

**Serving Champaign**

**County, Illinois**

SECTION 3 POLICY

FOR

Housing Authority of Champaign County

2008 N. Markert Street, Champaign, IL 61822

Board Approval and Adoption: \_ Resolution Number: ----

SECTION 3 POLICY

TABLE OF CONTENT PAGE

|  |  |  |
| --- | --- | --- |
| I. | Execution Statement | 2 |
| II. | Background | 2 |
| III. | Applicability | 2 |
| IV. | Definitions | 4 |
| V. | Section 3 Goals and Preferences | 6 |
| VI. | Self-Certification of Section 3 Residents and Section 3 Business Concerns | 8 |
| VII. | Contractor Responsibilities in Meeting Section 3 Goals | 8 |
| VIII. | Other Economic Opportunities to Achieve Contractor Compliance | 12 |
| IX. | Internal Hiring for HACC Staff Positions | 12 |
| X. | Complaints | 13 |
| XI. | Compliance Monitoring | 13 |
| XII. | Cure and Termination for Violations of Section 3 | 13 |
| XIII. | Contractor Forms Package (Required for all Service Contracting) | 15-25 |
|  | Meeting Notice, Encouragement, and Facilitation | 16 |
|  | Section 3 Form 1--Section 3 Clause | 17 |
|  | Section 3 Form 2-Section 3 Business Concern Self-Certification | 18 |
|  | Section 3 Form 3-Contractor Section 3 Assurance of Compliance and Action Plan | 19-25 |
|  | Section 3 Form 4--Section 3 Resident Self-Certification and Skills Data Form | 26-27 |
| XIV. | Internal Section 3 Procedures | 28-34 |

**I EXECUTION STATEMENT**

This policy is developed for the Housing Authority of Champaign County for the exclusive use of the agency, hereafter referred to as HACC, its contractors, subcontractors, bidders, developers, sub-grantees, related affiliates, or instrumentalities, collaborating local government entities, and any other sub­ recipients of covered funding in partnership with HACC. The funding type and program/grant names may change over the years; however, the intent of this policy is to encompass all applicable funding from the

U.S. Department of Housing and Urban Development (HUD). All hiring and contracting must meet any conflict-of-interest requirements set forth in federal, state, or local laws, regulations, or policies and comply with the internal HACC hiring policies.

**II BACKGROUND ON THE SECTION 3 REGULATION**

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, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons."

Consistent with 24 CFR Part 135, as a recipient of HUD Public Housing funding, the Housing Authority of Champaign County (HACC} requires fulfillment of Section 3 obligations on all contracts that make use of that assistance.

These policies are implemented regardless of the contract amount, whether it is designated as housing construction, housing rehabilitation, or other public construction project, or whether it is any other non­ construction expenditure resulting from the use of covered operating funding, modernization funding, or development funding from HUD ( in HACC’s case MTW funding).

HACC works to ensure the provision of employment, training, contracting, and other economic opportunities to its residents and other low-income persons. In doing so, HACC utilizes Section 3 as a means of promoting stability and self-sufficiency to Section 3 Residents. Implementation procedures may be amended periodically by HACC to ensure that the policy requirements are being met and/or to enhance the efficiencies of compliance.

**III APPLICABILITY**

Section 3 requirements apply to all projects and activities funded in whole or in part with covered funds. If any HUD funding is used for the project/activity, then the entire project budget is then subject to Section 3 regulations.

Section 3 requirements do not apply to projects and activities of HACC that do not receive any HUD funding, such as non-subsidized market rate developments owned by HACC.

Section 3 requirements do not apply to any agreement or contract for the purchase of supplies and materials only.

**IV DEFINITIONS**

Please refer to the 24 CFR 135.5 for a full list of prevailing definitions found in the regulation.

RECIPIENT: Any entity which receives Section 3 covered funding, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, Public Housing Authority, Indian Housing Authority, Indian Tribe, 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 recipient, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

CONTRACTOR: Any entity which contracts to perform work generated by the expenditure of section 3 covered assistance, or for work in connection with a section 3 covered project.

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.

NEW HIRES: Full-time employees for permanent, temporary, or seasonal employment opportunities.

EMPLOYMENT OPPORTUNITIES GENERATED BY SECTION 3 COVERED ASSISTANCE: All employment

opportunities generated by the expenditure of Section 3 covered funding (i e. operating funding,

Development funding, and modernization funding - in HACC’s case MTW funding) and with respect to Section 3 covered housing and community development funding, all employment opportunities arising in connection with Section 3 covered projects.

**Definition of Section 3 worker**

HUD created the Section 3 worker and Targeted Section 3 worker concepts so that HUD could track and set benchmarks to target selected categories of workers and to recognize the statutory requirements pertaining to contracting opportunities for business concerns employing low- and very-low-income persons. In the final Section 3 rule, HUD defines a Section 3 worker for both public housing financial assistance and Section 3 projects as a worker that meets one of the following requirements:

• The worker’s income is below the income limit established by HUD.

• The worker is employed by a Section 3 business concern.

• The worker is a YouthBuild participant.

The significant change here is that any worker at a Section 3 business concern can count as a Section 3 worker regardless of their income status when hired. The definition of Section 3 business concern has also been changed so contractors will need to be sure to make that adjustment also.

**Targeted Section 3 Worker**

This is a new designation. HUD defines a Targeted Section 3 worker differently for public housing financial assistance and Section 3 projects. For § 75.11, public housing financial assistance, a Targeted Section 3 worker includes any worker who is employed by a Section 3 business concern or is a:

• Resident of HACC owned property or Section 8-assisted housing;

• Resident of another project managed by the PHA that is expending assistance; or

• YouthBuild participant.

For § 75.21, Section 3 projects, a Targeted Section 3 worker includes any worker who is employed by a Section 3 business concern or is a Section 3 worker who is:

• Living within the service area or neighborhood of the project; or

• A YouthBuild participant

METROPOLITAN AREA: The metropolitan area means a metropolitan statistical area (MSA} as established by the U.S. Office of Management and Budget. For HACC, the MSA area determined by HUD is the "Housing Authority of Champaign County MSA" which includes residents of Champaign County.

LOW-INCOME PERSON: Families whose income is below 80% of the median income for the area as determined by HUD.

Please refer to [www.huduser.org/portal/datasets/il.html](http://www.huduser.org/portal/datasets/il.html) for current, local Income Limit information.

Select current year.

Select "Access Individual Income Limit area"

Select "click here for FY XXXX IL Documentation" (where XXXX is the current fiscal year} Select State & County

VERY LOW-INCOME PERSON: Families (including single persons) whose incomes do not exceed 50% of the median family income for the area as determined by HUD.

**Section 3 Business Concerns**

CFR24 Part 75 contains a new definition for qualifying as a Section 3 business concern.

HUD defines a Section 3 business concern as a business concern that meets one of the following requirements:

• It is at least 51 percent owned by low- or very low-income persons;

• Over 75 percent of the labor hours performed for the business are performed by low- or very low-income persons; or

• It is a business at least 51 percent owned by current PBV residents or residents who currently live in Section 8-assisted housing.

That provides evidence of a commitment to subcontract a minimum of 25 percent of the total contract award amount (including any modifications) to Section 3 business concerns that meet the requirements described in A or B.

*Example: If the Contract Amount is = $1,000,000, contractor must subcontract at least 25% or $250,000 to Section 3 business concern(s) as defined in A or B in this part.*

SECTION 3 CLAUSE: The contract provisions set forth in 24 CFR 135.38 and which must be included in all Section 3 covered contracts.

SECTION 3 COVERED ACTIVITY: Any activity that is funded by Section 3 covered funding.

SECTION 3 COVERED ASSISTANCE: With respect to public housing authorities, Section 3 covered assistance means HUD assistance to which the obligation to provide training, employment, contracting, and other economic opportunities under Section 3 apply, including: (1) Public housing development assistance; (2) Public housing operating assistance; (3) Public housing modernization assistance; and (4) any other HUD funds, regardless of HUD program, utilized for the operation, modernization, or rehabilitation of public housing properties or developments as defined under statutes. ( do we want to specify HACC owed properties here or remove this sections)

SECTION 3 COVERED CONTRACT: A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance or for work arising in connection with a Section 3 covered project. "Section 3 covered contracts" 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 funding.

SECTION 3 JOINT VENTURE: An association of business concerns, one of which qualifies as a Section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 business Concern:

Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and

Performs at least 25% of the work and is contractually entitled to compensation proportional to its work.

**V SECTION 3 GOALS AND PREFERENCES**

It is HACC's policy to achieve Section 3 Benchmarks by providing opportunities to Section 3 Workers and businesses.

Section 3 Compliance Benchmarks

HUD is no longer using the “new hires” concept as a means to track the number of qualified workers benefitting from expenditure of funds on Section 3 projects. The new method to track compliance is the actual number of hours worked by qualified Section 3 workers as a benchmark for compliance with the Section 3 statutes. Tracking will be done by the following formulas:

For meeting the safe harbor in § 75.13, PHAs and other recipients that certify to following the prioritization of effort in § 75.9 and meet or exceed the following Section 3 benchmarks will be considered to have complied with requirements in proposed 24 CFR part 75, subpart B, in the absence of evidence to the contrary: (1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA’s or other recipient’s fiscal year are Section 3 workers;

Section 3 Labor Hours = 25% Total Labor Hours

and

(2) Five (5) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA’s or other recipient’s fiscal year are Targeted Section 3 workers, as defined at § 75.11.

Targeted Section 3 Labor Hours = 5% Total Labor Hours

**New Definition of Section 3 worker**

HUD created the Section 3 worker and Targeted Section 3 worker concepts so that HUD could track and set benchmarks to target selected categories of workers and to recognize the statutory requirements pertaining to contracting opportunities for business concerns employing low- and very-low-income persons. In the final Section 3 rule, HUD defines a Section 3 worker for both public housing financial assistance and Section 3 projects as a worker that meets one of the following requirements:

• The worker’s income is below the income limit established by HUD.

• The worker is employed by a Section 3 business concern.

• The worker is a YouthBuild participant.

The significant change here is that any worker at a Section 3 business concern can count as a Section 3 worker regardless of their income status when hired. The definition of Section 3 business concern has also been changed so contractors will need to be sure to make that adjustment also.

Targeted Section 3 Worker

This is a new designation. HUD defines a Targeted Section 3 worker differently for public housing financial assistance and Section 3 projects. For § 75.11, public housing financial assistance, a Targeted Section 3 worker includes any worker who is employed by a Section 3 business concern or is a:

• Resident of HACC owned properties or Section 8-assisted housing;

• Resident of another project managed by the PHA that is expending assistance; or

• YouthBuild participant.

For § 75.21, Section 3 projects, a Targeted Section 3 worker includes any worker who is employed by a Section 3 business concern or is a Section 3 worker who is:

• Living within the service area or neighborhood of the project; or

• A YouthBuild participant

**Contracting Opportunities for Section 3 Business Concerns:**

When the Section 3 regulation is triggered by the need for subcontracting a portion of the work to another business, HACC and its contractors and subcontractors will make every effort within their disposal to the greatest extent feasible to attempt to subcontract with Section 3 business concerns as defined earlier in this policy.

Building Trades: At least 10% of the total dollar amount of all Section 3 covered contracts or purchase orders for building trades work maintenance, repair, modernization, or development of public housing to Section 3 business concerns.

Other contracts (non-building trades): For other Section 3 covered contracts or purchase orders that are not building trades work covered above, the goal is to subcontract at least 3% of the total dollar amount to Section 3 business concerns. This includes professional service contracts such as legal, architects, engineers, consultants, or any other contract or purchase order for services that are not building trades work.

When contracting opportunities are offered and all requirements are met and remain equal, HACC, contractors and subcontractors shall direct their efforts to contract/subcontract with Section 3 business concerns in the order of priority preference provided below:

Business concerns that are 51 percent or more owned by residents of the housing development or developments for which the section 3 covered assistance is expended., or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 1 businesses).

Business concerns that are 51 percent or more owned by residents of other properties owned by HACC or developments managed by HACC or by holders of housing choice vouchers managed by HACC. or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 2 businesses).

Youthbuild programs being carried out in the metropolitan area (or non-metropolitan county) in which the section 3 covered assistance is expended (category 3 businesses).

Business concerns that are 51 percent or more owned by other section 3 residents, or whose permanent, full-time workforce includes no less than 30 percent section 3 residents (category 4 businesses), or that subcontract in excess of 25 percent of the total amount of subcontracts to business concerns identified in paragraphs 1 and 2 above.

**VI SELF-CERTIFICATION OF SECTION 3 RESIDENTS AND SECTION 3 BUSINESS CONCERNS**

In order to receive preference as a Section 3 resident or a Section 3 business concern, the resident or business must self-certify that they meet the eligibility requirements. HACC has developed self­ certification forms for both Section 3 residents and Section 3 businesses and which are included as Section 3 Form #4 and Section 3 Form #2, respectively.

A Section 3 resident seeking preference in employment must fulfill the requirements/qualifications of the sought position. If asked, they also must provide evidence of their Section 3 status (e.g., receipt of public assistance, address of residency, etc.).

A Section 3 business concern seeking preference in contracting must submit evidence to demonstrate that they are responsible firms and have the ability to perform successfully under the terms and conditions of the proposed contract. If asked, they also must provide evidence of their Section 3 status.

It is important to note that all persons and/or business concerns are self-certifying their eligibility under Section 3 to HACC and to HUD, and that severe civil and/or criminal penalties may apply for false certifications.

**VII CONTRACTOR RESPONSIBILITIES IN MEETING SECTION 3 GOALS**

All contractors are held to the same Section 3 compliance requirements of HACC as listed in Section V above (Section 3 Goals and Preferences). The HACC Section 3 policy requires that when the Section 3 regulation is triggered by a need for new hires or by a need to subcontract a portion of the work, every effort within the contractor's disposal must be made to the greatest extent feasible to direct all available employment, training and contracting opportunities to Section 3 residents based on the priorities described in Section V.

Contractors must also proactively facilitate compliance with Section 3 subject to the definition of a Section 3 Covered contract. Contractors will have fulfilled their responsibility when they can provide evidence that the following have occurred in the case of every hiring, contracting, solicitation and recruitment effort:

1. Extra or greater efforts in notifying Section 3 residents of opportunities through posting job openings-in the offices of procurement, in the local media, and on the HACC website;
2. Conveying that the hiring/contract work is a Section 3 Covered opportunity in any advertisement for bids and proposals by placing the following language in each advertisement/public notice and website, "This job/project is covered under the requirements of Section 3 of the HUD Act of 1968"
3. Notifying subcontractors in each pre-bid meeting of the Section 3 requirements;
4. Incorporating the full HUD mandated Section 3 clause directly into all contracts and subcontracts; providing “Section 3 Resident Self -Certification Forms” for employment at the contractor/ subcontractor business offices and allowing applications to be submitted at appropriate local locations;
5. Providing “Section 3 Resident Self-Certification Forms” for employment at the contractor/subcontractor business offices and allowing applications to be submitted at appropriate local locations;
6. Encouraging the training of Section 3 residents by the subcontractors;
7. Facilitating an opportunity or job fair for the contractor and subcontractor to meet interested Section 3 residents for possible employment. A list can be developed as a resource for contractors when seeking to hire Section 3 workers in the future;
8. Facilitating an opportunity fair annually for small contractors to meet large prime contractors interested in bidding work awarded by HACC;
9. Documenting actions taken to comply with Section 3 requirements including all results and impediments using the HACC prescribed mechanism or form;
10. Reporting on its efforts regarding Section 3 implementation using the HACC prescribed mechanism or form;
11. Refusing to award contracts to businesses or persons who have previously violated Section 3 requirements;
12. Posting all job sites funded by HACC with a location or phone number of whom and how to apply for any opportunities for employment, training or contracting. The sign should be no smaller than 24" x 24" in Black ink and specifically read: ''This project is covered under Section 3 of the HUD Act of 1968 which requires that any new opportunities be directed to low- and very low income persons in this community. Please contact (list the contact person name and number) for information on any Employment. Contracting. and Subcontracting opportunities.
13. Including the HACC Section 3 Policy in every Section 3 covered procurement.
14. All Section 3 covered procurements must be communicated to current and potential Section 3 contractors and residents as part of the bid process before final bids or applications are submitted to HACC and its contractors.
15. Any contractor or subcontractor self-certifying itself as a Section 3 business concern must maintain that status throughout the life of the contract. Any change in status must be reported to the Section 3 Coordinator immediately.
16. Exercising all efforts indicated below regarding notice, encouragement, and facilitation as indicated below

|  |  |  |
| --- | --- | --- |
| **REQUIREMENTS**  *Applicable to all awards and contracts DESPITE AMOUNT* | **ADDITIONAL**  **INFORMATION** | I **WHEN EXECUTED** |
| **NOTICE** - Extra or greater efforts must be undertaken to make the | This applies to all | Give notice to |
| low and very low-income persons in the project area aware of the | contracts using | residents and |
| existence of the opportunity before it is filled with non-Section 3 | Section 3 covered | businesses before |
| persons or businesses. This means the notice MUST be given in | assistance from | or while soliciting |
| multiple methods (See Part VII of this policy for a list of methods) | HUD and begins | bids/proposals/em |
| and documentation saved for audit purposes. | prior to the | ployees |
|  | securing of the |  |
| As an example, contractors, sub-contractors and developers cannot | first contract | Notice must be |
| simply call their normal service providers and contractors for bids | service related to | provided prior to |
| without including a host of notices to other low-income people, | the proposed | the execution of |
| groups and organizations locally and beyond before committing to | project including, | any contracts via: |
| any contracts or potential contracts. | professional | publication, flyers, |
|  | services such as | posters, social |
| Remember to keep every document and record demonstrating your | legal, architecture, | media, email, |
| efforts for audit and verification. If there are no records verifying the | engineering, | letters, web- |
| efforts made; it will be assumed there were none. The contractor, | consultants, etc. | postings and any |
| sub-contractor, and developer will also have access to the HACC |  | other such method |
| Section 3 Business Concern and Resident Listings as indicated in Part |  | elected |
| VI above. |  |  |
| **ENCOURAGEMENT** - Contractors, sub-contractors and developers | These shall be in | This is executed |
| must be able to document they did something to encourage low­ | the form of: | prior to every |
| income people, the businesses they own and the businesses that | Opportunity Fairs, | major contract and |
| substantially employ them to apply for their opportunities before | Meetings, | annually for all |
| filling them with non-Section 3 people or businesses. This includes | Presentations, | small purchases but |
| activities such as hosting opportunity fairs for contracting and | Inducements such | definitely before |
| employment, informational sessions on how to achieve Preference | as Transportation | awarding any |
| in consideration or other verifiable methods designed to enhance | or Child Care | contracts or |
| participation by these groups. | Assistance, etc. | employment |
| HACC requires that contractors, sub-contractors, and developers | Most importantly | It's important this |
| review and consider the listings of self-certified Section 3 residents | you must use the | be done early so |
| and business concerns both initially and if new opportunities open | attached forms | the contracting |
| during the contract life. However, contractors, subcontractors and | when bidding and | phase can begin |
| developers should also do other encouragement and outreach | you must often | immediately after |
| efforts to the extent that new Section 3 persona and businesses can | mention | confirmation of |
| be attracted and secured if qualified. There is no requirement to hire | Preference during | award |
| or contract any unqualified person or business. | meetings |  |
| **FACILITATION** - Contractors, sub-contractors, and developers must | Because there are | This must be |
| be able to provide documentation in the form of actual signed | various phases of | completed at every |
| agreements or commitments to contract and employment | contracting in a | step in the |
| verification like payrolls or offers of employment they facilitated in | project, this step | contracting and |
| compliance with the actual award of contracts and/or employment | must be central to | employment phase |
| based on what opportunity was available. | the award of | from pre-award |
|  | contracts | through the life of |
|  |  | the project. |

As HACC does not execute subcontracts, HACC is reliant upon the compliance of its general contractors to execute an aggressive Section 3 initiative. If the overall Section 3 goals above cannot be met by the contractor, other training and economic opportunities may be provided to Section 3 residents and contractors when such opportunities are mutually beneficial to HACC and the specific group. These opportunities may be exercised only with written HACC prior agreement and satisfactory documentation explaining why employment or contracting respectively could not or should not be met.

However, contractors are expected to do everything possible and feasible to ensure all opportunities are directed to HACC residents first. This requirement includes all labor-regulated agreements with union contractors. Examples include:

* Distributing or posting flyers advertising positions to be filled
* Review and consider the Section 3 Resident List provided by HACC prior to making new hires. If those hired are not Section 3 residents, or are in a lower preference category, the Contractor must explain in writing the qualifications that those on Section 3 Resident List lacked, or other reason for non-hire (e.g., job offer declined).
* Notify the local workforce development board about open positions
* Holding job informational meetings for residents, contractor, etc.

Additionally, HACC expects that contractors shall, to the greatest extent feasible, ensure that Section 3 new hires work approximately the same number of hours as other new hires in similar positions on the project.

Contractors must submit with any bid or proposal the prescribed forms describing the implementation of Section 3, including:

* Section 3 Form 1: Section 3 Clause
* Section 3 Form 2: Section 3 Business Concern Self-Certification form (for prime contractor and sub-contractors)
* Section 3 Form 3: Contractor Section 3 Assurance of Compliance and Action Plan

Contractors and subcontractors must keep on file all completed Section 3 Form 4: Section 3 Resident Self­ Certification and Skills Data form for any and all applicants for positions you are hiring for related to the HACC project and for all Section 3 new hires.

In the absence of evidence to the contrary, a contractor that meets the minimum numerical goals set forth in this section will be considered to have complied with the Section 3 Preference requirements.

In evaluating compliance under this part, a contractor that has not met the numerical goals set forth in this section has the burden of demonstrating why it was not feasible to meet the numerical goals set forth in this section. Such justification may include impediments encountered despite actions taken. Contractors also can indicate other economic opportunities, such as those listed below, which were provided in its efforts to comply with Section 3 and the requirements of this part.

Contractors must also report the following information to HACC regarding any new hires by contract or subcontract: (1) name of new hire; (2) position or title; (3) number of hours worked; (4) whether the new hire is a Section 3 resident; (5) which Section 3 priority preference category the Section 3 resident belongs to; (6) if the new hire is not a Section 3 resident or is a lower category Section 3 resident, the number of all Section 3 resident applicants passed over in favor of the non-Section 3 hire or the lower-category Section 3 hire.

**VIII OTHER ECONOMIC OPPORTUNITES TO ACHIEVE CONTRACTOR COMPLIANCE**

1. A contractor must provide one or more of the following "other economic opportunities" under this subsection:
2. **Training and Employment**: "Training and Employment" related opportunities would be designed to train and/or employ Section 3 residents at a minimum rate of 3% of total contract value. Only in such cases as a contractor will or has triggered the regulation by doing hiring of employees or subs, will this option become available. Then only with the express written approval of the agency can this option be leveraged. A detailed plan for training should be described in a written narrative and provided for HACC review. Contractors seeking to provide training must identify a qualified training firm that has the proper experience working with low-income and public housing residents in particular. The contractor must procure the training firm/individual at its expense to provide direct recruitment and solicitation to HACC residents for employment related training. Verification of the agreement between the contractor and training firm/individual must be provided to HACC's Section 3 Coordinator.
3. **Other Results-Oriented Economic Opportunities:** “Other Results-Oriented Economic Opportunities” are results-oriented and quantifiable programs designed to provided economic opportunities to Section 3 residents, included, but not limited to: Section 3 joint ventures, teaming agreements or combination of other economic opportunities. A contractor must submit to HACC a plan detailing these “Other Results- Oriented Economic Opportunities” and receive an approval prior to implementation.

**IX INTERNAL HIRING FOR HACC STAFF POSITIONS:**

The employment policy of the Housing Authority of Champaign County (HACC) is to hire the best-qualified applicants and extend equal employment opportunity practices to all qualified individuals. The company will not discriminate on the basis of race, color, religion, sex, national origin, veteran status, disability, age or any other characteristic protected from discrimination by applicable federal, state or local law.

HACC complies with Section 3 of the Housing and Urban Development Act of 1968. To the greatest extent feasible, at least thirty-percent (30%) of the aggregate annual number of its internal new hires will be residents and other Section 3 eligible persons. HACC seeks to provide current staff with growth opportunities as well and will allow for a one-week internal posting period before following the efforts listed in Part IV of this policy. See the HACC Human Resource Policy for all of the hiring practices.

**X COMPLAINTS:**

This policy is governed by the 24 CFR Part 135 - Section 3 Regulation and any future changes thereto. Any Section 3 resident or business concern that feels that the Section 3 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following internet address: http:ljportal.hud.gov/hudportal/documents/huddoc?id=958.pdf

**XI SECTION 3 CONTRACT COMPLIANCE CURE AND TERMINATION PROCESSES**

This language is a component of contract compliance with the work contractors and sub-contractors including developers respond to in HACC solicitations. The full requirements are provided in the Section 3 Clause found elsewhere in this package or in the HUD forms 5370-C or 5370 Cl as may be applicable.

All contractors claiming a Preference in contracting by meeting any of the three Preference requirements including a Resident Owned Business, hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. Any contractor triggering the regulation by doing any hiring or contracting once they are awarded the contract through contract execution must comply with the Section 3 requirements by executing the efforts on their Certification and Action Plan in accordance with the HACC Section 3 Action Plan.

HACC shall execute these remedies to achieve compliance in this order:

1. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail from HACC notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance. All pending payments will be held until the contractor comes into compliance.
2. If at any time a contractor fails to bring the contract into compliance, HACC must withhold all future payments until the contract is in compliance.
3. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to HACC why it cannot meet compliance. HACC must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If HACC deems the cause to be unacceptable, at its option, HACC can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or
4. If the contractor fails to take any corrective action to bring the contract into compliance within seven (7) business days from the most recent notice of non-compliance, or HACC does not accept any of the contractor's corrective plans or justifications for non-compliance, HACC must terminate the contract immediately. All funds due to the contractor shall remain held and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non­ Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

Any contractor claiming to meet Section 3 compliance by committing to hire residents, fund training itself **shall meet compliance within seven (7) calendar days of contract start** or HACC shall halt all payments to the contractor and its sub-contractors related to the agreement and the actions listed in steps A-D in this section shall apply.

**XI COMPLIANCE MONITORING:**

HACC has contracted with \_\_\_\_\_\_\_\_\_\_\_\_ under an Annual Section 3 Service Contract to monitor and report all Section 3 compliance activities.

This Section Left Blank Intentionally



Growing & *Moving*

Forward Together

**Serving Champaign**

**County, Illinois**

SECTION 3 POLICY

FOR

Housing Authority of Champaign County

2008 N. Markert Street, Champaign, IL 61822

NOTE: These forms are specific to the implementation of the HACC Section 3 regulation and this policy and are required for all departmental contracting activities associated with HACC including day-to-day operational service purchasing.

Material and supply only contracts are exempt from the requirements of Section 3. All contracts that include any service at all, other than just materials delivery, are covered and these forms must be returned before any contract is signed or service initiated.

|  |  |  |
| --- | --- | --- |
| **REQUIREMENTS** | **ADDITIONAL** | I **WHEN EXECUTED** |
| *Applicable to all awards and contracts DESPITE AMOUNT* | **INFORMATION** |  |
| **NOTICE** - Extra or greater efforts must be undertaken to make the | This applies to all | Give notice to |
| low and very low-income persons in the project area aware of the | contracts using | residents and |
| existence of the opportunity before it is filled with non-Section 3 | Section 3 covered | businesses before |
| persons or businesses. This means the notice MUST be given in | assistance from | or while soliciting |
| multiple methods (See Part VII of this policy for a list of methods) | HUD and begins | bids/proposals/em |
| and documentation saved for audit purposes. | prior to the | ployees |
|  | securing of the |  |
| As an example, contractors, sub-contractors and developers cannot | first contract | Notice must be |
| simply call their normal service providers and contractors for bids | service related to | provided prior to |
| without including a host of notices to other low-income people, | the proposed | the execution of |
| groups and organizations locally and beyond before committing to | project including, | any contracts via: |
| any contracts or potential contracts. | professional  services such as | publication, flyers,  posters, social |
| Remember to keep every document and record demonstrating your | legal, architecture, | media, email, |
| efforts for audit and verification. If there are no records verifying the | engineering, | letters, web- |
| efforts made, it will be assumed there were none. The contractor, | consultants, etc. | postings and any |
| sub-contractor, and developer will also have access to the HACC |  | other such method |
| Section 3 Business Concern and Resident Listings as indicated in Part |  | elected |
| VI above. |  |  |
| **ENCOURAGEMENT** - Contractors, sub-contractors and developers | These shall be in | This is executed |
| must be able to document they did something to encourage low­ | the form of: | prior to every |
| income people, the businesses they own and the businesses that | Opportunity Fairs, | major contract and |
| substantially employ them to apply for their opportunities before | Meetings, | annually for all |
| filling them with non-Section 3 people or businesses. This includes | Presentations, | small purchases but |
| activities such as hosting opportunity fairs for contracting and | Inducements such | definitely before |
| employment, informational sessions on how to achieve Preference | as Transportation | awarding any |
| in consideration or other verifiable methods designed to enhance | or Child Care | contracts or |
| participation by these groups. | Assistance, etc. | employment |
| HACC requires that contractors, sub-contractors, and developers | Most importantly | It's important this |
| review and consider the listings of self-certified Section 3 residents | you must use the | be done early so |
| and business concerns both initially and if new opportunities open | attached forms | the contracting |
| during the contract life. However, , contractors, subcontractors and | when bidding and | phase can begin |
| developers should also do other encouragement and outreach | you must often | immediately after |
| efforts to the extent that new Section 3 persona and businesses can | mention | confirmation of |
| be attracted and secured if qualified. There is no requirement to hire | Preference during | award |
| or contract any unqualified person or business. | meetings |  |
| **FACILITATION** - Contractors, sub-contractors, and developers must | Because there are | This must be |
| be able to provide documentation in the form of actual signed | various phases of | completed at every |
| agreements or commitments to contract and employment | contracting in a | step in the |
| verification like payrolls or offers of employment they facilitated in | project, this step | contracting and |
| compliance with the actual award of contracts and/or employment | must be central to | employment phase |
| based on what opportunity was available. | the award of  contracts | from pre-award  through the life of |
|  |  | the project. |

**Section 3 Form #1: SECTION 3 CLAUSE ACKNOWLEDGEMENT**

**Economic Opportunities for Low- and Very Low-Income Persons (Section 3, HUD Act of 1968; 24 CFR 135)**

1. 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.
2. 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.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of Section 3 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.
4. 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.
5. 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.
6. 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.

I have read and understand these requirements of this Section 3 funded project:

Business Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Print Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Date

**Section 3 Form #2: SECTION 3 BUSINESS CONCERN SELF-CERTIFICATION FORM**

**Please return this form to the following address:**

**The HACC's Section 3 Self Certification**

**For assistance completing these forms, please**

Section 3 Business Criteria: Your business is eligible for Section 3 Business Certification if it meets any one of the following criteria. Please note that the definition of Section 3 qualified person is on Section 3 Form #3, "Section 3 Resident Self-Certification Form."

1. Fifty-one percent or more of your business is owned by a Section 3 resident or residents.

2. 75% of work performed is done by Section 3 workers

Section 3 Business Certification Statement: I hereby certify to the U.S. Department of Housing and Urban Development (HUD) and to the Housing Authority of Champaign County that all of the information on this form is true and correct. I understand that it is my responsibility to conduct any due diligence necessary to make this certification and to maintain documentation establishing my Section 3 Business concern status. I also understand that failure to complete this form completely and accurately may result in debarment or other administrative remedies available to HUD, and criminal or civil penalties under federal, state, and local laws.

* My business is a Section 3 business in accordance with the standard checked above under Section 3 Business Criteria.
* My business is not a Section 3 business.

|  |  |
| --- | --- |
| Signature: | Date Signed: |
| Name: I Title: | |
| Company Name | |
| Address | |
| Telephone Number | |
| Type of Business: (Check One): □Corporation □Partnership □Sole Proprietorship □Other | |

**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 1/6)**

**PART I- Purpose**: To ensure that regulations promulgated under 24 CFR Part 135 "Economic Opportunities for Low- and Very Low-Income Persons" is met, HACC has developed and approved a Section 3 Policy. Information on specific compliance with Section 3 is found in HACC's Section 3 Policy, or in the regulations at 24 CFR Part 135.

This form, along with all related required documents included shall serve as the 'assurance of compliance" certification and action plan as required in the bid documents, supplemental general conditions, and required forms for the contract for any HUD work funded by HACC.

Name of Business:

Business Address:

Contract Name/Solicitation#:

Total amount of Bid:

**PART II -PRIOR COMPLIANCE CERTIFICATION**

I am certifying that my business has complied with the HUD Section 3 regulations in its past HUD contracts/purchase orders.

Signature/Title Print Name Date

**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 2/6)**

**PART IV: CONTRACTING/SUBCONTRACTINGNEEDS:**

If you plan to subcontract, please list the proposed subcontractors and amounts below. Attach a Section 3 Business Concern Self-Certification form for each Section 3 Business identified.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sub-contractor Name** | **Work to be performed (Building trade or Other type of work)** | **Section 3**  **Business? Yes/No** | **Contract Amount** | **%of**  **Total Contract** | **M/W/DBE** |
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Use an additional sheet if required

Total amount to be sub-contracted to Section 3 Business Concerns: $. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Percentage of total $ value of bid/contract: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

IMPORTANT: Should the scope of work or needs of the contractor change, the contractor shall, to the greatest extent feasible, assure that subcontracts be awarded to Section 3 business concerns and shall immediately contact HACC’s Procurement Manager.

**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 3/6)**

**PART V: WORKFORCE NEEDS AND HIRING PLAN**

Preliminary Statement for Workforce Needs: HACC intends to meet Section 3 compliance at the highest level and it is our intent to identify any short-term and long-term employment or contracting opportunities for qualified Section 3 persons and business concerns during the course of your contract funded by HACC via its contractors. Please list the status of all planned employment position and opportunities for this contract. Preference for all opportunities must be given to low- and very low­ income residents if they qualify. If awarded a contract, you are required to provide a list of your aggregate workforce on this project. Any changes to that workforce during the project will constitute new hires. You are hereby notified that you must notify HACC or contractor (respectively) overseeing your contract of any new hire opportunities that arise during the life of your contract. Anticipated workforce list may be provided on a separate sheet or in a different format.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1. List Job Title/Trade** | **2. Total#of Employees Needed to complete Scope**  **of Work by Job Title** | **3. Total# from Current Staff** | **4, Of the total # in column (3), how many are Section 3 Hires within the past 3 years?** | **Total# of New Hires Needed (Column2-**  **Column 3)** | **Total# of New Hires expected to be Section 3 Residents** |
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| TOTALS |  |  |  |  |  |

Use an additional sheet if required

**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 4/6)**

**PART VI. OTHER REQUIREMENTS**

Outreach Plan:

Check all methods you will employ to hire Section 3 residents. Posting the position in community sources that are generally available to low-income residents and the general public is a standard requirement. Check at least three (3) other methods you will employ:

* The local community newspaper(s)
* The most widely distributed newspaper
* HACC website
* HACC properties management offices in a conspicuous location
* Homeless service agencies
* Local HUD-supported housing communities
* Local Workforce Board
* Other locations as approved by HACC
* Email blast residents on the HACC Section 3 Resident List
* Post notices on social media controlled by HACC

**Documentation of ''To the Greatest Extent Feasible":**

The contractor will work with HACC Section 3 Coordinator and other designated staff to notify residents of any opportunities offered under the contract. The contractor will collaborate with HACC by giving preference of any employment opportunities to the Section 3 persons or business concerns.

The contractor and subcontractor(s) shall recruit or attempt to recruit from HACC's Section 3 area, based on the priority order in HACC's Section 3 Plan, the necessary number of low-income and very low-income residents through documentation of their efforts and of any impediments to comply. HACC's contractors and subcontractors shall:

1. Maintain a list of all low-income area residents who have applied, either on their own or from referral from any source and employ such person if otherwise qualified and if a vacancy exists.
2. Review and consider the Section 3 Resident List provided by HACC prior to making new hires. If those hired are not Section 3 residents, or are in a lower preference category, the Contractor must explain in writing the qualifications that those on Section 3 Resident List lacked, or other reason for non-hire (e.g., job offer declined).
3. Provide evidence that the contractor has not filled vacant employment positions in its workforce immediately prior to undertaking work in an attempt to circumvent Section 3 regulations.

Review and determine if low-income and very low-income residents meet minimum hiring qualifications. Applicants meeting such minimum qualifications, but not hired due to lack of job openings or for other operations reasons, will be placed on a priority-hiring list and offered positions upon the occurrence of the first available appropriate job opening.

**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 5/6)**

**Recordkeeping:**

The contractor shall maintain on file all records related to employment and job training of low-income and very low-income residents or other such records, advertisements, legal notices, brochures, flyers, publications, assurances of compliance from subcontractors, etc., in connection with this contract. If there is a report that is needed as part of the submission, you agree to provide it in a timely manner. The contractor shall, upon request, provide such records or copies of records to HACC, its staff, or agents.

**Reports:**

The contractor shall provide reports as required in connection with the contractor specifications. All certified and regular payrolls shall clearly detail which employees qualify under Section 3.

**Certification:**

The contractor will certify that any vacant employment positions, including training positions filled...

1. After the contractor is selected but before the contract is executed; and
2. With persons other than Section 3 residents

...were not filled to circumvent the subcontractor's obligations under 24 CFR Part 135.

**Other Economic Opportunities:**

If a contractor has demonstrated that it has no need or plans to subcontract or hire, or that can demonstrate that it has attempted, to the greatest extent feasible, to meet Section 3 hiring and contracting goals but cannot, may provide other economic opportunities to Section 3 residents and business concerns as described in the HACC Section 3 Policy. These opportunities must be described in a written plan on how the contractor will offer other economic opportunities. A contractor that has a need to hire or sub-contract may not use other economic opportunities as a substitute to attempt to meet hiring or contracting goals; the contractor must still demonstrate how it attempted to the greatest extent feasible, to meet the goals.

**Grievance and Compliance:**

The contractor or sub-contractor hereby acknowledges that they understand that any low-income and very low-income resident of the project area, for him/her or as representatives of persons similarly situated, seeking employment or job training opportunities in the project area, or any eligible business concerns seeking contract opportunities may file a grievance if efforts to the greatest extent feasible were not executed. The grievance must be filed with HUD not later than one hundred eighty (180) calendar days from the date of the action (or omission) upon which the grievance is based.

**SECTION 3 CONTRACT COMPLIANCE CURE AND TERMINATION PROCESSES**

This language is a component of contract compliance with the work contractors and sub-contractors including developers respond to in HACC solicitations. The full requirements are provided in the Section 3 Clause found elsewhere in this package or in the HUD forms 5370-C or 5370 Cl as may be applicable.

All contractors claiming a Preference in contracting by meeting any of the three Preference requirements including a Resident Owned Business, Hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. Any contractor triggering the regulation by doing any hiring or contracting once they are awarded the contract through contract execution must comply with the Section 3 requirements by executing the efforts on their Certification and Action Plan in accordance with the HACC Section 3 Action Plan.

HACC shall execute these remedies to achieve compliance in this order:

1. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail from HACC notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.
2. If at any time a contractor fails to bring the contract into compliance, HACC must withhold all future payments until the contract complies.
3. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to HACC why it cannot meet compliance. HACC must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If HACC deems the cause to be unacceptable, at its option, HACC can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or
4. If the contractor fails to take any corrective action to bring the contract into compliance within seven (7) business days from the most recent notice of non-compliance, or HACC does not accept any of the contractor's corrective plans or justifications for non-compliance, HACC must terminate the contract immediately. All funds due to the contractor shall be held and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non-­ Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

Any contractor claiming to meet Section 3 compliance by committing to hire residents, fund training itself **shall meet compliance within seven (7) calendar days of contract start** or HACC shall halt all payments to the contractor and its sub-contractors related to the agreement and the actions listed in steps A-D in this section shall apply.

**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 6/6)**

**ATTESTATION:**

I attest that the above information is true and correct and that by signing below, the Contractor hereby

agrees to comply with Section 3 requirements.

Name of Prime Contractor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of Authorized Officer: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title of Authorized Officer: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Date

NOTARY REQUIRED

STATE: COUNTY:

I, the undersigned a Notary Public in and for said authority and in said State, hereby certify that, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ who’s named as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(TitIe) of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Company) is signed to the foregoing conveyance and

who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Officer Title), and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the

day of

\_, 20\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

My Commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ {SEAL}

**Section 3 Form #4-- SECTION 3 RESIDENT SELF-CERTIFICATION AND SKILLS DATA FORM (Page 1 of 2)**

The purpose of this form is to comply with HUD Section 3 administration and certification regulations.

**Printed Name of Individual: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**My home address is (must be a street address and NOT a P.O. Box number):**

**Street Address Apt Number City State Zip**

**Phone#: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Email Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

I certify that I am a legal resident of the United States and meet the income eligibility and federal guidelines for a Section 3 Resident below:

**To qualify as a Section 3 Resident, you must meet one of the following standards:**

1. Reside in HACC owned properties or be a Housing Choice Voucher program participant (Section 8 rent assistance voucher) managed by HACC; OR
2. Be a low income or very low-income person who resides in a city where Housing Authority of Champaign County is located and whose total household income does not exceed the following amounts:

Table of Adjusted Median Income for Housing Authority of Champaign County

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Family Size | 1 Person | 2  Persons | 3  Persons | 4  Persons | 5  Persons | 6  Persons | 7  Persons | 8  Persons |
| Household Income | 44,250 | 50,600 | 56,900 | 63,200 | 68,300 | 73,350 | 78,400 | 83,450 |

(Check all that apply):

□I am a public housing resident (Name of housing development:\_\_\_\_\_\_

□I am a Section 8 rent assistance participant with HACC (have a Housing Choice Voucher)

□ I live in the service area of the Housing Authority (Housing Authority of Champaign County)

My total annual household income is $ \_ and there are a total of people living in my household.

**Section 3 Form #4- SECTION 3 RESIDENT SELF-CERTIFICATION AND SKILLS DATA FORM (Page 2 of 2)**

|  |
| --- |
| * Graduated High School or GED □Yes □No * Read & Speak English Fluently □Yes □No * Graduated College, Trade, or Technical School □Yes □No |
| Please list degree or certifications: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Check the Skills. Trades. and/or Professions you have been employed in or contracted to do for others:  □Drywall Hanging □Drywall Finishing □Interior Painting □Framing □Welding  □HVAC □Electrical □Interior Plumbing □Siding □M etal/ St eel Work  □Cabinet Hanging □Door Replacement □Trim/ Carpentry □Heavy Equipment Operator  □Exterior Plumbing □Exterior Framing □St ucco □Construction Cleaning  □Concrete/Asphalt Work □Roofing □Landscaping □Fencing □Window/Door Repl.  □Telephone Customer Service □Personal Care Aide □Receptionist □Teaching/Training  □ Sales □Data Entry □Cleaning □Administrative/ Clerical □Demolition  □Driver' s License □Commercial Driver's License (CDL) □**New** Construction  □Other \_\_\_\_\_\_ □Ot her \_\_\_\_\_\_\_\_\_\_  I am interested in: □ **Training opportunities** □ **Employment Opportunities** □ **Both** |

I hereby certify to the U.S. Department of Housing and Urban Development (HUD) and to the Housing Authority of Champaign County that all of the information on this form is true and correct. I attest under penalty of perjury that my total household income and household size is as shown above, and that proof of this information may be requested in the future. If found to be inaccurate, I understand that I may be disqualified as an applicant and/or a certified Section 3 individual which may be grounds for termination of training, employment, or contracts that resulted from this certification. I also understand that failure to complete this form completely and accurately may result in other administrative remedies available to HUD. Finally, I authorize the Housing Authority of Champaign County to include my name on a list of Section 3 Residents seeking employment and to include my contact information so that contractors may contact me.

Signature Date



**Serving Champaign**

**County, Illinois**

SECTION 3 POLICY

FOR

Housing Authority of Champaign County

2008 N. Markert Street, Champaign, IL 61822

NOTE: These procedures are specific to the implementation of the HACC Section 3 regulation and this policy and are not fully operating procedures for all departmental activities associated with HACC day-to­ day operations.

Procedures revised as of:

6/25/2024

**Procedure Title: Section 3**

This operating procedure is tied to the HACC Section 3 Policy only and designed to achieve and maintain compliance with the HUD Act of 1968 revised 1992, 1994 and any compliance agreements in place upon its development and approval.

The procedures contained within are relative to the Section 3 daily operations:

**Section 1- Internal Hiring**

This procedure encompasses all employment types including full-time, part-time, long-term, short-term, temporary, and special assignments. In the process of seeking new employees for HACC, the following procedures should be followed in an effort to ensure as many employment opportunities for Section 3 residents as possible.

The employment policy of the Housing Authority of Champaign County (HACC) is to hire the best-qualified applicants and extend equal employment opportunity practices to all qualified individuals. The company will not discriminate on the basis of race, color, religion, sex, national origin, veteran status, disability, age, sexual orientation, or any other characteristic protected from discrimination by applicable federal, state or local law.

HACC complies with Section 3 of the Housing and Urban Development Act of 1968. To the greatest extent feasible, at least thirty-percent (30%) of the aggregate annual number of its internal new full-time hires will be PBV residents and other Section 3 eligible persons. HACC seeks to provide current staff with growth opportunities as well and will allow for a one-week internal posting period before following the efforts listed below. See the HACC Human Resource Policy for all other hiring practices.

When HACC department managers become aware of a new employment opportunity, HACC will follow this process to fill that position:

**STEP 1:** The position opening must be reported to Human Resources immediately.

**STEP 2:** There should be a determination of whether the position will be refilled or not. If not, Human Resources should make a note to the file that the position will not be refilled.

**STEP 3:** If however, the position will be filled, the Human Resources department (and the hiring manager when applicable) shall review the current position description to ensure it is accurate to the actual job duties being performed by the most recent person in that job. If a review of the position description warrants any modifications to the job description, those updated responsibilities must be made and approved by the hiring manager, Human Resources and any other required persons in the decision-making chain before the position is posted internally and externally.

**STEP 4:** Once the position description is completed and approved by all required persons, Human Resources shall post the position internally for seven (7) days through HACC normal resources, so all employees have access to the position in the same time period. This allows for internal promotional opportunities and should allow for any existing staff interested in applying for the position to be able to submit their interest in time.

**STEP 5:** Once the internal posting period has expired, a review of all applicants should be conducted by Human Resources and the hiring manager. Once all qualifications have been considered and the most qualified candidate has been determined, Human Resources should review the application to confirm if the employee self-certified as a Section 3 resident on the application or whatever process is used to apply for the position. If the employee self-certified themselves as a Section 3 resident, human resources shall confirm the qualifying information. If the most qualified existing employee meets the Section 3 resident requirements, HACC shall offer the position to that qualified employee and not move forward with any further posting of that position. Section 3 compliance will have been achieved since a Section 3 resident was hired for the new opportunity.

**STEP 6:** If the best-qualified existing employee reviewed from the internal posting period does not meet Section 3 Preference but is best suited for the job, HACC should offer the position to that person. Once the person accepts the position, the process from STEP 1 should begin again based on the position being vacated by the employee.

**STEP 7:** If no internal employee qualifies for the position or if in the judgment of Human Resources and the hiring manager they would like to review additional candidates, it should now be opened up for public consideration.

**STEP 8:** To ensure HACC's residents receive the greatest notice of the opportunity, the position notice should be posted in the community sources that are generally available to low-income residents and the general public. It is required that at a minimum of three (3) of the listed sources will be exercised at least once prior to extending an offer of employment to anyone not covered by Section 3 requirements from the public:

1. The local community newspaper (even if in non-English language)
2. The most widely distributed newspaper
3. HACC website
4. HACC properties management offices in a conspicuous location
5. Homeless service agencies
6. Local HUD-supported housing communities
7. Local Workforce Investment Board and local job centers
8. Other locations as approved by HACC
9. Email blast residents on the HACC Section 3 Resident listing
10. Post notices on social media controlled by HACC

**STEP 9:** When timing allows, place a notice of the position(s) in any newsletters, notices, or bulletins.

**STEP 10:** Be certain to list that the position is a "Section 3 covered position under the HUD Act of 1968

and that PBV residents and other low-income individuals are encouraged to apply" in all notices.

**STEP 11:** The job application must include provisions to identify whether a candidate is entitled to Section

3 preferences.

**STEP 12:** In screening applications, all candidates that meet the qualifications for the position shall be reviewed. If a Section 3 resident is identified as a qualified candidate, all things being equal, preference for employment should be given to Section 3 residents based on the priority preference order described in the HACC Section 3 Policy, in Section V (Section 3 Goals and Preferences).

**STEP 13:** If HACC selecting officials select a job applicant who is not a Section 3 resident, or is in a lower Section 3 preference category than other applicants as defined in Section V (Section 3 Goals and Preferences) of the HACC Section 3 Policy, there must be a written explanation for such a hiring decision.

**STEP 14**: As a means of compliance, HACC may establish a contact relationship with any temporary employment agency or agencies as a prime contractor when properly procured. A requirement of the contract is that any person identified for placement by the temporary agency with HACC must complete the Self Certification form (Section 3 Form #4} clarifying their qualifications as a Section 3 resident. Any person certifying as a qualified Section 3 resident must be given preference for any HACC assignment based on the priority preference order described in the HACC Section 3 Policy, in Section V (Section 3 Goals and Preferences) provided they meet all other position requirements.

**Section 2 - Procurement and Contracting**

This policy on procurement procedures is relative only to Section 3 and is not designed to re-write the approved procurement policy for HACC. **The general steps below regarding Section 3 apply to all Section 3 covered procurements procured by any HACC staff, REGARDLESS of dollar amount.**

To encourage a greater pool of qualified Section 3 business concerns as well as Resident-Owned Businesses (ROBs) and to train all contractors on Section 3 provisions and requirements, HACC will implement outreach and training efforts targeting the business community and potential Section 3 business concerns. As described in the policy, HACC will also create or collaborate on a Section 3 business concern registry that will be available for HACC and/or potential contractors to use to identify possible qualified Section 3 businesses.

**STEP 1: This step is only applicable when a public housing authority is involved in the transaction**. During the development of any solicitation or work project that is a Section 3 covered procurement, there should be a determination by HACC as to whether or not the work can be and/or should be limited to Resident Owned Businesses (ROB's) under the **24CFR Part 963.12** **Alternative Procurement Method**. If so, than STEPs 2-8 should be followed with respect for **ROB's ONLY.** In the definition of ROB, "Owned and controlled" means a business (a) at least 51% owned and operated by a public housing resident; and (b) whose management and daily business operations are controlled by one or more such individuals. Whenever ROB status is sought, HACC staff shall verify such status by requesting address and ownership verification of the 51% Owner/Operator rule as stated in the HUD Act of 1968. Use of the Section 3 Form

**#2--"Section 3 Business Concern Self-Certification Form"** is an acceptable statement of address and business data, when presented along with all other required incorporation documents including any letter of issuance of a Federal Employer Identification Number (FEIN) and state Articles of Incorporation.

**STEP 2:** HACC procurement staff will continue to solicit and complete procurements in accordance with its procurement policy, using the most appropriate given the size and type of procurement. Possible locations to use to promote procurements include:

The local community newspaper (even if in non-English language)

The most widely distributed newspaper

The Daily Reporter

HACC website

HACC property management offices in a conspicuous location

Emerging business enterprise (EBE) businesses such as MBEs, WBEs, etc.

Local HUD supported housing communities

Email blast to contractors on registry

If sufficient time, in flyers, newsletters, etc. to residents

Other locations as approved by HACC

**STEP 3:** All ads must include a notice that, "This contract opportunity is a Section 3 Covered Contract and any Section 3 Business Concerns are encouraged to apply."

**STEP 4:** All solicitations for Section 3 covered procurements must include the HACC Section 3 policy and forms for contractors to complete and return with their bids/responses.

**STEP 5:** In reviewing the solicitation responses, any contractors that are identified as qualified Section 3 Business Concerns should be reviewed, and if responsive and responsible, granted a preference in contracting after all other factors are considered. If one or more Section 3 business concern is identified as a qualified contractor, all things being equal, preference for contracting should be given to Section 3 business concerns based on the priority preference order described in the HACC Section 3 Policy, in Section V (Section 3 Goals and Preferences).

**STEP 6:** Where deemed by HACC Procurement staff as effective and efficient, Indefinite Delivery Indefinite Quantity (IDIQ) contracts will be used, especially when many of the services procured are in small but constant quantities by the housing property staff. In such IDIQ procurements, Section 3 policies and preferences will fully apply.

**STEP 7:** In any Section 3 covered purchase order or contract, the full Section 3 clause is to be incorporated into the purchase order or contract.

**STEP 8:** In addition to the Section 3 clause, following language is to be added to all new contracts effective immediately:

**"In addition to the regulations regarding Section 3 in 24 CFR Part 135, the parties to this contract agree to comply with the requirements of HACC's Section 3 Policy, which is attached to this contract."**

**STEP 9:** Except in emergency procurements where time is of the essence, no contract will be entered into or be given permission to proceed unless and until the Section 3 plan provided by the contractor is deemed in accordance with Section 3 regulations and HACC Section 3 Policy.

**STEP 10:** The Section 3 Coordinator and HACC staff providing contract oversight will work together to:

* Continually communicate with the contractor the importance of hiring HACC residents and other Section 3 residents or providing training whenever possible.
* Monitor contractor-issued payrolls for any new hires not in compliance with Section 3 requirements and HACC's Section 3 policy.
* Monitor every contractor-submitted pay request for any subcontractors not in compliance with Section 3 requirements and HACC's Section 3 policy.
* Deviation from the contractor's approved Section 3 plan that results in noncompliance with Section 3 may result in termination of a contract.

**SECTION 3 CONTRACT COMPLIANCE CURE AND TERMINATION PROCESSES**

This language is a component of contract compliance with the work contractors and sub-contractors including developers respond to in HACC solicitations. The full requirements are provided in the Section 3 Clause found elsewhere in this package or in the HUD forms 5370-C or 5370 Cl as may be applicable.

All contractors claiming a Preference in contracting by meeting any of the three Preference requirements including a Resident Owned Business, hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. Any contractor triggering the regulation by doing any hiring or contracting once they are awarded the contract through contract execution must comply with the Section 3 requirements by executing the efforts on their Certification and Action Plan in accordance with the HACC Section 3 Action Plan.

HACC shall execute these remedies to achieve compliance in this order:

1. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail from HACC notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.
2. If at any time a contractor fails to bring the contract into compliance, HACC must withhold all future payments until the contract is in compliance.
3. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to HACC why it cannot meet compliance. HACC must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If HACC deems the cause to be unacceptable, at its option, HACC can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or
4. If the contractor fails to take any corrective action to bring the contract into compliance within seven (7) business days from the most recent notice of non-compliance, or HACC does not accept any of the contractor's corrective plans or justifications for non-compliance, HACC must terminate the contract immediately. **All funds due to the contractor shall be** held and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non­ Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

Any contractor claiming to meet Section 3 compliance by committing to hire residents, fund training **itself shall meet compliance within seven (7) calendar days of contract start** or HACC shall halt all payments to the contractor and its sub-contractors related to the agreement and the actions listed in steps A-D in this section shall apply.