 POLICIES AND PROCEDURES DOCUMENT

Hamilton County Planning and Development (HCPD) has developed this document to identify the applicability of the provisions of 24 CFR Part 135, and actions that will be implemented to ensure compliance with the Requirements of Section 3. The intent is to provide information and guidance to residents, developers, general contractors, subcontractors and community leaders regarding Hamilton County’s administration of Section 3 regulations. This document is not meant to be a comprehensive narrative of the Section 3 Act; rather it focuses on the requirements imposed on vendors receiving Section 3 funds. HCPD staff will make every effort to ensure that all vendors receiving Section 3 funds through the award of a Community development contract are apprised of the requirements, its responsibilities, and obligations under the Section 3 Act.

II. PURPOSE OF SECTION 3

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, is to 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 toward low- and very low-income persons or business concerns residing in the community where the project is located.

Income Limits 2015

# in Household	1	2	3	4	5	6	7	8
80% AMI (gross income)	\$39,900	\$45,600	\$51,300	\$56,950	\$61,550	\$66,100	\$70,650	\$75,200

It is the policy of HCPD to utilize Section 3 residents and business concerns in applicable contracts partially or wholly funded with monies from HUD to further the creation of opportunities for economic inclusion of all residents and businesses in the county.

III. ACTIVITIES COVERED BY SECTION 3

Section 3 covers federal funding expended for housing rehabilitation, demolition, housing construction, or other public construction projects. Examples of covered programs in Hamilton County include CDBG, HOME, and NSP.

A. Dollar Threshold for direct recipient of HUD funds (Hamilton County)

Hamilton County is required to comply with Section 3 regulations if it is awarded HUD grant funds in excess of **\$200,000**, when the funds are used in conjunction with Section 3 covered activities.

B. Dollar Threshold for Developers/Contractors/Subcontractors

Any recipient awarded a contract through HCPD (or one of its sub-grantees) that is equal to or greater than \$50,000 is required to comply with Section 3 regulations.

IV. SECTION 3 GOALS

HCPD has adopted the goals listed below for hiring Section 3 residents and contracting with Section 3 business concerns. These goals are used to determine compliance with Section 3 regulations and apply to Hamilton County as the direct recipient, sub-grantees, developers, and contractors (as applicable). The goals are further discussed in Section VI and can be referenced in 24 CFR 135.30.

Hiring Goal

- a) Thirty percent (30%) of the aggregate number of new hires shall be Section 3 residents

Contracting Goals

- b) Ten percent (10%) of all covered construction contracts shall be awarded to Section 3 business concerns; and,
- c) Three percent (3%) of all covered non-construction contracts shall be awarded to Section 3 business concerns

V. SECTION 3 PROCUREMENT, PREFERENCES, AND CERTIFICATION

Section 3 Business Concern Procurement and Preferences

HCPD has incorporated Section 3 in its procurement policy (see Appendix II) generated for use with HUD funding. The procurement policy provides information concerning the specific procedures that must be followed by the county and its sub-grantees or developers for implementing Section 3 contracting preferences for each type of procurement method. The preferences in the procurement policy describe the conditions in which Section 3 business concerns may be awarded contracts over other qualified sources and also includes preferences that describe conditions in which Section 3 business concerns may be awarded contracts over other qualified Section 3 business concerns.

Section 3 Resident Preferences

The preferences listed below apply to HCPD, sub-grantees and developers and describe the conditions in which Section 3 residents may be awarded employment and training opportunities over other qualified Section 3 residents.

Covered recipients seeking new hires must provide preference to certified Section 3 residents in the following manner:

- a) Section 3 Residents who reside in the service area or neighborhood in which the Section 3 covered project is located
- b) Section 3 Residents who participate in the DOL YouthBuild program that is being carried out in the project area
- c) Other Section 3 Residents in the Metropolitan Statistical Area (refer to Appendix I for the definition of a Section 3 resident)

The developer/contractor is responsible for providing documentation of its inability to find Section 3 residents under this preference structure.

Certification

A. Section 3 Business Concern Self-Certification

All businesses seeking Section 3 preference in contracting opportunities may apply to Hamilton County Planning and Development for certification as a Section 3 business concern at (or before) the time of submission of bids. However, Section 3 preference

cannot be given until Section 3 status is verified. Any business concern that submits certification for preference after receipt of bid will not be considered eligible for Section 3 preference in the evaluation of the specific bid award. Businesses seeking Section 3 preference must fill out the certification form (see page 22); certification is valid for a period of three (3) years. The certification form must be attached to the bid packet and submitted along with the bid.

B. Section 3 Resident Self-Certification

All persons seeking Section 3 preference in training and employment opportunities must apply to Hamilton County Planning and Development for certification as a Section 3 resident. The Section 3 resident certification form is attached to this document and is located on page 23; certification is valid for a period of three (3) years.

VI. SECTION 3 OBLIGATIONS AND RESPONSIBILITIES

Hamilton County/Sub-grantee Obligations and Responsibilities

Since the County is a direct recipient of HUD funding for Section 3 covered projects in excess of \$200,000, it is subject to Section 3 requirements for the eligible activities listed in Section III. The county's sub-grantees (city/village/township recipients) will assume the responsibilities of the county in situations where they directly implement and carry out the Section 3 covered project. The following list of items describes the obligations and responsibilities of the county/sub-grantee with regards to complying with Section 3 regulations.

1) **Meet Section 3 Goals**

Since the county is the recipient of over \$200,000 of Section 3 covered assistance, it must, to the greatest extent feasible, attempt to meet the hiring and contracting goals identified in Section IV. As stated above, this responsibility is shared with the county's sub-grantees in situations where they directly carry out a Section 3 covered project. The county/sub-grantee is also responsible for ensuring compliance with the requirements of Section 3 in its own operations, and those of covered contractors.

If the county or its sub-grantees have the need to contract with a developer or contractor to carry out Section 3 covered work, it must direct these opportunities to Section 3 business concerns. It is Hamilton County's preference to contract directly with a Section 3 business concern according to the procurement procedures and preferences listed in Appendix II. If it is not possible to contract directly with a Section 3 business concern, it is Hamilton County's preference to contract with businesses that subcontract to Section 3 business concerns.

2) **Submit Section 3 Action Plan and Summary Reports (Sub-Grantee)**

A sub-grantee receiving an allocation of Section 3 covered assistance must complete a Section 3 Action Plan for each covered project and submit to HCPD prior to contracting out any funds. The Action Plan is attached as Appendix IV. At the end of each contract, Section 3 Summary Reports must be submitted if applicable.

3) *Incorporate Section 3 Clause and Action Plan*

Hamilton County/sub-grantees must incorporate the Section 3 clause verbatim and the Section 3 Action Plan into all contract solicitations for Section 3 covered projects. The Section 3 clause specifies the requirements for developers/contractors hired for Section 3 covered projects. The clause language is included as part of the Section 3 Action Plan in Appendix IV of this document.

4) *Assist Developers/Contractors in meeting Section 3 goals*

Hamilton County/sub-grantees may assist contractors with little or no experience in achieving Section 3 hiring goals by:

- Providing the developer/contractor with the Section 3 rules, regulations, guidelines, plan and technical assistance/help with understanding the Section 3 act
- Reviewing the new hire clause with contractors and subcontractors to ensure that the requirement is understood
- Providing the contractor with a list of interested and qualified Section 3 residents for covered projects, as available
- Providing the contractor with a list of previously certified Section 3 business concerns interested in covered projects, as available
- Implementing the suggestions listed on pages 20 and 21 of this document

5) *Develop resources to provide training and employment opportunities*

Hamilton County/sub-grantees may develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Advertise training opportunities by distributing flyers via mass mailings and posting in common areas of public housing developments
- Contact resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities
- Advertise employment opportunities by posting job vacancies in common areas of all public housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations
- Create a database of certified Section 3 residents and business concerns that can be used by contractors as a resource for selecting and hiring or contracting with Section 3 residents and/or business concerns
- Implement the suggestions listed on pages 20 and 21 of this document

6) *Conduct Section 3 Meeting*

Once Section 3 covered assistance has been awarded, the county/sub-grantee may schedule a meeting with the awardees to discuss Section 3 requirements and responsibilities. The meeting may include the developer, contractor and county personnel assigned to the project.

7) *Review Section 3 Self-Certification Forms*

The county is responsible for collecting, reviewing, and approving all Section 3 Resident and Business Concern self-certification forms. Names and businesses will be added to the Section 3 resident and business concern database, as authorized.

8) Submit Reports

The county is responsible for submitting the HUD-60002 form on an annual basis.

9) Establish procedures for non-compliance

The county is responsible for establishing procedures to prevent award of funds to sub-grantees, developers or contractors who fail to meet Section 3 requirements.

Developer/Contractor Obligations and Responsibilities

The following list of items describes the obligations and responsibilities the developer/contractor has with regards to complying with Section 3 regulations.

1) Meet Section 3 Goals

The developer/contractor is responsible for meeting the Section 3 goals listed in Section IV, to the greatest extent feasible. If there is the need to hire new persons to complete the Section 3 covered contract or the need to subcontract portions of the work to another business, the developer or contractor is required to direct their newly created employment, training, and/or contracting opportunities to Section 3 residents and business concerns in accordance with the preferences identified in Section V and Appendix II.

The developer/contractor must implement progressive efforts to attain Section 3 compliance. Contractors that fail to meet the numerical goals bear the burden of demonstrating why it was not possible. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will allow HCPD staff to make a determination regarding compliance.

2) Submit Section 3 Action Plan

DEVELOPER - When a developer submits a bid or proposal to HCPD or one of its sub-grantees, it must complete a Section 3 Action Plan and submit it as part of the bid / proposal. The Section 3 Action Plan is attached as Appendix IV.

CONTRACTOR – When a contractor submits a bid to HCPD, a sub-grantee, or to the developer, it must complete a Section 3 Action Plan and submit it as part of the bid proposal. The Section 3 Action Plan is attached as Appendix IV. If the awarded contractor has the need to subcontract work and the subcontract is in excess of \$100,000, the contractor shall require a Section 3 Action Plan from each potential subcontractor under the particular bid. The contractor is responsible for ensuring that the subcontractor also complies with Section 3 regulations.

3) Incorporate Section 3 Clause

The developer and/or contractor must incorporate the Section 3 clause into all contract solicitations for Section 3 covered projects that are equal to or greater than \$50,000. The Section 3 clause specifies the requirements for contractors/subcontractors hired for Section 3 covered projects. The clause language is included as part of the Section 3 Action Plan in Appendix IV of this document.

4) Notify Section 3 Residents and businesses about training/employment and contracting opportunities

The developer and/or contractor may notify Section 3 residents and businesses by implementing the following:

- Advertise training opportunities by distributing flyers via mass mailings and posting in common areas of public housing developments
- Post available jobs with the Superjobs Center
- Contact resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities
- Advertise employment opportunities by posting job vacancies in common areas of all public housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations
- Implement the suggestions listed on pages 20 and 21 of this document

5) Submit Section 3 Summary Spreadsheet

At the completion of each contract, the developer and/or contractor must submit the Section 3 Summary Spreadsheet to HCPD if applicable. This spreadsheet indicates the number of Section 3 residents hired and the number and dollar amount of contracts awarded to Section 3 business concerns (out of the total numbers of persons hired and total number/dollar amount of contracts awarded). The spreadsheet is included as part of the Section 3 Action Plan and is located on page 25.

VII. RECORD KEEPING AND REPORTING

Record keeping

Hamilton County / Sub-Grantee Obligations

Hamilton County is expected to maintain sufficient documentation to complete the HUD-60002 on an annual basis. Staff must document actions (including results and impediments) taken to comply with Section 3 requirements such as:

- Maintain dated flyers with a list of where they were distributed
- Maintain a contact list showing all the people/groups/organizations notified and how they were notified
- Maintain copies of vacancy announcements
- Maintain copies of signed contracts and Section 3 Plans
- Maintain copies of Section 3 resident and business concern self-certification forms
- Maintain copies of website postings

Developer / Contractor Obligations

Each entity undertaking a portion of the work associated with a covered contract shall be required to maintain all Section 3 related documents and records in their files for a period of not less than three (3) years from the date the work was performed.

Each entity undertaking a portion of the work associated with a covered contract shall be required to make all Section 3 related documents and records available for inspection and duplication by Hamilton County.

To document Section 3 participation:

- For Section 3 Business Concerns: keep copies of the self-certification form and employee Section 3 resident certification forms with appropriate supporting material (if any)
- For Residents: keep copies of the self-certification form with appropriate supporting material (if any)

- For each recruitment effort: document that a number of resources were contacted in attempt to locate Section 3 qualified residents
- For covered activities: maintain a spreadsheet of each party hired or contracted and whether or not the party was Section 3 qualified

Reporting

HCPD must maintain sufficient documentation to complete the HUD-60002 on an annual basis. This requires cooperation from sub-grantees, developers, and contractors in submitting a summary spreadsheet (included in Section 3 Plan) at the conclusion of each covered contract. The summary spreadsheet is located on page 25 of this document.

VIII. INTERNAL COMPLAINT PROCEDURE

In an effort to resolve complaints generated due to non-compliance, HCPD encourages submittal of such complaints as follows:

- Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The County will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- A report will be written and provided to the complainant within 30 days of the start of the investigation, which will outline findings and the next course of action.

If complainants wish to have their concerns considered outside of Hamilton County a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunities
United States Department of Housing and Urban Development
452 Seventh Street, SW
Washington, DC 20410

The complaint must be received no later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

IX. COMPLIANCE

If the contractor fails to comply with its Section 3 obligations, enforcement measures that HCPD may utilize singularly or in combination, at its sole discretion, include but are not limited to:

- Withholding some or all future contract payments pertaining to the Section 3 contract determined to be in non-compliance;
- Withholding a portion of the Contractor's final payment as liquidated damages;
- Terminating the contract;
- Imposing a suspension from future HCPD contracting opportunities for a period of 6 months or more;
- Imposing debarment from future participation in HCPD contracting opportunities for up to three years; or
- Revoking Section 3 Business certification

DEFINITIONS

Appendix I

Applicant – Any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency 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.

Assistant – the Assistant Secretary for Fair Housing and Equal Opportunity

Business Concern – a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contractor – any entity which contracts to perform work generated the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative jobs. 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.

Housing Authority (HA) – Public Housing Agency

Housing Development – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.

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.

Independent – An individual work person who is not an employee, but who appears on the Contractor's/Subcontractor's payroll and in whose name the Contractor/Subcontractor issues an IRS 1099 Form.

JTPA – The Job Training Partnership Act (29 U.S.C. 1579 (a))

Low-income person – families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

Metropolitan Area – a metropolitan statistical area (MSA), as established by the Office of Management and Budget. For HCPD projects, this includes the following counties in Ohio: Brown, Butler, Clermont, Hamilton, and Warren; the following counties in Kentucky: Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton; and the following counties in Indiana: Dearborn, Franklin, and Ohio.

New Hires – full-time employees for permanent, temporary or seasonal employment opportunities. “Re-hires” are considered “new hires” and must meet the Section 3 Resident definition in order to be counted as a Section 3 new hire.

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. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

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

Section 3 Business Concern – a business concern is a business;

- 1) that is 51 percent or more owned by Section 3 resident; 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 items 1 or 2 above.

Section 3 Covered Assistance –

- 1) Public housing development assistance provided pursuant to Section 5 of the 1937 Act;
- 2) Public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- 3) Public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
- 4) assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Contract Clause – the contract provisions set forth in Section 135.38

Section 3 Covered Contracts – 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. Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

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.

Section 3 Resident – a public housing resident or an individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low-to very low-income person.

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.

Vendor – any entity (other than an employee of a Consortium Member) which sells goods or services to the Consortium or Consortium Member

Very low-income person – families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

SECTION 3 BUSINESS CONCERN PROCUREMENT & PREFERENCES

Appendix II

HCPD reserves the right to require sub-grantees, developers, and contractors to abide by the following Section 3 procurement procedures when awarding contracts for Section 3 covered projects. Specific procedures are discussed for each type of procurement method.

For ALL procurement methods, when more than one qualified Section 3 business concern submits a bid or quote, the contracting party must provide preference to certified Section 3 business concerns according to the priority ranking below:

- a) **Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area or neighborhood where the Section 3 covered project is located**
- b) **Applicants selected to carry out DOL YouthBuild programs**
- c) **Other Section 3 business concerns in the Metropolitan Statistical Area (refer to Appendix I for the definition of a Section 3 business concern)**

The sub-grantee, developer, or contractor is responsible for providing documentation of its inability to find Section 3 business concerns under this preference structure.

Small Purchase (>\$1,000 - \$49,999)

Written quotations must be obtained from an adequate number of qualified sources (typically three). 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

Award

The contract shall be awarded to the qualified Section 3 business concern with the highest priority ranking and with the lowest responsive quotation, if it is reasonable and no more than ten percent (10%) higher than the quotation from the lowest responsive non-Section 3 qualified business concern. If no responsive quotation by a qualified Section 3 business concern is within ten percent (10%) of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

Competitive Sealed Bids (≥\$50,000 – Construction)

Sealed bids should be used for all construction contracts or for goods that cost \$25,000 or greater. 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 qualified bidder. "X" is determined as follows:

When the lowest responsive bid is:	"X" = lesser of:
less than \$100,000.	10% of that bid or \$9,000
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 ½% of the lowest responsive bid, with no dollar limit

If no responsive bid by a Section 3 business concern meets the requirements listed above, the contract shall be awarded to a qualified bidder with the lowest responsive bid.

Competitive Sealed Proposals (≥\$50,000 – Professional Services)

A Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be use to rate proposals.

One of the evaluation factors shall address both the preference for Section 3 business concerns (see priority ranking above) 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 (15% – 25%) of the total number of available points to be set aside for the evaluation of these two components.

The RFP shall require the disclosure of the contractor’s Section 3 strategy to comply with the Section 3 resident and business concern preference structure. A determination of the contractor’s responsiveness will include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsive firm (either Section 3 or non-Section 3 business concerns) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

SECTION 3 QUICK SUMMARY

Appendix III

WHAT IS SECTION 3?

Section 3 of the Housing and Urban Development Act of 1968 recognizes that HUD funding typically results in projects/activities that generate new employment, training, and contracting opportunities. When these opportunities are created, Section 3 requires that preference is provided to low- and very low-income residents of the local community (regardless of race and gender), and the businesses that substantially employ them, for new employment, training, and contracting opportunities resulting from the HUD-funded project.

SECTION 3 GOALS

1. 30 percent (30%) of the aggregate number of new hires shall be Section 3 Residents;
2. 10 percent (10%) of all covered construction contracts shall be awarded to Section 3 Business Concerns.
3. 3 percent (3%) of all covered non-construction contracts shall be awarded to Section 3 Business Concerns.

Efforts to meet these goals must be made to the greatest extent feasible and all efforts taken must be documented accordingly.

DEFINITIONS

Section 3 Resident

A public housing resident or an individual who resides in the metropolitan area in which the Section 3 covered assistance is expended and who is considered to be a low- (80% of AMI) to very low-income (50% of AMI) person. Persons must be certified as Section 3 Residents to count toward the goals listed above. Certification lasts for a period of 3 years.

Income Limits 2015

# in Household	1	2	3	4	5	6	7	8
80% AMI (gross income)	\$39,900	\$45,600	\$51,300	\$56,950	\$61,550	\$66,100	\$70,650	\$75,200

Section 3 Business Concern

- 1) 51 percent (51%) or more of the business is owned by Section 3 Residents; or
- 2) 30 percent (30%) of the business's permanent, full-time employees are certified Section 3 Residents; or
- 3) The business provides evidence that it will subcontract in excess of 25 percent (25%) of the dollar award of all subcontracts to be awarded to qualified Section 3 Business Concerns.

Certification lasts for a period of 3 years.

COMPLIANCE REQUIREMENTS*

All contracts equal to or greater than \$50,000 must incorporate the Section 3 Clause (verbatim) [see 24 CFR Part 135.38]. All recipients submitting bids/proposals and all sub-grantees must submit a Section 3 Action Plan. This plan must include, at a minimum, the Certification of Intent to Comply, Checklist of efforts to comply with Section 3, and a Section 3 Summary Report which is to be submitted at the completion of the contract.

**Please refer to Hamilton County Planning and Development Section 3 Policies and Procedures for complete compliance requirements, forms, and detailed information. This document can be found by visiting the following link and then clicking on "Section 3 Policies, Procedures, and Action Plan": <http://www.hamiltoncountyohio.gov/pd/commdev/section3.asp>*

To access a database containing currently certified Section 3 businesses and residents please visit the following link: http://cincinnati-oh.gov/noncms/cdap/section3/viewapps/directory_searchpubnew2.cfm

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SECTION 3 ACTION PLAN

Appendix IV

The Section 3 Action Plan is a requirement for contracting opportunities with Hamilton County Planning and Development and must be completed and submitted with your bid/proposal. This plan must also be completed by sub-grantees (city/village/township recipients). Failure to submit the Section 3 Action Plan may jeopardize the bid/proposal up to and including possibility of said bid/proposal being deemed non-responsive.

NAME OF DEVELOPMENT/PROJECT: _____ **DATE:** _____

SUBMITTED BY:

Name of Sub-Grantee: _____

Address: _____

Contact Information (phone/email): _____

OR

Name of Developer: _____

Business Name: _____

Address: _____

Contact Information (phone/email): _____

OR

Name of Contractor: _____

Business Name: _____

Address: _____

Contact Information (phone/email): _____

PLEASE CHECK ONE OPTION BELOW:

- The business (listed above) is currently certified as a Section 3 Business Concern
- The business (listed above) **IS NOT** certified, but **IS** seeking certification and **IS** submitting the Section 3 self-certification form with bid/proposal
- The business (listed above) **IS NOT** certified and **IS NOT** seeking certification

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Ham. Co. P&D Office
138 E. Court St., Ste. 1002
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CERTIFICATION OF INTENT TO COMPLY

We certify that we have received and read Hamilton County's Section 3 Policies and Procedures and are committed to comply with the plan, the Section 3 Act, and the Section 3 regulations. It is our desire to work together with HCPD to ensure compliance with Section 3 goals, to the greatest extent feasible, through the awarding of contracts to Section 3 business concerns, and through the employment and training of Section 3 Residents for new hires. We commit to include the Section 3 clause (see attached) in all covered contract solicitations and commit to ensure that this Section 3 Action Plan is filled out and submitted for any additional subcontract over \$100,000.

We are committed to taking measures to make Section 3 business concerns and residents aware of contracting and hiring opportunities in connection with this Section 3 covered contract or in connection with the receipt of Section 3 covered assistance. We agree to provide a list of items that we will attempt to implement as part of our efforts to comply with Section 3 (see attached). We are committed to meeting (to the greatest extent feasible) the hiring and contracting goals listed below. We understand that the Section 3 Action Plan is subject to audit at anytime during the awarding of the contract through the duration of the contract by HCPD. In the event we are not able to hire/train Section 3 residents and/or contract with Section 3 business concerns, we understand that we will be required to document why we were unable to meet the numerical goals.

HIRING AND TRAINING GOALS

- a) **30%** of new hires shall be Section 3 Residents.

Anticipated number of new hires to complete project: _____

Anticipated number of Section 3 new hires to complete project: _____

CONTRACTING GOALS

Non-Section 3 business concerns and sub-grantees:

- b) **10%** of the total dollar amount of all Section 3 covered **construction** contracts shall attempt to be awarded to Section 3 business concerns; and,
- c) **3%** of the total dollar amount of all Section 3 covered **non-construction** contracts shall attempt to be awarded to Section 3 business concerns.
- d) The Subcontracting Plan on page 24 must be filled out and submitted with bid/proposal.

Construction Contract total: \$_____ 10% goal: \$_____
(sub-grantees: include ALL funding sources in contract total)

Non-Construction Contract total: \$_____ 3% goal: \$_____
(sub-grantees: include ALL funding sources in contract total)

Section 3 business concerns certified under Category 3:

- e) Must provide evidence of a commitment to subcontract **in excess of 25%** of the dollar award of all subcontracts to be awarded to Section 3 business concerns. The Subcontracting Plan on page 24 must be filled out and submitted with bid/proposal.

(a) Contract total: \$_____ (b) Total amount to be: \$_____ 25% of (b): \$_____
subcontracted

SECTION 3 SUMMARY REPORT

We commit to providing a Section 3 Summary Report of persons hired and contracts awarded at the completion of each covered contract (see page 25 and 26).

Name / Title: _____

Signature: _____ Date: _____

SECTION 3 CLAUSE

All Section 3 covered contracts shall include the following clause (Part 135.38):

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 or 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).

SECTION 3 RESIDENT HIRING/TRAINING STRATEGIES

*To be completed by all **developers** and **contractors** generating hiring or training opportunities from contract.

Please check a **minimum of two (2)** items that will be utilized in attempt to comply with Section 3.

- Distribute flyers which identify positions to be filled, qualifications, and where to obtain additional information to:
 - Assisted housing developments and transitional housing in the neighborhood or service area of the Section 3 covered project
 - Resident councils, resident management corporations, resident organizations, churches, or other neighborhood organizations
 - Agencies administering federal, state, or locally funding training programs (JTPA, JOBS, School-to-Work), and employment service agencies and organizations
- Request the assistance of resident and community organizations in:
 - Notifying residents of training and employment positions to be filled
 - Conducting job interviews and completing and collecting job applications
- Sponsor or participate in job information meetings or job fairs in the neighborhood or service area of the Section 3 covered project
- Advertise vacancies through local media, such as television, radio, newspapers of general circulation and newsletters
- Undertake job counseling, education and related programs in association with local institutions
- Sponsor a HUD-certified "Step-Up" employment and training program for Section 3 residents
- Establish pre-apprenticeship and apprenticeship training programs that are consistent with DOL requirements for Section 3 resident
- Request the assistance of agencies administering DOL YouthBuild programs in recruiting YouthBuild program participants for contractor's training and employment positions
- Employ Section 3 residents directly on either a permanent or temporary basis
- Utilize the database of previously certified Section 3 residents for future employment positions (database can be accessed at the following website: http://www.cincinnati-oh.gov/noncms/cdap/section3/viewapps/directory_searchpubnew2.cfm)
- Incorporate into the contract (after selection of bidders but prior to execution of contracts), a negotiated provision for a specific number of Section 3 residents to be trained or employed on covered projects
- Coordinate economic development plans with the plans for housing and community development

Name / Title: _____

Signature: _____ Date: _____

SECTION 3 BUSINESS CONCERN CONTRACTING STRATEGIES

*To be completed by non-Section 3 business concerns, sub-grantees, and Section 3 business concerns certified under category 3.

Please check a minimum of two (2) items that will be utilized in attempt to comply with Section 3.

- Consider potential contractor's record of Section 3 compliance in determining their ability to perform successfully under the terms and conditions of proposed Section 3 contracts (e.g., past actions and plans for the pending contract)
- Ensure that Section 3 business concerns are notified of pending contracting opportunities by taking such steps as:
 - Informing business assistance agencies, minority contractors associations, City of Cincinnati resident organizations, and community organizations of opportunities
 - Providing written notice to known Section 3 business concerns of contracting opportunities that contains information on where to obtain additional information
 - Conducting pre-bid meeting with Section 3 business concerns
 - Advertising opportunities through trade association papers and local media (e.g., radio, newspapers and newsletters)
 - Notifying agencies administering DOL YouthBuild programs of opportunities
- Request the assistance of contractor's associations and resident community organizations in identifying Section 3 businesses that may solicit bids or proposals for contracts
- Follow up with Section 3 business concerns that have expressed interest in contracting opportunities by providing additional information
- Carry out workshops on contracting procedures and specific contract opportunities
- Advise Section 3 business concerns of assistance resources for obtaining bonding, lines of credit, financing or insurance
- Break out contract work items into economically feasible units to facilitate participation by Section 3 business concerns
- Utilize the database of previously certified Section 3 business concerns (database can be accessed at the following website: http://www.cincinnati-oh.gov/noncms/cdap/section3/viewapps/directory_searchpubnew2.cfm)
- Establish programs designed to assist PHA residents in creating and developing resident-owned businesses
- Link Section 3 business concerns to support services
- Actively support joint ventures with Section 3 business concerns
- Coordinate Section 3 business list development within local jurisdictions

Name / Title: _____

Signature: _____ Date: _____

SELF-CERTIFICATION FOR SECTION 3 BUSINESS CONCERN

Hamilton County Planning and Development

(*DO NOT FILL OUT IF ALREADY CERTIFIED)

I. BASIC INFORMATION

Name of Business/Company: _____

Address of Business: _____

Type of Business (corporation, partnership, sole proprietorship): _____

Owner/Official Representative: _____

Phone Number / Email address: _____

II. TYPE OF SECTION 3 BUSINESS CONCERN

The business listed above certifies that it qualifies as a Section 3 business concern under the check-marked category below:

- _____ 1) is 51% or more owned by Section 3 residents; or
- _____ 2) whose permanent, full-time employees include persons at least 30% of whom are currently Section 3 residents; or
- _____ 3) provides evidence of a commitment to subcontract in excess of 25% of the dollar amount of all subcontracts to be awarded to qualified Section 3 business concerns

Income Limits 2015

# in Household	1	2	3	4	5	6	7	8
80% AMI (gross income)	\$39,900	\$45,600	\$51,300	\$56,950	\$61,550	\$66,100	\$70,650	\$75,200

Placing a check mark under category 1 or 2 implies that you (the official representative of the business) required each employee or owner to fill out the Section 3 Resident self-certification form, so that you could truthfully claim qualification under either category. Section 3 Resident certifications do not need to be submitted with this form, but MUST be kept in your business records. This certification is valid for a period of three (3) years.

III. VERIFICATION

The Company hereby agrees to provide, upon request, documents verifying the information provided above. The applicant acknowledges that the information provided on this form may be disclosed to the public in response to requests made under the Freedom of Information Act. This applicant waives or releases any rights or claims it may have against the release of such information.

In addition, the applicant authorizes the information provided to be added to a database of Section 3 businesses, which will enable my business to receive notification of contracting opportunities for future Section 3 covered projects. I understand that this list may be accessed by Hamilton County and its sub-grantees, City of Cincinnati staff, Cincinnati Metropolitan Housing Authority staff, contractors, and developers working on Section 3 covered projects. **YES () NO ()**

Under penalty of perjury, I certify that I am the _____ (title) of the company listed above; that I am authorized by the company to execute this affidavit on its behalf; that I have personal knowledge of the certifications made in this affidavit and that the same are true.

Name (signature): _____ Date: _____

Name (print): _____ Title: _____

SELF-CERTIFICATION FOR SECTION 3 RESIDENT

Hamilton County Planning and Development

(*DO NOT FILL OUT IF ALREADY CERTIFIED)

ELIGIBILITY FOR PREFERENCE

A Section 3 resident seeking the preference in training and employment provided by this part shall certify that the person is a Section 3 resident, as defined in Section 135.5.

The undersigned represents and says under penalty of law, as follows:

- 1) My current address is: _____
- 2) I am a resident of public housing. **YES () NO ()**
If yes, list name of development: _____
- 3) The total number of individuals in my household (count any person living in household, not just family or those persons related to you) is: _____
- 4) Last year, the annual income for my household size was less than the amount listed in the table below: **YES () NO ()**
- 5) I have skills, training, or experience in the following area(s): _____

INCOME LIMITS 2015

# in Household	1	2	3	4	5	6	7	8
80% AMI (gross income)	\$39,900	\$45,600	\$51,300	\$56,950	\$61,550	\$66,100	\$70,650	\$75,200

I authorize the information above to be added to a database of Section 3 residents that will enable me to receive notice of employment and training opportunities for future Section 3 covered projects. I understand that this list may be accessed by Hamilton County staff, City of Cincinnati staff, Cincinnati Metropolitan Housing Authority staff, contractors, developers, and subcontractors working on Section 3 covered projects. **YES () NO ()**

This certification is valid for a period of three (3) years, after which, a new form will need to be completed to continue to receive preference for employment and training opportunities as a Section 3 Resident.

Under penalty of perjury, I certify that I have personal knowledge of the certifications made in this affidavit and that the same are true.

Name (signature): _____ Date: _____

Name (print): _____

SUBCONTRACTING PLAN

***Must be completed by non-Section 3 Business Concerns and by those businesses claiming Section 3 status under category 3.**

Businesses that claim Section 3 status under category 3 must provide evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet categories 1 or 2. By completing the spreadsheet below, your intent to meet this requirement will be evident. List all subcontractors that you plan on utilizing, the estimated contract amounts, and whether or not that business has been certified as Section 3 by HCPD, CMHA, or the City of Cincinnati. To access the database of currently certified Section 3 businesses please visit the following link: http://www.cincinnati-oh.gov/noncms/cdap/section3/viewapps/directory_searchpubnew2.cfm.

Date Completed: _____ Submitted By: _____

Name/Address of project: _____

NAME OF SUBCONTRACTOR	TYPE OF CONTRACT	ESTIMATED CONTRACT AMOUNT	SECTION 3 BUSINESS CONCERN (Y / N)

Estimated amount to be subcontracted: \$ _____

Estimated amount to be subcontracted to Section 3 businesses: \$ _____

% of total: _____

SECTION 3 SUMMARY SPREADSHEET
SECTION 3 RESIDENTS

***To be submitted to HCPD upon completion of each contract by all entities generating hiring and training opportunities.**

Date Completed: _____ Submitted By: _____

Reporting Period Dates: _____ to _____

Name/Address of project: _____

PERSON HIRED	POSITION HIRED	SECTION 3 RESIDENT (Y / N)	DATE OF HIRE	FULL TIME / PART TIME

Outreach efforts taken for each person hired:

Total Number of Full-time (FT) persons hired: _____

Total Number of Full-time (FT) Section 3 Residents hired: _____

SECTION 3 SUMMARY SPREADSHEET
SECTION 3 BUSINESS CONCERNS

***To be submitted to HCPD upon completion of each contract by all non-Section 3 business concerns, sub-grantees, and Section 3 business concerns certified under category 3.**

Date Completed: _____ Submitted By: _____

Reporting Period Dates: _____ to _____

Name/Address of project: _____

BUSINESS AWARDED CONTRACT	TYPE OF CONTRACT	SECTION 3 BUSINESS CONCERN (Y / N)	DATE OF AWARD	AMOUNT OF CONTRACT

Outreach efforts taken for each contract awarded:

Total **Construction** Dollars Contracted: _____
 Total **Construction** Dollars to Section 3 Business Concerns: _____ % of Total: _____

Total **Non-Construction** Dollars Contracted: _____
 Total **Non-Construction** Dollars to Section 3 Business Concerns: _____ % of Total: _____