

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
IN AND FOR THE COUNTY OF CURRY, OREGON**

**In the Matter of a Resolution Authorizing)
the Adoption of a Section 3 Plan to Comply)
with 24 CFR, Part 135 of the United States)
Department of Housing and Urban)
Development Section 3)**

RESOLUTION NO. R2023-09

WHEREAS, in 2022, Curry County was awarded a CDBG grant through Business Oregon for Small Business and Microenterprise; and

WHEREAS, the grant award has been accepted; and

WHEREAS, the grant requires the Board of Curry County Commissioners to adopt a Section 3 resolution; and

WHEREAS, the United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) to further the goal of ensuring that federal funds benefit the residents of projects funded wholly or in part by those funds; and

WHEREAS, Part 135 of Section 3 is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met; and

WHEREAS, Curry County, a political subdivision of the State of Oregon, has developed a Section 3 Plan in adherence to 24 CFR, Part 135 that more comprehensively addresses the standards and procedures prescribed in the Act; and

WHEREAS, the Section 3 Plan has been reviewed by Curry County staff members and their comments have been incorporated into the Plan; and

WHEREAS, the Infrastructure Finance Authority has reviewed and approved the Section 3 Plan.

NOW, THEREFORE, THE BOARD OF CURRY COUNTY COMMISSIONERS HEREBY RESOLVES AS FOLLOWS:

1. That Curry County adopts and implements the attached Section 3 Plan, incorporated herein by reference, to ensure compliance with Federal Law.

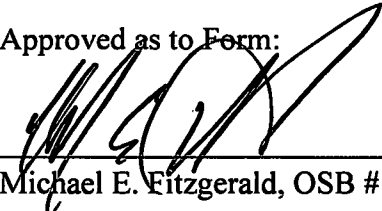
2. That Curry County appoints Summer Matteson as Section 3 Coordinator for Curry County.

DATED this 1st day of March, 2023

BOARD OF CURRY COUNTY COMMISSIONERS

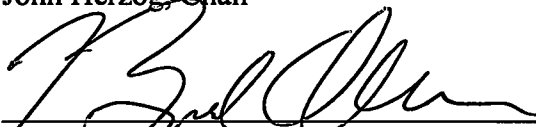
Absent At Signing

Approved as to Form:



Michael E. Fitzgerald, OSB # 192939
Curry County Legal Counsel

John Herzog, Chair



Brad Alcorn, Vice Chair



Jay Trost, Commissioner

Section 3 Plan

General Policy Statement

It is the policy of the County of Curry to require its contractors to make a good faith effort to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

The County of Curry implements this policy through the awarding of contracts to construction contractors and subcontractors to create employment and business opportunities for low-income Section 3 residents or persons of the County of Curry.

The policy will ensure that in good faith the County of Curry will have a reasonable level of success in the recruitment, employment, and utilization of Section 3 workers. Targeted Section 3 workers or other eligible persons and Section 3 business concerns working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The County of Curry shall examine and consider a contractor's potential for success by providing employment and business opportunities to Section 3 eligible residents and business concerns prior to acting on any proposed contract award.

Background

Section 3 of the Housing and Urban Development act of 1968, as amended (12 USC 1701u) (Section 3) requires that recipients of HUD-funding exceeding \$200,000 ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and Local laws and regulations, be directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to such persons.

Section 3 is applicable when the normal completion of construction and rehabilitation projects creates the need for employment, contracting, or training opportunities.

As a recipient of HUD Community Development Block Grant (CDBG) funds through the Oregon Business Development Department (OBDD), the County of Curry certifies that it will make good faith efforts, including the preference to contract with businesses that employ Section 3 workers and Targeted Section 3 workers from the local community, to comply with the requirements of Section 3. These same requirements apply to all contractors or subcontractors that receive contracts in excess of \$200,000 for Section 3 eligible projects.

HUD's Section 3 regulations can be found at 24 CFR 75.

Eligible Projects

All projects and activities involving housing construction, demolition, rehabilitation, or other public construction, such as roads, sewers, community centers, et cetera, that are completed with HUD Community Planning and Development funding are subject to the requirements of Section 3.

Section 3 Workers and Businesses

A Section 3 Worker is any worker who currently fits, or when hired within the past five years fit, at least one of the following:

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
2. The worker is employed by a Section 3 business concern; or
3. The worker is a YouthBuild participant.

A Targeted Section 3 Worker for Housing and Community Development Financial Assistance projects, is a Section 3 worker who:

1. Is employed by a Section 3 business concern; or
2. currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - a. Living within the service area or the neighborhood of the project, as defined in 24 CFR § 75.5; or
 - b. Document the employee is a resident of a public housing complex or is recipient of a Section 8 housing voucher.
 - c. Is a YouthBuild participant.

In accordance with the regulation, workers seeking Section 3 preference shall certify, and/or submit evidence to the County of Curry or CONTRACTOR, verifying that they meet the definitions provided above.

To be considered a **Section 3 Business Concern**, at least one of the following criteria must apply as documented within the last six-month period:

1. At least 51 percent owned and controlled by low- or very low-income persons;
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
3. A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Best Effort or Good Faith Effort

At a minimum, the following tasks must be completed to demonstrate a “best effort or good faith effort” with the requirements of Section 3. The County of Curry and each contractor and subcontractor seeking to establish a “best effort or good faith effort” as required should be filling all training positions with qualified Section 3 persons residing in the target area. The following are examples of how to meet the “best effort or good faith effort” requirements.

1. Send notices of job availability subcontracting opportunities subject to these requirements to recruitment source organizations, local public housing authority, and any other community groups capable of referring eligible Section 3 applicants, including WorkSource Oregon.
2. Include in all solicitations and advertisements a statement to encourage eligible qualified Section 3 residents or eligible businesses to apply.
3. When using a newspaper of major circulation to request bids/quotes or to advertise employment opportunities to also advertise in minority-owned newspapers.
4. Maintain a list of all residents from the target area who have applied either on their own or by referral from any service, and employ such persons, if otherwise qualified for the position and if a trainee position exits. (If the contractor has no vacancies, the applicant, if otherwise eligible, shall be listed for the first available vacancy). A list of eligible applicants will be maintained for future vacancies.

Section 3 Contracting Policy and Procedure

Section 3 residents must meet the minimum qualifications of the position to be filled and a Section 3 Business Concern must have the ability to and capability to perform successfully under the terms and conditions of the proposed contract.

The County of Curry will incorporate Section 3 into all solicitations for project proposals that are funded in part or in whole with HUD monies. The Section 3 contract clause (see Exhibit 2) specifies the requirements for contractors hired for Section 3 covered projects and shall be included in all County of Curry bid solicitations and requests for proposals for projects whose funding is derived from HUD and involves housing construction, demolition, rehabilitation, or other public construction.

Section 3 workers must meet the minimum qualifications of any position to be filled. Any worker seeking Section 3 preference should register with the County of Curry or CONTRACTOR by submitting the certification form in Exhibit 3. Contractor should have all workers on a project submit the certification form to support required reporting of labor hours.

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the County of Curry should follow the steps at <https://hudapps.hud.gov/OpportunityPortal/> to register their business in HUD's Section 3 Business Registry. Section 3 businesses must meet minimum qualifications, including prequalification with the County of Curry, and have the ability and capacity to perform successfully under the terms and conditions of the proposed contract.

The County of Curry will, to the greatest extent possible, offer contracting opportunities to business concerns that provide economic opportunities to Section 3 workers residing within the county in which the project is located. However, in the event that no Section 3 businesses bid on the contract, or bids but is not able to demonstrate to the County of Curry that it has the ability to perform successfully under the terms and conditions of the proposed contract, then that contract will be awarded to a non-Section 3 business that can meet the terms and conditions of the proposed contract through the competitive bidding process. That business concern must meet the general conditions of compliance with Section 3. This will include:

1. Requiring employees working on the project to submit a certification form (Exhibit 3).
2. Posting notices of any vacant positions, including training and/or apprenticeship positions, qualifications for positions, place where applications will be received and starting date of employment.
3. To the greatest extent possible, making available vacant positions, including training and/or apprenticeship positions, to Section 3 workers.
4. As positions are vacated during completion of contract, following guidelines enumerated in numbers 2 and 3 above.
5. Submitting Compliance Reports to the County of Curry as required (see Exhibit 4 for details on CONTRACTOR requirements).
6. If notified of non-compliance, correcting non-compliance within allowable time period.

The County of Curry and their covered contractors, subcontractors, professional service providers/consultants or subrecipients subject to Section 3 requirements, will in good faith comply with the requirements of Section 3 for employment, training, or contracting opportunities resulting from the expenditure of HUD funding. For projects with HUD funding, the County of Curry responsibility includes:

1. Advertise contracting opportunities via newspaper, mailings, and posting notices about the work to be contracted and where to obtain additional information.
2. Provide notice of employment and contracting opportunities, or require CONTRACTOR to do so, to all known Section 3 business concerns or workers within the County of Curry. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
3. Include in all solicitations a statement to encourage eligible Section 3 businesses to apply.
4. Assist and actively cooperate with the Oregon Business Development Department (OBDD) to ensure contractors and subcontractors comply with Section 3.
5. Refrain from entering into contracts with contractors or subcontractors that are in violation of Section 3 regulations.
6. Inform businesses that they can use the WorkSource Oregon - First Source Hiring Agreement in complying with the Section 3 requirements.
7. Document actions taken to comply with Section 3 and submitting necessary documentation to OBDD.

The CONTRACTOR will be responsible for the following:

1. Include Section 3 requirements in all subcontracts and requiring subcontractors to submit worker certification forms and compliance reports as required (see Exhibit 4 for more details).
2. To the greatest extent possible, making available vacant positions, including training and/or apprenticeship positions, to Section 3 workers.
3. If a position is necessary to complete contractual task is vacated during the contract period, CONTRACTOR's certification that, to the greatest extent possible, that vacancies will be filled pursuant to item 2 above.
4. Submitting worker certification forms and compliance reports as required.
5. If notified of non-compliance, will correct issues of non-compliance within the allowable time period.

Section 3 Benchmarks

The County of Curry has established employment goals in order to comply with Section 3 requirements. For housing and community development financial assistance projects, the benchmark for Section 3 workers is set at 25 percent or more of the total number of labor hours worked by all workers on a Section 3 project. The benchmark for Targeted Section 3 workers is set at 5 percent or more of the total number of labor hours worked by all workers on a Section 3 project. This means that the 5 percent is included as part of the 25 percent threshold.

These benchmarks will require the CONTRACTOR to identify existing workers and new hires who meet the definition of a Section 3 worker or Targeted Section 3 worker (see Exhibit 1 for definitions) and to track hours of all employees throughout the project. The County of Curry will require that the CONTRACTOR provide documentation to demonstrate compliance, including documentation that shows worker certification, hours worked by Section 3 workers, Targeted Section 3 workers, and any qualitative efforts to comply with Section 3 (see Exhibits 3 and 4).

It is the responsibility of the CONTRACTOR to implement progressive efforts to attain Section 3 compliance. If the CONTRACTOR fails to meet the benchmarks above, they bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered,

and other relevant information that will enable the state to make a compliance determination (see Exhibit 4). All firms submitting bids or proposals are required to certify that they will comply with the requirements of Section 3.

Failure to comply with the requirements of Section 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs pursuant to 24 CFR Part 24.

Monitoring and Enforcement

The function of monitoring and enforcing these provisions will be carried out by the County of Curry's project manager for each HUD-funded construction project. During the pre-bid or pre-construction meetings between the County of Curry and CONTRACTOR, the County of Curry's Section 3 Policy will be provided again to the CONTRACTOR for inclusion in contract documents. The following contract requirements will be discussed in detail:

1. Prevailing wage rates (Davis-Bacon or BOLI, whichever is higher)
2. Minority and woman-owned businesses
3. Section 3 hiring requirements.

Each representative will define specific functional requirements and require the CONTRACTOR to certify its understanding of the terms and conditions of the contract as it applies to the aforementioned requirements.

Section 3 Complaint Procedure

The County of Curry will make every effort to resolve complaints generated from alleged non-compliance through an internal process. The County of Curry encourages submittal of non-compliance complaints to its Section 3 Coordinator as follows:

1. Submit to: Summer Matteson, 94235 Moore Street #122, Gold Beach, Oregon 97444, and Curry County Counsel, 94235 Moore Street #123, Gold Beach, Oregon 97444.
2. 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 75.
3. Complaints must be filed within thirty calendar days after the complainant becomes aware of the alleged violation.
4. An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator 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.
5. The Section 3 Coordinator will provide written documentation detailing the findings of the investigation to the County of Curry Attorney. The County of Curry Attorney will review the findings for accuracy and completeness before it is released to the complainants. The findings will be made available no more than thirty days after the complaint is filed with the County of Curry.

If complainants wish to have their concerns considered outside the County of Curry's internal procedure, a complaint may be filed with:

United States Department of Housing and Urban Development Community Planning and Development:

Region X Field Office
1220 SW 3rd Avenue, Suite 400
Portland, OR 97204-2830

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 for good cause shown.

Definitions

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 75.3 (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 75.3 (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, et cetera.

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.

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

Low-income person – households (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by HUD, with adjustments for smaller and larger households.

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

New Hires – full-time employees for permanent, temporary or seasonal employment opportunities.

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 that meets at least one of the following criteria, documented within the last six-month period:

- 1) At least 51 percent or more owned by Section 3 resident (PHA resident, Section 8 recipient, or low income person living in the community); 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 subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 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 Clause – the contract provisions set forth in Section 75.

Section 3 Covered Contracts – a contract or subcontract 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 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 Worker – a public housing resident or an individual who resides in the identified service area or nonmetropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low-to very low-income person.

Service Area – A one mile radius or 5000 in population of the project site.

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.

Targeted Section 3 Worker - for Housing and Community Development Financial Assistance projects, is a Section 3 worker who:

- 1) Is employed by a Section 3 business concern; or
- 2) Is a Section 3 worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - a. Living within the service area or the neighborhood of the project, as defined in 24 CFR § 75.5; or
 - b. A YouthBuild participant.
 - c. Resident of public housing or recipient of a Section 8 housing voucher.

Low-income person – families (including single persons) whose income do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

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 75, 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 75 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 75, 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 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 75.
- 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 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.
- F. Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. Contractor shall complete THE REQUIRED Section 3 report within the timeline identified by the County of Curry or at a minimum with the final construction pay estimate for the project.

Section 3 – Worker Certification Form

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, that the person is a Section 3 resident, as defined in Section 75. (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.)

Part 1. Residents of the County of Curry

I, (print name) _____, am a legal resident of the County of Curry and certify that I meet the income eligibility guidelines for a low- or very-low-income person.

My permanent address is: _____

Part 2. Income Status (to be completed by all workers)

Circle the number of persons in your household.

1 2 3 4 5 6 7 8

Annual Gross Income:

Check the appropriate box for your household's annual total gross income before taxes for the most recent tax reporting year. (Income will need to be updated per COUNTY).

<https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn>

	\$0 - \$40,250		\$57,451 - \$62,050
	\$40,251 - \$46,000		\$62,051 - \$66,650
	\$46,001 - \$51,750		\$66,651 - \$71,250
	\$51,751 - \$57,450		Above \$75,851

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

- Copy of lease demonstrating proof of residency in a public housing development
- Copy of receipt of public assistance such as a Section 8 certificate or voucher
- Copy of evidence of participation in a public assistance program such as YouthBuild, JTPA, Job Corps et cetera.
- Income tax records
- Other

I certify that the above information is accurate and is subject to verification by government officials.

By executing this certification, I acknowledge and understand that Title 18 United States Code Section 1001: (1) makes it a violation of federal law for a person to knowingly and willfully (a) falsify, conceal, or cover up a material fact; (b) make any materially false, fictitious, or fraudulent statement or representation; OR (c) make or use any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation, to any branch of the United States Government; and (2) requires a fine, imprisonment for not more than five (5) years, or both, which may be ruled a felony, for any violation of such Section.

Signature: _____

Date: _____

Certification For Business Concerns Seeking Section 3 Preference

Name of Business _____

Address of Business _____

Type of Business: ☐ Corporation ☐ Partnership
 ☐ Sole Proprietorship ☐ Joint Venture

Attached is the following documentation as evidence of status:

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

- ☐ Copy of resident lease ☐ Copy of receipt of public assistance
☐ Copy of evidence of participation in public assistance program ☐ Other evidence

____ For business entity as applicable:

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

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

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

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

- ☐ List of all current full-time employees
☐ List of employees claiming Section 3 status
☐ PHA/IHA Residential lease less than 3 years from day of employment
☐ Other evidence of Section 3 status less than 3 years from date of employment

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

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

(Corporate Seal)

 Authorizing Name and Signature

Attested by: _____

Section 3 Requirements for Contractors

The purpose of Section 3 is to ensure that jobs and economic opportunities generated by HUD financial assistance for housing and community development programs shall be directed to low and very low income persons, particularly those who are recipients of government assistance for housing and business concerns which provide economic opportunities to low and very low income persons. Contractors can use HUD's Section 3 Business Registry (<https://hudapps.hud.gov/OpportunityPortal/>) to find Section 3 business concerns in the area. In addition, it is advised that contractors make Disadvantaged Business Enterprises (DBEs) aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. This will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources. The following sites may be of assistance for locating DBEs:

- Oregon directory of certified firms at Certification Office of Business Inclusion and Diversity <https://www.oregon.gov/biz/programs/COBID/Pages/default.aspx>
- Federal System for Award Management at www.sam.gov/
- Minority Business Development Agency, US Dept. of Commerce at <http://www.mbda.gov/>
- EPA's Office of Small Business Programs at www.epa.gov/osbp/
- U.S. Department of Transportation at [https://www.transportation.gov/civil- rights/disadvantaged-business-enterprise](https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise)

Contractors on HUD funded projects are required, to the greatest extent possible, to make available vacant positions, including training and/or apprenticeship positions, to Section 3 workers. If a position necessary to complete the project is vacated during the contract period, the contractor will make best efforts to fill the vacancies with Section 3 workers.

Contractors are also required, to the greatest extent feasible, to achieve the benchmarks required for the number of labor hours performed by both Section 3 workers (25% of total labor hours) and Targeted Section 3 workers (5% of total labor hours). If a contractor fails to fully meet the Section 3 benchmarks, they must adequately document the efforts taken to meet the benchmarks.

If a prime contractor is unable to satisfy the Section 3 worker and Targeted Section 3 worker benchmarks, the requirements may be satisfied through any subcontractors that may be involved in the project. It is the responsibility of the prime contractor to include Section 3 requirements in all subcontracts and require subcontractors to submit documentation.

Contractors will need to have employees working on the project complete the certification form in Exhibit 3. To determine if a worker qualifies as a Section 3 worker or Targeted Section 3 worker, compare the annual gross income and number of persons reported on the form in Exhibit 3 to the income limits located at <https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn> identified by county where the project will be completed. A Targeted Section 3 worker must meet the income limits and reside in the county of the project.

Certification forms, along with a compliance report, will be submitted to the project owner on a quarterly basis throughout the contract period. A template report is included below. The quarterly report shall be submitted no later than 10 days after the end of each calendar quarter of the contract (e.g., April 10 for calendar quarter January 1 to March 31). The report must include details of labor hours worked by Section 3 workers, Targeted Section 3 workers, and all workers. If section 3 benchmarks are not met, the report should document 'Good Faith Efforts' as described in the included form. The report should include any documentation showing Section 3 worker eligibility and records of qualitative efforts (such as a copy of a job posting or solicitations sent to employment agencies).

Section 3 Contractor Quarterly Status Report

Submit to Project Owner

Project Title:			
Contractor:			
Contact Person:		Phone:	
Local Contract/Agreement Number:		Dates of work reported:	

Labor Hours Worked

Job Title	All Employees	By Section 3 Workers*	% Section 3 Worker Hours	Targeted Section 3 Workers	% Targeted Section 3 Worker Hours
Totals:					

*Note: The labor hours for Targeted Section 3 workers should be included in the labor hours reported for Section 3 workers as well.

Attach employee certification forms showing eligibility as Section 3 or Targeted Section 3 workers if such documentation has not been submitted previously.

Were Section 3 benchmarks met?

☐ Yes ☐ No 25% of total labor hours worked by Section 3 workers
☐ Yes ☐ No 5% of total labor hours worked by Section 3 Targeted workers

If NO for either benchmark, please describe 'Good Faith Efforts' in the form below. Attach any associated information.

Project Name: _____ Project No: _____

Type of Service Solicited:

_____ Construction Contractor _____ Employee _____ Construction Sub-Contractor

_____ Other: _____

Best Effort or Good Faith Efforts	Did you pursue this effort? (yes or no)	If yes, please explain what you did and attach supporting document. If no, please explain why this effort is not being pursued.
Ensure Section 3 business concerns are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. Arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Section 3 business concerns.		
Divide contracts into smaller jobs to facilitate participation by Section 3 business concerns.		
Promote use of business registries designed to create opportunities for disadvantaged and small businesses.		
Engage in outreach efforts to generate job applicants who are Section 3 or Targeted Section 3 workers, including providing notices of any vacant positions, including training and/or apprenticeship positions, and details on qualifications, where applications will be received and starting date of employment to the Section 3 Coordinator for the project owner.		
Provide training or apprenticeship opportunities.		
Other efforts:		