



# SECTION 3 ACTION PLAN

Updated 09/16/2020

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## **I. Introduction.**

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701(u)) requires that Scott County Community Development Agency (“CDA”) ensures that employment and contracting opportunities generated by certain Department of Housing and Urban Development (HUD) financial assistance, and to the greatest extent feasible, is directed to Section 3 Business concerns or Section 3 Compliant businesses and/or Section 3 residents that provide economic opportunities to low and very-low income persons.

The CDA shall incorporate this Section 3 Action Plan (Plan) into its existing Procurement Procedure and implement a Section 3 Contracting Policy and Procedure to be included in all procurements that are generated by the use of HUD funding. The intent and purpose of the Plan is to identify the goals, objectives and the actions that the CDA shall implement in its intent to comply with the regulations of 24 CFR Part 135.

1. This Plan will define the required procedures to ensure the compliance of the Plan and the requirements of Section 3 in both, its own operations and in the operations of the bidders, contractors, and covered subcontractors.
2. The CDA Section 3 policy will require that all reasonable efforts shall be made to ensure that new employment opportunities are directed toward low and very-low income residents within the project areas in as much as they meet the requirements of the position and/or trade.
3. The policy will also require that designated/certified Section 3 business concerns are to be extended preference in contract awards.

Definitions of terms utilized in this Plan shall be found on Attachment ‘A’ or in 24CFR Part 135.

## **II. Section 3 Administration**

The Section 3 administration and coordination for the CDA shall be the responsibility of the Housing Rehabilitation Coordinator . It will also be the responsibility of the Housing Rehabilitation Coordinator for the continued development and revision of the Plan as needed. This Plan and all future revisions shall be approved by the Executive Director of the Scott County Community Development Agency prior to its implementation. The Housing Rehabilitation Coordinator shall also provide Bidders/Contractors with a list of Section 3 Business Concerns upon request. The Housing Rehabilitation Coordinator will be available to answer general questions about the CDA’s Section 3 Plan.

### III. Scott County Section 3 Goals

In accordance with the Section 3 requirements of 24 CFR 135.30 the CDA shall establish goals to attain the numerical goals set within.

1. **At least 10 percent (10%)** of the total dollar amount of all Section 3 covered projects for building trades work arising in connection with housing rehabilitation, housing construction and other public construction shall be awarded to Section 3 business concerns, *and*
2. **At least 3 percent (3%)** of the total dollar amount of all other Section 3 covered contracts (e.g. architect, appraisal, etc.) shall be awarded to Section 3 business concerns.
3. **At least 30 percent (30%)** of the aggregate number of new hires in any fiscal year shall be Section 3 residents.

It is the intent of the CDA to utilize and require Contractors and Sub-recipients to utilize Section 3 Business Concerns and Section 3 Residents in contracts that are in part or completely funded with HUD financial assistance.

The infusion of certain HUD funds through the CDA into a project means these goals do apply to all construction costs and not just the amount of HUD financial assistance regardless of the insertion point of such funds.

Records must be maintained in each project file on the status of these goals, and efforts taken to reach these goals. If goals are not met, a description of the impediments encountered must be recorded and included.

### IV. Scott County CDA Section 3 Business Certification Requirements

#### *Certification of Section 3 Business Concerns,*

The CDA may certify Business Concerns as Section 3 eligible. The Housing Rehabilitation Coordinator is tasked with this responsibility and shall provide technical assistance to those businesses which require help completing the Section 3 Business Concern Application Form (Attachment 'C'). Upon review by the Housing Rehabilitation Coordinator and it is found that the applying business entity meets all eligibility requirements, they will be issued a letter stating they are considered Section 3 Certified by the Scott County CDA. The Housing Rehabilitation

Coordinator is responsible for maintaining a current and accurate list of the CDA certified Section 3 Business Concerns.

#### *Identification of Section 3 Compliant Businesses,*

The CDA may identify a business entity as a Section 3 Compliant Business on a project by project basis. The Housing Rehabilitation Coordinator is tasked with this responsibility and shall provide technical assistance to those businesses which require help completing the Section 3 Compliant Business Application Form (Attachment 'D'). This application must be submitted with the bid packet for each project of interest. Upon review by the Housing Rehabilitation Coordinator and it is found that the applying business entity is making a feasible effort to meet all Section 3 eligibility requirements, that business entity may be recognized as a Section 3 Compliant Business Concern for that specific project by the Scott County CDA. Each project and bidding process will require an application for identification as a Section 3 compliant Business Concern. Attachment 'E' Acknowledgement and Action Record must be submitted prior to the issuance of a 'Notice to Proceed'.

#### **V. Scott County CDA Section 3 Resident Certification Requirements**

##### *Certification of Section 3 Eligible Residents*

The CDA may certify low and very low income individuals as Section 3 residents. The Housing Rehabilitation Coordinator is tasked with this responsibility and shall provide technical assistance to those individuals who require help in completing the Section 3 Resident Application Form (Attachment 'F'). Upon review by the Housing Rehabilitation Coordinator and it is found that the applying resident does meet all eligibility requirements, they will be issued a letter stating they are considered a Section 3 Resident by the CDA. The Housing Rehabilitation Coordinator is responsible for maintaining a current and accurate list of CDA Certified Section 3 Residents.

#### **VI. Scott County CDA Section 3 Business Contracting Policy**

The CDA is committed to ensuring that qualified Section 3 Business Concerns derive economic benefit from all Section 3 covered projects built in their communities. Contractors and Sub-recipients must demonstrate in their Section 3 Action Plan and through their subsequent actions that contracting and other economic opportunities are to be directed to Section 3 Business Concerns and/or Section 3 Residents to the greatest extent feasible. *Under the CDA's policy, Section 3 Business Concerns or those businesses that qualify as a Section 3 Compliant Business Concern will be given priority in contracting for appropriate work.*

Efforts to be made by CDA to award contract opportunities to Section 3 Business Concerns:

The CDA will use the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist:

- Advertise contracting opportunities via the CDA's webpage that will provide general information about the project and where to obtain additional information.
- Create and maintain a list of certified Section 3 business.
- Coordinate pre-bid meetings at which Section 3 business concerns may be informed of upcoming contracting and subcontracting opportunities.
- Actively supporting the development and maintenance of Section 3 joint ventures.

Efforts to be made by the CDA in addition to the efforts described above, to cause Contractors and Sub-contractors to award contract opportunities to Section 3 Business Concerns.

- Providing Section 3 information and requirements at all pre-bid meetings and pre-construction conferences for Section 3 covered contracts. The information shall be presented by means of a CDA staff member. Written record of such conferences shall be maintained in the project file.
- By determining the responsibility of the potential contractors by evaluating their past performance and commitment to comply with the Section 3 requirements.
- Implementing a Section 3 contracting preference for each competitive procurement as authorized in CFR 85.36 (d)
- Requiring reports to monitor Contractors compliance with Section 3.

## **VII. Scott County Section 3 Contracting Procedure**

The CDA will include Section 3 information and requirements in all of its procurement and bid specifications for projects covered by Section 3, which by reference becomes a part of the contract with the successful bidder. The Section 3 contract clause required by 24 CFR Section 135.38 and set forth in Attachment 'C' specifies the requirements for the contractors and subcontractors hired for Section 3 covered projects. The Section 3 clause will be included in all contracts/rehabilitation agreements established with the CDA and contractors and/or sub-contractors.

### **Preferences provided in the Invitation For Bid**

- (i) Preference in the award for a Section 3 covered contracts that are awarded under a sealed bid process shall be provided as follows: An award shall be made to the qualified Section 3 Business concern with the lowest responsive bid if that bid-

1. Is within the maximum total contract price established within the CDA’s budget for the project for which the bids are being solicited.
2. Is not more than the designated percentage higher than the total bid price of the lowest responsive bid from any determined responsible bidder. Percentage base is determined as follows.

When the lowest responsive bid is less than \$100,000	=10% of bid up to \$10,000.
At least \$100,000 but less than \$200,000	=9% of bid up to \$18,000.
At least \$200,000 but less than \$300,000	=8% of bid up to \$24,000.
At least \$300,000 but less than \$400,000	=7% of bid up to \$28,000.
At least \$400,000 but less than \$500,000	=6% of bid up to \$30,000.
At least \$500,000 but less than \$1,000,000	=5% of bid up to \$50,000.
At least \$1,000,000 but less than \$2,000,000	=4% of bid up to \$80,000.

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

**Preferences in Request For Proposal**

Where the Section 3 contract is to be awarded based on a Request For Proposal (“RFP”) and other evaluation factors are to be utilized for rating the proposal and determining the award;

- One of the evaluation criteria shall identify the preference for Section 3 Business Concerns and the specific company’s acceptable strategy for meeting *the greatest extent feasible requirement* as provided in proposals submitted by all Business Concerns. This evaluation factor shall provide for a potential range of 15-25% of total possible points awarded.
- The strongest component in this evaluation criteria shall be the preference for Section 3 business Concern and must establish a preference for these Section 3 Business Concerns in the order of priority ranking them as described in 24 CFR 135.36.

- The second component, the RFP shall require the disclosure of the contractor’s Section 3 strategy to comply with Section 3 employment or contracting preference, or both. If applicable, the determination of the contractor’s responsibility will include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsible firm whose proposal is determined most advantages, considering price and all other factors specified in the RFP.

## **VIII. Protest and Complaint Procedures**

### *Cooperation in achieving Compliance*

The CDA recognizes that the success of ensuring that Section 3 Business Concerns and Section 3 Residents have the opportunity to apply for jobs and to bid or propose for contracts generated by covered HUD financial assistance depends upon the cooperation and assistance of the CDA, developers, the contractors, and subcontractors. A Section 3 concern maintains the right to file a complaint directly with HUD’s office of Fair Housing and Equal Opportunity.

All contractors shall cooperate fully and promptly with HUD in Section 3 compliance reviews, in investigations of allegations of noncompliance made and with the distribution and collection of data and information.

### *Filing and Processing Complaints*

**Who may file a complaint?** The following individuals and Business Concerns may personally or through an authorized representative, file a complaint with HUD alleging noncompliance with Section 3.

1. Any Section 3 Resident on behalf of himself or herself, or a representative of persons similarly situated, seeking employment, training or other economic opportunities or by a representative who is not a Section 3 resident but who represents one or more Section 3 residents.
2. Any Section 3 Business Concern on behalf of itself, or as a representative of other Section 3 Business concerns similarly situated, seeking contract opportunities that are generated from Section 3 covered projects.

**Where to file a complaint.** A complaint must be filed with the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, DC 20410.

### *Time of filing*

A complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

Where a complaint alleges noncompliance with Section 3 and the regulations of this part (24 CFR 135) that is continuing, as manifested in a number of incidents of noncompliance, the complaint will be timely if filed within 180 days of the last alleged occurrence of noncompliance.

Where a complaint contains incomplete information the Assistant Secretary shall request the needed information from the complainant. In the event this information is not furnished to the Assistant Secretary within (60) days of the date of request, the complaint may be closed.

### *Contents of Complaint*

Written Complaints: Each complaint must be in writing, signed by the complainant, and shall include:

- Name and address of the complainant;
- The name and address of the respondent;
- A description of the acts of omissions by the respondent that is sufficient to inform the Assistant Secretary of the nature and date of the alleged non compliance; and
- A complainant may provide information to be contained in a complaint by telephone to HUD.

### *Amendment of Complaint*

Complaint may be reasonably and fairly amended at any time. Such amendments may include, but are not limited to, amendments to cure technical defects or omissions, including failure to sign or affirm a complaint, to clarify or amplify the allegations in a complaint, or to join additional or substitute respondents. Except for the purposes of notifying respondents, amended complaints will be considered as having been made as of the original filing date.

### *Resolution of Complaint*

1. Within ten (10) days of a *timely filing* of a complaint that contains complete information, the Assistant Secretary shall determine whether the complainant alleges an action of omission be the CDA or that the CDA's contract that, if proven qualifies as non compliant with Section 3, the complaint shall be sent to the CDA for resolution.



2. If the CDA's Housing Rehabilitation Coordinator believes the complaint lacks merit, the CDA's Housing Rehabilitation Coordinator must notify the Assistant Secretary, in writing, of this recommendation with supporting reasons, within thirty (30) days of the date of receipt of the complaint. The final determination that a complaint lacks merit is reserved for the Assistant Secretary.
3. If the CDA's Housing Rehabilitation Coordinator does determine that a complaint has merit, the CDA will have sixty (60) days from the date of receipt of the complaint to resolve the matter with the complainant. At the expiration of the sixty (60) day period, the CDA must notify the Assistant Secretary, in writing whether a resolution of the complaint has been reached.

If a resolution has been reached, the notification must be signed by both the CDA and the complainant, and must summarize the terms of the resolution reached between the two parties.

4. Any request for an extension of the sixty (60) day period by the CDA must be submitted in writing to the Assistant Secretary, and must include a statement explaining the need for the extension.
5. If the CDA is unable to resolve the complaint within the sixty (60) day period (or more if extended by the Assistant Secretary), the complaint shall be referred to the Assistant Secretary for handling.

**Judicial relief:** Nothing in this procedure precludes a Section 3 Business Concern or Section 3 Resident from exercising the right, which may otherwise be available to seek directly through judicial procedures.

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## Section 3 Definitions

**Applicant** means any entity which makes an application for Section 3 covered assistance and includes but is not limited to any State, unit of local government, public housing agency, 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 (CHDO), resident council, or cooperative association.

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

**Contractor** means 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 project.

**Department or HUD** means the Department of Housing and Urban Development, including its Field Offices to which authority has been delegated to perform functions under this part.

**Existing Core Workforce** The workforce is composed of those employees whose names appeared on the Contractors active payroll for fifty (50) of the one hundred (100) working days prior to award of the project to the Contractor; and who possess any license required by state or federal law for work; and who have the ability to safely perform the basic functions of the applicable trade.

**Housing and Community Development Assistance** means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

**New Hires** means full time employees for permanent, temporary or seasonal employment opportunities.

**Secretary** means the Secretary of Housing and Urban Development (HUD).

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

**Section 3 Administrator** means the representative(s) of the CDA available to assist the Contractor meet the Section 3 goals.

**Section 3 Business Concern**, a business concern, as defined in this section.

1. That is 51 percent or more owned by Section 3 Residents; or

2. Whose permanent, full time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three (3) years of the date of employment with the business concern were Section 3 residents, or
3. That provides evidence of a commitment in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in the paragraphs (1) or (2) in this definition of "Section 3 Business Concern".

**Section 3 Compliant Business Concern** means a business entity that meets the above definition of a legal business concern and can provide evidence of a commitment in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in the paragraphs (1) or (2) in this definition of "Section 3 Business Concern". This status is recognized on a project by project basis.

**Section 3 Clause** means the contract provisions set forth in 24 CFR 135.38

**Section 3 covered assistance** means

Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:

- (i) Housing rehabilitation (including reduction and abatement of lead based paint hazards, but excluding routine maintenance, repair and replacements);
- (ii) Housing construction.

**Section 3 covered contract** means 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 projects. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and materials. However whenever a contract for materials includes the installation of the materials; the contract constitutes a "Section 3 covered contract". For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of a furnace) and thus is covered by Section 3.

**Section 3 covered project** means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

**Section 3 Resident** means:

1. A public housing resident; or
2. An individual who resides in the metropolitan area or non metropolitan county in which the Section 3 covered assistance is expended, and who is;
  - (i) A low income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's finding that such variations are

necessary because of prevailing levels of construction costs or unusually high or low-income families;

- (ii) A very low-income person, as this term is defined in Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

***Subcontractor*** means 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.



## Department of Housing and Urban Development Income Limits

Listed below are the current income limits that the Scott County CDA and its representatives will use to determine whether an individual meet the income guidelines to qualify as a Section 3 Resident. If you do not qualify based on your current income and household size, but you meet the requirements based on your income and household size within the last three years, you still qualify. All income amounts are subject to adjustment by the CDA in accordance with HUD guidelines.

HOUSEHOLD SIZE	LOW INCOME 80% of area median income
1 Person	\$54,950
2 Persons	\$62,800
3 Persons	\$70,650
4 Persons	\$78,500
5 Persons	\$84,800
6 Persons	\$91,100
7 Persons	\$97,350
8 Persons	\$103,650

Effective April 1, 2020



### Section 3 Business Concern Application

Application Instructions: Complete parts 1- 3 and attach copies of the appropriate documentation. Note that by submitting this application you are authorizing the Scott County CDA to share information about your company to facilitate Section 3 training and contracting opportunities. The CDA reserves the right to request additional information at any time to process applications or verify Section 3 status.

**Part 1. Business Information**

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

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

City: \_\_\_\_\_ County: \_\_\_\_\_ Zip: \_\_\_\_\_ State: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Contact person: \_\_\_\_\_

**Type of Business Entity (Check one)**

Sole Proprietorship       Partnership       Corporation       Joint Venture       LLC

**Provide Copies of the Following Documentation (Check off as you attach documents):**

Business Prof. Licenses       Legal Documents for Business       List of Owners       List of all employees   
(Ex. Articles of incorporation)      (and % of ownership)      (include PT)

**Services provided under this business name.** (Ex. General Contracting, carpentry, trades specific) \_\_\_\_\_

**NAICS Code** (please consult the census website: <http://www.Census.gov/eos/www/naics>) \_\_\_\_\_

**Part 2. Evidence of Ability to Perform**

Federal I.D. Number: \_\_\_\_\_      State I.D. Number \_\_\_\_\_

Bonding Insurance Company \_\_\_\_\_      Bonding/Insurance Limit \_\_\_\_\_

**Part 3. Evidence of Eligibility**

The business/bidder certifies that it is a Section 3 Business Concern based on one or more of the following: Please check the appropriate line.

- \_\_\_\_\_ This business is **51%** or more owned by Section 3 Residents  
All owners claiming preference must complete the Section 3 Resident Application and provide;
- Copy of a Public Housing Lease, or
  - Most recent IRS Tax Statement (Individual and Corporate or if a Sole Proprietor, Submit 1040 with Schedule C), or
  - W-2's and Current Paystubs for all household members, or
  - Other evidence of total family income (ex. Participation in public assistance program, etc.)
- (Provide Attachment 'F' for evidence of meeting this criteria.)**

- \_\_\_\_\_ At least **30%** of full time, permanent employees of the business are currently Section 3 Residents or were Section 3 Residents within 3 years from beginning of their employment with the business.
- Copy of Public Housing Lease, or
  - Most recent IRS tax Return with all schedules attached, or
  - W-2 and current paystubs for all household members, or
  - Other evidence of total family income (ex. Participation in public assistance program, etc.)
- (Provide Attachment 'G' for evidence of meeting this criteria.)**

*I certify that my answers and submittals are true and accurate to the best of my knowledge. I understand that providing false or misleading information may result in penalties, including but not limited to decertification as a Section 3 Business Concern. I further understand that recertification will be required annually from the date of the original certification.*

Signature of Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Please return this Section 3 Business Certification Application and all attachments to:

Scott County Community Development Agency  
323 South Naumkeag Street  
Shakopee, MN 55379  
Attn: Housing Rehabilitation Coordinator



### Section 3 Compliant Business Concern Application for Project \_\_\_\_\_

Application Instructions: Complete parts 1- 3 and attach copies of the appropriate documentation. Note that by submitting this application you are authorizing the Scott County CDA to share information about your company to facilitate Section 3 training and contracting opportunities. The CDA reserves the right to request additional information at any time to process applications or verify Section 3 status.

**Part 1. Business Information**

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

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

City: \_\_\_\_\_ County: \_\_\_\_\_ Zip: \_\_\_\_\_ State: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Contact person: \_\_\_\_\_

**Type of Business Entity (Check one)**

Sole Proprietorship  Partnership  Corporation  Joint Venture  LLC

**Provide Copies of the Following Documentation (Check off as you attach documents):**

Business Prof. Licenses  Legal Documents for Business  List of Owners  List of all employees   
(Ex. Articles of incorporation) (and % of ownership) (include PT)

**Services provided under this business name.** (Ex. General Contracting, carpentry, trades specific) \_\_\_\_\_

**NAICS Code** (please consult the census website: <http://www.Census.gov/eos/www/naics>) \_\_\_\_\_

**Part 2. Evidence of Ability to Perform**

Federal I.D. Number: \_\_\_\_\_ State I.D. Number \_\_\_\_\_

Bonding Insurance Company \_\_\_\_\_ Bonding/Insurance Limit \_\_\_\_\_



**Part 3. Evidence of Eligibility**

The business/bidder certifies that it is a Section 3 Business Concern based on one or more of the following: Please check the appropriate line.

\_\_\_\_\_ The business commits to subcontracting over **25%** of the dollar award of all subcontracts to Section 3 Business Concerns who meets the above qualification. Failure to meet this goal will result in decertification and may result in the loss of future Section 3 contracting opportunities, Provide **Attachment H** for evidence of meeting this requirement.

*I certify that my answers and submittals are true and accurate to the best of my knowledge. I understand that providing false or misleading information may result in penalties, including but not limited to decertification as a Section 3 Business Concern.*

Signature of Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Please return this Section 3 Business Certification Application and all attachments to:

Scott County Community Development Agency  
323 South Naumkeag Street  
Shakopee, MN 55379  
Attn: Housing Rehabilitation Coordinator



## Section 3 – Acknowledgement & Action Record

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This Acknowledgement and Action Record must be completed by all Contractor(s) and Subcontractor(s) that have received *Section 3 Compliant* status prior to issuance of Notice to Proceed.

By signing below you acknowledge receipt of the Scott County CDA Section 3 Action Plan and the HUD Section 3 certification and compliance requirements stated therein.

The undersigned certifies to its commitment to comply with the CDA’s Section 3 Action Plan and all Section 3 laws and regulations in connection with the project listed below. The undersigned further certifies that the information contained in this plan and submitted to the CDA is accurate and correct. The undersigned understands that the CDA may impose penalties and sanctions for any of the following:

- Submission of false or inaccurate statements in this document and/or subsequent reports to the CDA;
- Failure to achieve the Section 3 contracting goals for this project;
- Failure to comply with the CDA’s Section 3 Plan, Section 3 laws and regulations and/or its contract obligations.

I, the undersigned;

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Office or Authorized Agent of Company (Print)

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Title (Print)

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Signature

---

Date

See next page

This form must be completed by the bidder and each subcontractor. Specify in the total number of construction dollars that your business will subcontract, and the total number of new hires for this project. Apply those amounts the percentage indicated in the Section 3 % goals column. The resulting number is your company's initial Section 3 goals. This is to be verified by the Contract and Compliance Administrator.

**Part 1. Project Information**

Project title: \_\_\_\_\_

Company name: \_\_\_\_\_

Company Agent  
responsible for  
Section 3 Compliance: \_\_\_\_\_

Contract Amount: \_\_\_\_\_

**Part 2. Section 3 Contracting/Employment goals**

		Total	%	Section 3 goals	Goals obtained
<b>10% of Building Trade/Construction Contracts</b> Contracts for purchase of supplies and materials only are not subject to goals unless the contract includes installation of product	<b>Building Trade/ Construction Contracts</b>		10%		
<b>3% of all other Non-Construction Contracts</b> (Architect, appraisal, etc.)	<b>Non- Construction Contracts</b>		3%		
<b>30% of New Hires</b> One Section 3 Resident must be hired when a company makes 1, 2 or 3 new hires.	<b>New Hires</b>		30%		



## Section 3 Resident Application

Application Instructions: Complete parts 1- 4. Note: If you are an employee of a business that is applying to be certified as a Section 3 business concern, you are only required to complete parts 1-2 and sign the certification statement and attach copies of the appropriate documentation. Note that by submitting this application you are authorizing the Scott County CDA to share information about your company to facilitate Section 3 training and contracting opportunities. The CDA reserves the right to request additional information at any time to process applications or verify Section 3 status.

Unless you indicate otherwise, by submitting this application you authorize your name, contact information, skills and union affiliation information to be distributed to employers, community based organizations, unions and other similar institutions solely for the purpose of facilitating employment and training opportunities. No other information shall be shared.

### Part 1. Demographic Information

Print Name: \_\_\_\_\_

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

City: \_\_\_\_\_ County: \_\_\_\_\_ Zip: \_\_\_\_\_ State: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Part 2. Evidence of Status** You may qualify as a Section 3 resident if you live in public housing/Indian housing, or if you receive certain types of public assistance, or if your family/household meets the income guidelines listed below.

1. Do you participate in any of the following programs?

Public Assistance  
 (MFIP, DWP, WIC, Heating Assistance  
 Free or reduced lunch program, etc.)

Public/Indian Housing Programs

Specify: \_\_\_\_\_

Name of Program: \_\_\_\_\_

See next page

**FY 2020 – Family Income Guidelines**

(effective April 1, 2020)

HOUSEHOLD SIZE	LOW INCOME 80% of area median income
1 Person	\$54,950
2 Persons	\$62,800
3 Persons	\$70,650
4 Persons	\$78,500
5 Persons	\$84,800
6 Persons	\$91,100
7 Persons	\$97,350
8 Persons	\$103,650

How many in your household?

\_\_\_\_\_

What is your family's gross annual household income? \_\_\_\_\_

*Certification*

I, \_\_\_\_\_, (Full name) certify that my answers in this application form are true and accurate to the best of my knowledge. I also understand that false or misleading information in my application, subsequent submissions or interview may result in penalties including, but not limited to, decertification from the Section 3 program and/or termination from employment.

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

Please return this Section 3 Business Certification Application and all attachments to:

Scott County Community Development Agency  
323 South Naumkeag Street  
Shakopee, MN 55379  
Attn: Housing Rehabilitation Coordinator



## Existing Core Workforce

Application Instructions: Contractors and sub-contractors must complete this form prior to the issuance of the Notice to Proceed. Please include a certified payroll list with this form. If a certified payroll will be submitted to the CDA's Contract and Housing Rehabilitation Coordinator. Duplicate payrolls will not be submitted.

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

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

City: \_\_\_\_\_ County: \_\_\_\_\_ Zip: \_\_\_\_\_ State: \_\_\_\_\_

The following is a list of "Core Employees" These employees, in accordance with the definition of an Existing Core Workforce, have been on the active payroll for fifty (50) out of the last one hundred (100) business days prior to the award. ***The contractor, at any tier must submit this form prior to the commencement of work on the project.***

Employee Name	SSN (last 4 digits)	Job Classification	Date of Hire	Date Last Employed	Section 3 Qualified (yes/no)

*Additional pages may be used.*

Signature of Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_

**Please return this with the Section 3 Business Certification Application**



## Section 3 Contract/Sub Contract Identification

Indicate below all Section 3 Business Concerns that are either construction or non-construction trades that will be hired during the execution of this project. Then indicate the total dollar amount that your company will commit to these subcontracts. Calculate the total percentage of your Bid Amount that will be paid to these Section 3 Businesses.

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

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

City: \_\_\_\_\_ Zip: \_\_\_\_\_ State: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Bid Amount: \_\_\_\_\_

Each business listed shall be required to provide evidence of meeting the requirements as a Section 3 Business Concerns. Any business that is listed within the Twin City Metro area as a Section 3 Business Concern will be accepted.

Building Trades/ Construction Contract Business names that are Section 3Businesses	Total contract amount with subcontract	Percentage of contract award	Balance of percentage

Non-Construction Contract Business names that are Section 3Businesses	Total contract amount with subcontract	Percentage of contract award	Balance of percentage

Signature of Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Please return this with the Section 3 Business Certification Application

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**Part II: Contracts Awarded**

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

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Form HUD-60002, **Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.**

**Instructions:** This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any **public and Indian housing programs** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to **recipients of housing and community development assistance in excess of \$200,000** expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to **contracts and subcontracts in excess of \$100,000** awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to **employment and training**. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to **contracting**, and Part III summarizes recipients' **efforts** to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.\* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. **Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

- HUD Field Office: Enter the Field Office name .
1. Recipient: Enter the name and address of the recipient submitting this report.
  2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
  3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
  - 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
  6. Reporting Period: Indicate the time period (months and year) this report covers.
  7. Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

**Part I: Employment and Training Opportunities**

**Column A:** Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

**Column B: (Mandatory Field)** Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

**Column C: (Mandatory Field)** Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

**Column D:** Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

**Column E:** Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

**Column F: (Mandatory Field)** Enter the number of Section 3 residents that were trained in connection with this award.

Part II: Contract Opportunities

**Block 1: Construction Contracts**

**Item A:** Enter the total dollar amount of all contracts awarded on the project/program.

**Item B:** Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

**Item C:** Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

**Item D:** Enter the number of Section 3 businesses receiving awards.

**Block 2: Non-Construction Contracts**

**Item A:** Enter the total dollar amount of all contracts awarded on the project/program.

**Item B:** Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

**Item C:** Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

**Item D:** Enter the number of Section 3 businesses receiving awards.

**Part III: Summary of Efforts – Self -explanatory**

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Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/IHAs are to report all contracts/subcontracts.

\* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. **Low-income persons** mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments or smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.