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**THE HOUSING AUTHORITY OF THE
CITY AND COUNTY OF DENVER**

SECTION 3 POLICY

EFFECTIVE FEBRUARY 23, 2023

**HOUSING AUTHORITY OF THE CITY AND COUNTY OF
DENVER**

IMPORTANT

**THIS SECTION 3 POLICY SUPERSEDES ALL PREVIOUS
VERSIONS OF THE POLICY. TO THE EXTENT THAT THIS
POLICY MAY CONFLICT WITH FEDERAL, STATE OR
LOCAL LAWS, THE DENVER HOUSING AUTHORITY WILL
COMPLY WITH THE APPLICABLE FEDERAL, STATE OR
LOCAL LAW.**

CURRENT POLICY GUIDANCE:

**24 CFR Part 75
85 FR 60907 (may be updated every three years)
Notice CPD-21-07
Notice CPD-21-09
Notice PIH 2022-10
Notice PIH 2022-38**

**REVISED AND EFFECTIVE AS OF FEBRUARY 23, 2023
(RESOLUTION NUMBER 3544)**

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1. Overview of Section 3 Requirements

A. WHAT IS SECTION 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of 24 CFR 75. Section 3 regulations ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

B. PURPOSE OF THIS DOCUMENT

This policy outlines how the Housing Authority of the City and County of Denver (“DHA”) and its subrecipients, contractors and subcontractors will comply with HUD’s Section 3 requirements in implementing DHA’s Public Housing Financial Assistance, Housing and Community Development (HCD) Financial Assistance and Lead Hazard Control and Health Homes (LHCHH) Programs. DHA will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and requires the same of its contractors.

DHA may amend its Section 3 Policies and Procedures documents as necessary to ensure continued compliance with HUD’s requirements and/or to reflect updated Section 3 guidance and outreach strategies.

DHA hereby reaffirms its commitment to ensuring that all contractors and any tier subcontractors that are awarded a contract by DHA for work generated through the expenditure of HUD funding shall take all necessary and reasonable steps to provide meaningful, full-time, permanent employment and training to Section 3 residents. It is further reaffirmed that all vendor/contractors and any tier subcontractors that are awarded a contract for work generated through the expenditure of HUD funding shall take all necessary and reasonable steps to provide contracting opportunities to Section 3 business concerns.

To comply with the Act, the requirement of this policy is to obtain a reasonable level of success in the recruitment, employment, and utilization of DHA residents and other eligible persons and/or businesses by contractors working on contracts partially or wholly funded with HUD monies. DHA shall examine and consider a contractor’s potential for success in providing employment and business opportunities to those covered under Section 3 prior to acting on any proposed contract award.

In response to any Request for Proposals (RFP), Request for Qualifications (RFQ) Invitation for Bids (IFB) or Invitation for Quotes (IFQ), DHA will require submission of the Section 3 Opportunities Plan, and certification that the respondent will comply with the requirements of Section 3 and this policy.

DHA, in accordance with applicable laws and regulations, has established employment and training requirements that contractors and subcontractors are expected to meet to comply with Section 3 requirements. DHA’s Section 3 requirement is that, to the greatest extent feasible, contractors and any tier subcontractors comply with the Safe Harbor Benchmarks outlined in Section 3.B of this policy. It is the contractor’s responsibility to implement progressive efforts to attain Section 3 compliance. Failure to attain Section 3 compliance in accordance with their contract will subject contractors to penalties including, but not limited to, the withholding of payments.

C. THRESHOLDS

Threshold 1: Public Housing Financial Assistance | 24 CFR § 75.3(a)

There are no thresholds under Section 3 for public housing financial assistance programs. That means that all funding is covered, regardless of the amount of expenditure or size of contract. Public housing financial assistance means:

- Development assistance provided pursuant to Section 5 of the United States Housing Act of 1937
- Operations and management assistance provided pursuant to Section 9(e) of the 1937 Act
- Development, modernization, and management assistance provided pursuant to Section 9(d) of the 1937 Act
- The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance

Threshold 2: Housing and Community Development (HCD) Financial Assistance | 24 CFR § 75.3(a)

Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds \$200,000 of housing and community development financial assistance. Office of Lead Hazard Control and Health Homes (OLHCHH) assistance is not included in calculating whether the assistance exceeds the \$200,000 threshold. The project is defined as the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing. The following is a list of examples of programs that provide housing and community development financial assistance:

- Community Development Block Grant (CDBG)
- Community Development Block Grant Disaster Recovery (CDBG-DR)
- Community Development Block Grant Mitigation (CDBG-MIT)
- Recovery Housing Program (RHP)
- HOME Investment Partnership (HOME)
- Housing Trust Fund (HTF)
- Neighborhood Stabilization Program Grants (NSP 1, 2 & 3)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Emergency Solutions Grants (ESG)
- University Partnership Grants
- Economic Stimulus Funds
- 202/811 Grants
- Rental Assistance Demonstration (RAD)

Threshold 3: Lead Hazard Control and Health Homes (LHCHH) Programs | 24 CFR § 75.3(a)

The threshold is \$100,000 where the assistance is provided through LHCHH programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970, the Lead-Based Paint Poisoning Prevention Act, and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Neither HUD public housing financial assistance nor HUD housing and community development financial assistance is included in calculating whether the assistance exceeds the \$100,000 threshold. The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

D. APPLICABILITY

For public housing financial assistance, all funding is covered, regardless of the amount of expenditure or size of a contract. This policy applies to development assistance, operating funds, capital funds, and all mixed-finance development.

For housing and community development financial assistance, this policy applies to housing rehabilitation, housing construction, and other public construction projects that exceed \$200,000 or more of housing and community development financial assistance from one or more HUD programs. Applicability is determined at the project level.

For projects funded with Lead and Hazard Control and Healthy Homes Programs, this policy applies to projects that exceed \$100,000.

This policy also applies to projects that include multiple funding sources. Multiple funding source projects include projects that include public housing financial assistance, housing, and community development financial assistance for single or multiple recipients, and the Lead Hazard Control and Healthy Homes Program.

Section 3 requirements **do not** apply to:

- 1) Material Supply Contracts - § 75.3(b),
- 2) Indian and Tribal Preferences - § 75.3(c), and
- 3) Other HUD assistance and other Federal assistance not subject to Section 3 §75.3 (d).

However, for financial assistance that is not subject to Section 3, recipients are encouraged to consider ways to support the purpose of Section 3.

2. Prevailing Wage Analyst

DHA's Prevailing Wage Analyst serves as the central point of contact for Section 3 compliance for DHA and its subrecipients, contractors and subcontractors supporting the program. Subrecipients, contractors, subcontractors and others are encouraged to reach out to DHA's Prevailing Wage Analyst with questions regarding Section 3 compliance by emailing procurement@denverhousing.org.

3. Employment, Training, and Contracting Goals

A. SAFE HARBOR COMPLIANCE

DHA will be considered to have complied with the Section 3 requirements and met safe harbor, if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence of the contrary.

Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the required prioritization of effort for Section 3 workers, Targeted Section 3 workers, and Section 3 business concerns as outlined below in [Section 3.C](#). After completion of the project, on the DHA electronic reporting system, contractors and subcontractors will be required to certify that they followed the prioritization of effort requirements.

If the contractor and subcontractor does not meet the safe harbor requirements, they must provide evidence that they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities.

B. SAFE HARBOR BENCHMARKS

DHA has established employment and training goals that subrecipients, contractors, and subcontractors should meet to comply with Section 3 requirements outlined in 24 CFR Part 75.9 - for public housing financial assistance or 24 CFR Part 75.19 - for housing and community development financial assistance. The safe harbor benchmark goals are as follows:

For public housing financial assistance

- 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 fiscal year are Section 3 workers;

Section 3 Labor Hours/Total Labor Hours = 25%

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 fiscal year are Targeted Section 3 workers, as defined at 24 CFR Part 75.11.

Targeted Section 3 Labor Hours/Total Labor Hours = 5%

For housing and community development financial assistance

- 1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers;

Section 3 Labor Hours/Total Labor Hours = 25%

And

- 2) Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at 24 CFR Part 75.21.

Targeted Section 3 Labor Hours/Total Labor Hours = 5%



$$\frac{\text{Section 3 labor hours}}{\text{Total labor hours}} = 25\% \quad \text{AND} \quad \frac{\text{Targeted Section 3 labor hours}}{\text{Total labor hours}} = 5\%$$

HUD establishes and updates Section 3 benchmarks for Section 3 workers and/or Targeted Section 3 workers through a document published in the Federal Register, not less frequently than once every three years. Given that the Section 3 benchmarks are subject to change every three years or sooner, DHA will

review and update the Section 3 Policy every three years, as needed.

It is the responsibility of contractors to implement efforts to achieve Section 3 compliance. Any contractor that does not meet the Section 3 benchmarks must demonstrate why meeting the benchmarks were not feasible. All contractors submitting bids or proposals to the DHA are required to certify that they will comply with the requirements of Section 3.

Section 3 Training and Internships

Total Contract Amount	Number of Section 3 Training / Internship Slots
Up to \$200,000	1
At least \$200,000 but less than \$500,000	2
At least \$500,000 but less than \$1,000,000	2
At least \$1,000,000 but less than \$2,000,000	3
At least \$2,000,000 but less than \$4,000,000	5
At least \$4,000,000 but less than \$7,000,000	10
\$7,000,000 or more	1 additional training slot for every additional \$500,000.00

Section 3 Contracting

DHA requires that all contractors and any tier subcontractors, to the greatest extent feasible, direct 25% of the contract value to Section 3 Business Concerns.

Section 3 businesses seeking a contract or subcontract shall be responsible for submitting evidence, if requested, to demonstrate to DHA’s satisfaction that the business concern is responsible and can perform successfully under the terms and conditions of the proposed contract. Contractors must incorporate and enforce the provisions of the Section 3 policy and numerical requirements in all tier subcontracts.

C. CERTIFICATION OF PRIORITIZATION OF EFFORT FOR EMPLOYMENT, TRAINING, AND CONTRACTING

EMPLOYMENT AND TRAINING

Under DHA’s Section 3 Program, contractors and subcontractors should make best efforts to provide employment and training opportunities to Section 3 workers in the priority order listed below:

For public housing financial assistance

- 1) To residents of the public housing projects for which the public housing financial assistance is expended;
- 2) To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;

- 3) To participants in YouthBuild programs; and
- 4) To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

For housing and community development financial assistance

Provide employment and training opportunities to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located in the priority order listed below:

- 1) Section 3 workers residing within the service area or the neighborhood of the project, and
- 2) Participants in YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

CONTRACTING

Under DHA's Section 3 Program, contractors and subcontractors must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers in the following order or priority:

For public housing financial assistance

- 1) Section 3 business concerns that provide economic opportunities for residents of public housing projects for which the assistance is provided
- 2) Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by the PHA that is providing assistance
- 3) YouthBuild programs; and
- 4) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

For housing and community development financial assistance

- 1) Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which assistance is located in the following order of priority (*where feasible*):
 - a) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project; and
 - b) YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

4. Section 3 Eligibility and Certifications

Individuals and businesses that meet Section 3 criteria may seek Section 3 prioritization from DHA or its contractors/subcontractors for training, employment, or contracting opportunities generated by public housing financial assistance or housing and community development financial assistance. To qualify as a Section 3 worker, Targeted Section 3 worker, or a Section 3 business concern, each must self-certify that they meet the applicable criteria.

Businesses who misrepresent themselves as Section 3 business concerns and report false information to DHA may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. DHA will ensure that as many businesses as possible are self-certified as Section 3 to ensure that all safe harbor labor hour benchmarks are met.

A. SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION

A Section 3 worker seeking certification shall submit self-certification documentation to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 worker as defined in 24 CFR Part 75. For the purposes of Section 3 worker eligibility, DHA will use individual income rather than family/household income to determine eligibility via their residential address. The income limits will be determined annually using the guidelines published at <https://www.huduser.org/portal/datasets/il.html>.

Persons seeking the Section 3 worker prioritization shall demonstrate that it meets one or more of the following criteria currently or when hired within the past five years, as documented:

- 1) A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD – See Appendix A); or
- 2) Employed by a Section 3 business concern; or
- 3) A YouthBuild participant.

Persons seeking the Targeted Section 3 worker prioritization shall demonstrate that it meets one or more of the following criteria:

For public housing financial assistance

- 1) Employed by a Section 3 business concern or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - a) A resident of public housing; or
 - b) A resident of other public housing projects or Section 8-assisted housing; or
 - c) A YouthBuild participant.

For housing and community development assistance

- 1) Employed by a Section 3 business concern or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - a) Living within the service area or the neighborhood of the project, as defined in 24 CFR Part 75.5; or
 - b) A YouthBuild participant.

Section 3 workers and Targeted Section 3 workers who are seeking prioritization in training and employment must submit the Section 3 Worker and Targeted Section 3 Worker Self-Certification. The certification procedure will consist of the following:

- The resident/client/worker fills out the Section 3 Worker and Targeted Section 3 Worker Self-Certification and submits it to the business.

- The business then submits the completed Section 3 Worker and Targeted Section 3 Worker Self-Certification to DHA.
- Upon receipt of the Section 3 Worker and Targeted Section 3 Worker Self-Certification, the business must verify the worker's salary (which is either low income or very low income).
- DHA recommends that businesses provide DHA information regarding the number of workers currently employed who are considered low income, very low income or below to verify the number of Section 3 and Targeted Section 3 workers.



The graphic above shows three concentric circles. The smallest internal circle illustrates Targeted Section 3 workers, the mid-sized circle illustrates all Section 3 workers, and the largest external circle illustrates all workers.

PROJECTS INVOLVING MULTIPLE SOURCES OF FUNDING

In cases where Section 3 covered projects include multiple sources of funds, including public housing financial assistance and housing and community development assistance, the PHA must follow the definition of Targeted Section 3 worker and priorities as outlined in subpart B of Part 75. For housing and community development financial assistance, DHA will follow subpart B of Part 75 to maintain consistency in reporting.

In cases where Section 3 covered projects include multiple housing and development funding sources (financial assistance) from single or multiple recipients, DHA will follow subpart C of Part 75. Please refer to chart in [Appendix B](#).

B. SECTION 3 BUSINESS CONCERN CERTIFICATION

DHA should encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns.

Businesses that believe they meet the Section 3 Business requirements may self-register in the HUD Business registry, here: <http://www.hud.gov/Sec3Biz>. Businesses may seek Section 3 Business Concern prioritization by demonstrating that it meets one or more of the following criteria:

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

Businesses that seek Section 3 prioritization shall certify, or demonstrate to DHA, contractors, or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Business Status Affidavit, located in Appendix D. There are many benefits to self-certifying Section 3 Business status. Those that self-certify may not need to provide self-certified Section 3 Worker and Targeted Section 3 Worker Certifications for individual workers as all hours may be counted as Section 3 Labor Hours, Targeted Section 3 Labor Hours or both (depending on the category of Section 3 Business certified).

The Business Status Affidavit must be submitted with each bid/proposal response. If DHA previously received an affidavit where the business concern self-certified their Section 3 status, then the affidavit can be submitted along with the bid, as long as the affidavit is submitted within the prescribed expiration date. Business Status Affidavit will expire after twelve months. Establishing a twelve-month self-certification of eligibility period allows DHA the ability to assess contractor performance to ensure the business is striving to meet the required goals. DHA will utilize self-certified Section 3 Businesses to assist in reaching benchmark goals.

5. Assisting Contractors with Achieving Section 3 Goals

To assist contractors with meeting or exceeding the Section 3 goals, DHA will do the following:

- 1) Share the Section 3 Opportunities Plan with contractors and subcontractors and explain policies and procedures.
- 2) Recommend contractors wishing to submit a bid/offer/proposal to attend pre-bid/proposal meetings.
- 3) Require contractor to review, possibly revise and sign their Section 3 Opportunities Plan submitted during the bid/proposal submission period at pre-construction conference.
- 4) Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort outlined in Section #3) before any other person, when hiring additional employees is needed to complete proposed work to be performed with the Public Housing Financial Assistance, Housing and Community Development (HCD) Financial Assistance and Lead Hazard Control and Health Homes (LHCHH) Programs.
- 5) At the time of bid/proposal submission, require the contractor to present a list of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions, to include job descriptions and wage rates.
- 6) Maintain a local Section 3 worker/Targeted Section 3 worker database and provide the contractor with a list of interested and qualified Section 3 workers and Targeted Section 3 workers and contact information.
- 7) Inform contractors about the HUD Section 3 Opportunity Portal
<https://hudapps.hud.gov/OpportunityPortal/>

- 8) Require contractors to notify the Prevailing Wage Analyst of their interests regarding employment of Section 3 workers prior to hiring.
- 9) Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>
- 10) Leverage DHA 's communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise.
- 11) Require contractors to submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award.

6. Section 3 Outreach

A. OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING

To educate and inform workers and contractors, DHA's Prevailing Wage Analyst will be prepared to provide training and technical assistance on a regular basis per program guidelines. When training opportunities are available, contractors and subcontractors should, to the greatest extent feasible:

- 1) Notify the Prevailing Wage Analyst when training opportunities are available. The Prevailing Wage Analyst will send these opportunities to the Education and Employment Services department.
- 2) Contact DHA Education and Employment Services for a list of agencies that may be able to provide assistance regarding outside opportunities for training, which can be utilized on this contract
- 3) Provide information/handouts about Section 3 training opportunities to potential Section 3 workers and Targeted Section 3 workers.
- 4) Prominently place a notice of commitments under Section 3 at the project site or other places where applications for training are taken.
- 5) Conduct an annual training for Section 3 workers and Section 3 businesses.
- 6) Contacting local job training centers, and community organizations and provide them with training opportunities for Section 3 eligible applicants.
- 7) Develop on-the-job training opportunities or participate in job training programs.
- 8) Develop or participate in certified pre-apprenticeship/apprenticeship trainings programs for construction trades on construction contracts and paid internship/summer employment opportunities for non-construction contracts.
- 9) Contact DHA Education and Employment Services to access qualified Section 3 candidates for available trainings.

Contractors and subcontractors should employ several active strategies to notify Section 3 workers and Targeted Section 3 workers of Section 3 job opportunities, including:

- 1) Prominently place a notice of commitments under Section 3 at the project site or other places where applications for employment are taken.
- 2) Clearly indicating Section 3 eligibility on all job postings with the following statement: "This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive a Housing Choice (Section 8) voucher".
- 3) Including the Section 3 Worker and Targeted Section 3 Worker Self-Certification Form in all job postings.
- 4) Working with the Prevailing Wage Analyst to connect Section 3 workers and Targeted Section 3 workers in the DHA database with opportunities and/or utilize the Section 3 Opportunity Portal to find qualified candidates.
- 5) Establishing a current list of Section 3 eligible applicants.

- 6) Contacting local employment service agencies, and community organizations and provide them with job postings for Section 3 eligible applicants; and
- 7) Coordinating a programmatic ad campaign, which results in widespread job posting across diverse ad networks including:
 - a) Advertising job opportunities via social media
 - b) Advertising job opportunities via flyer distributions and mass mailings and posting ad in common areas of housing developments and all public housing management offices.
 - c) Contacting resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities.

Contractors and subcontractors shall also:

- 1) Contact DHA Education and Employment Services to access qualified Section 3 candidates for available positions.
- 2) Keep a list of Section 3 area residents who apply on their own or by referral for available positions.
- 3) Send to labor organizations or representatives of workers with whom the recipient, contractor, or subcontractor has a collective bargaining agreement or other understanding, a notice about contractual commitments under Section 3.
- 4) Report all job openings in connection with a contract to DHA Education and Employment Services as soon as the job becomes available. This will aid in fulfilling the dual requirements of the shared job database by connecting low-income residents in need of employment with contractors seeking to hire Section 3 employees. Noncompliance with DHA's requirement may result in sanctions, termination of the contract for default, and debarment or suspension from future DHA contracts.
- 5) Select Section 3 area residents, particularly DHA residents, for training and employment positions.
- 6) Provide ongoing monitoring of the program by the contractor and its subcontractors to ensure compliance and to identify problems or difficulties in meeting the requirements and implement strategies to overcome the problems. Where problems or difficulties in meeting the requirements are encountered, take aggressive efforts to rectify the matter. Such action shall include, but not be limited to, convening a meeting with DHA Procurement and Education and Employment Services to advise them of the problems and proposed solutions. DHA Education and Employment Services will offer its assistance whenever possible.
- 7) Where feasible, adjust the initial DHA Section 3 Opportunities Plan to increase the use of Section 3 residents in categories where the Plan has been successful to compensate for those categories of lower success.

B. OUTREACH EFFORTS FOR CONTRACTING

When contracting opportunities arise in connection with the Public Housing Financial Assistance, Housing and Community Development (HCD) Financial Assistance and Lead Hazard Control and Health Homes (LHCHH) Programs, DHA may employ the following strategies to notify Section 3 Business Concerns of Section 3 contracting opportunities, including but not limited to:

- 1) Adding Section 3 language to all applicable RFPs, procurement documents, bid offerings and contracts.
- 2) Coordinating pre-bid/proposal meetings to inform Section 3 Business Concerns of upcoming contracting opportunities. The Prevailing Wage Analyst will participate in these meetings to explain and answer questions related to Section 3 policy.
- 3) Providing written notice of contracting opportunities to all known Section 3 Business Concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to bid invitations.
- 4) Coordinating with the prime contractor to publicize contracting opportunities for small businesses.

- 5) Coordinating with business assistance agencies and contractor associations to inform them of contracting opportunities and request their assistance in identifying Section 3 business concerns. Could include local community development organizations, business development agencies (Chamber of Commerce), and minority contracting associations.
- 6) Connecting Section 3 business concerns with resources to support business development to assist in obtaining contracting opportunities (e.g., bonding and insurance assistance, etc.). Contractors will also be encouraged to collaborate with the DHA as subcontract opportunities arise to notify eligible Section 3 business concerns about the contracting opportunities.
- 7) Advertising contracting opportunities in local community papers and notices that provide general information about the work to be contracted and where to obtain additional information.

7. Section 3 Contracting Policy and Procedure

DHA incorporated Section 3 into DHA's existing Procurement Policy, and DHA will adopt a Section 3 Contracting Policy and Procedure to be included in all procurements generated for use with HUD funding. This policy and procedure contain requirements for making efforts to award contracts to Section 3 Business Concerns.

The procedures outlined herein shall apply to all construction contractors seeking contracting opportunities with DHA.

As part of the response to an RFP or other solicitation, respondents (prime) are required to submit a DHA Section 3 Opportunities Plan to identify overall projected Section 3 hiring and training that will be implemented to ensure compliance with the requirements of Section 3. See Appendix C for DHA Section 3 Opportunities Plan.

DHA's Director of Resident and Community Connections will be responsible for coordinating with the Procurement Department to review the Section 3 Opportunities Plan prior to the award of the contract. Upon selection, DHA will work with the selected firm to finalize the Section 3 Opportunities Plan, including identification of DHA assistance to be provided (if any), timelines for action, and review of reporting and compliance requirements.

I. Prior to Bid/Pre-Certification Process: DHA resident-owned businesses can email procurement@denverhousing.org to request, complete and submit a Business Status Affidavit.

II. Bid/Proposal Phase: Contractors submitting bids and/or proposals to DHA shall be required to complete and submit the following Section 3 commitment forms (Appendix):

- DHA Section 3 Opportunities Plan.
 - Good Faith Assessment: PHAs and other recipients may report on the labor hours of the PHA, the recipient, a contractor, or a subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance-based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.
- Business Status Affidavit

III. Pre-Award Phase: After the submission of bids/proposals, but prior to contract award, contractors may be requested to provide additional information regarding the submissions required in the Bid/Proposal Phase. Such requests may be made in instances where the contractor does not show sufficient detail in their required Section 3 commitment forms, where the contractor's commitment does not reflect achievement of the minimum stated requirements, where the contractor has not identified the

name of the Section 3 subcontractor(s) in the required Schedules and does not have signed Letters of Intent, or where it is deemed necessary by DHA's Director of Resident and Community Connections.

IV. Contract Performance Phase:

Section 3 Contract Performance Monitoring

DHA shall monitor and evaluate the contractor's Section 3 compliance towards achieving the numerical requirements relative to Section 3 employment, training, and contracting throughout the contract period. Section 3 labor hours will be reported through DHA's electronic reporting system. The contractor shall also be responsible for providing the following reports and forms to DHA, which shall be submitted no later than 4:00 p.m., on the twenty eighth day of each month throughout the contract period (Appendix):

- Employer Training Report
- Section 3 Job Order Form
- Section 3 Worker and Targeted Section 3 Worker Self-Certification
- Business Status Affidavits for sub-contractors

Upon DHA's request, the contractor and all sub-contractors are required to provide supporting documentation and proof of previous employment of all core employees prior to working on a DHA project.

The contractor shall also ensure that for each Section 3 and Targeted Section 3 Worker hired, a Section 3 Worker and Targeted Section 3 Worker Self-Certification is completed. The Section 3 Worker and Targeted Section 3 Worker Self-Certification shall be completed by the Worker and submitted to the contractor. This documentation should be included with the monthly reports submitted to DHA.

The contractor shall be responsible for monitoring the compliance of any subcontractors. In doing so, the contractor shall require monthly/quarterly reports, in the formats provided, from its subcontractors for submission to DHA.

Determination of Compliance

Contractors and their subcontractors are required to demonstrate compliance with the Section 3 employment and contracting requirements by meeting the numerical requirements set forth above. Contractors who do not meet the contracting numerical requirements must thoroughly document its inability to comply. In addition, DHA requires contractors that fail to meet the contracting requirements set forth in this policy use the alternative measures listed in Part III and Part IV to comply. Contractor's efforts shall be directed towards identifying methods to achieve success under this program through hiring and training efforts.

Contractors who fail to meet the Section 3 Opportunities plan commitments may be subject to a limited denial of participation in DHA, DHA affiliate, and DHA instrumentality procurement activity for up to one (1) year.

Qualitative Reporting: If the contractor and their subcontractors reporting indicates that they have not met the Section 3 benchmarks, the contractor and their subcontractors must report on the qualitative nature of its activities pursued.

8. Section 3 Provisions/Contract Language

DHA will include standard Section 3 language in all its contracts to ensure compliance with regulations in 24 CFR Part 75. DHA will take appropriate actions upon finding that a contractor is in violation of 24 CFR Part 75 and does not knowingly contract with any contractor that has been found in violation of the Section 3 regulations. On a periodic basis the Prevailing Wage Analyst will audit DHA contractors for compliance with the minimum Section 3 requirements outlined in the Section 3 Policy.

In addition, contractors and subrecipients are required to include language in all Section 3 covered contracts or agreements for subcontractors to meet the requirements of 24 CFR Part 75.9 for public housing financial assistance or 24 CFR Part 75.19 for housing and community development financial assistance.

For businesses, noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

9. Reporting Requirements

For Section 3 covered contracts, contractors must submit the Section 3 Labor Hours through DHA's electronic reporting system to DHA's Prevailing Wage Analyst monthly, and the annual reporting requirement set forth in that form's instructions.

A. MONTHLY REPORTING

- 1) Contractors are required to submit monthly activity reports to DHA's Prevailing Wage Analyst at procurement@denverhousing.org by the 28th day of each month.

B. ANNUAL REPORTING

- 1) Once a project is completed, contractors must submit a final Section 3 cumulative report for the program year.
- 2) Upon the completion of a project, DHA's Prevailing Wage Analyst will conduct a final review of the project's overall performance and compliance.
- 3) Reporting on Public Housing Financial Assistance
 - a. DHA must report annually and, in a manner, consistent with reporting requirements for the applicable HUD program:
 - i. The total number of labor hours worked
 - ii. The total number of labor hours worked by Section 3 workers
 - iii. The total number of labor hours worked by Targeted Section 3 workers
 - b. DHA's Prevailing Wage Analyst will submit the Section 3 data into the required reporting system to HUD 60 days after the fiscal year end (FYE) to coincide with the submission with the Financial Data System (FDS), whichever comes first.
 - c. The labor hours reported must include the total number of labor hours worked with public housing financial assistance in the fiscal year of DHA, including labor hours worked by any contractors and subcontractors that DHA is required or elects to report.
 - d. *Professional Services*: DHA, as well as contractors and subcontractors who report to DHA, may report labor hours by Section 3 workers and labor hours by Targeted Section 3 workers from professional services without including labor hours from professional services in the total number of labor hours worked. If a contract covers both professional services and other work and DHA, contractor, or subcontractor chooses not to report labor hours from professional

- services, the labor hours under the contract that are not from professional services must still be reported.
- e. *Good Faith Assessment:* DHA may report on the labor hours of DHA, a contractor, or a subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance-based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.
 - f. *Qualitative Reporting:* If DHA's reporting indicates that the Section 3 benchmarks were not met, DHA must report in a form prescribed by HUD on the qualitative nature of its Section 3 compliance activities and those of its contractors and subcontractors (see Section 3 above).
- 4) Reporting on Housing and Community Development Financial Assistance
- a. For Section 3 projects, recipients must report the following data annually to HUD on all projects completed within the reporting year and in a manner consistent with reporting requirements for the applicable HUD program:
 - i. The total number of labor hours worked
 - ii. The total number of labor hours worked by Section 3 workers
 - iii. The total number of labor hours worked by Targeted Section 3 workers
 - b. The labor hours reported must include the total number of labor hours worked on a Section 3 project by all workers, including labor hours worked by any subrecipients, contractors, and subcontractors that the recipient is required to, or elects to, report.
 - c. *Professional Services:* DHA, as well as contractors and subcontractors who report to DHA, may report labor hours by Section 3 workers and labor hours by Targeted Section 3 workers from professional services without including labor hours from professional services in the total number of labor hours worked. If a contract covers both professional services and other work and DHA, contractor, or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.
 - d. *Good Faith Assessment:* DHA may report on the labor hours of DHA, a contractor, or a subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance-based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.
 - e. *Qualitative Reporting:* If DHA's reporting indicates that the Section 3 benchmarks were not met, DHA must report in a form prescribed by HUD on the qualitative nature of its Section 3 compliance activities and those of its contractors and subcontractors (see Section 3 above).

C. REPORTING ON PROJECTS WITH MULTIPLE FUNDING SOURCES

- 1) For Section 3 projects that include public housing financial assistance and housing and community development financial assistance, DHA will report on the project as a whole and will identify the multiple associated recipients.
- 2) For projects assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds of \$200,000 and \$100,000 for Lead Hazard Control and Healthy Homes Programs (LHCHH), the DHA will follow subpart C of Part 75 and will report to the applicable HUD program office, as prescribed by HUD. Note: LHCHH assistance is not included in calculating whether the assistance exceeds the \$200,000 threshold. HUD public housing financial assistance and HUD housing and community development financial assistance is not included in calculating whether the assistance exceeds the LHCHH \$100,000 threshold. Refer to chart in [Appendix B](#).

10. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, DHA encourages submittal of such complaints to its Prevailing Wage Analyst as follows:

- 1) Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR Part 75.
- 2) Complaints must be filed within five (5) calendar days after the complainant becomes aware of the alleged violation.
- 3) An investigation will be conducted if complaint is found to be valid. DHA will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- 4) The DHA will provide written documentation detailing the findings of the investigation. The DHA will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than twenty (20) days after the filing of complaint. If complainants wish to have their concerns considered outside of the DHA a complaint may be filed with:
 - The HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office. These offices can be found through the HUD website, www.hud.gov/.

Complainants may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about complainant rights, please contact EEOC at: www.EEOC.gov.

The Department of Labor Office of Federal Contract Compliance Programs (OFCCP) enforces, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal government. More information about the services they provide can be obtained at: <http://www.dol.gov/ofccp/>.

11. Appendices

APPENDIX A: DEFINITIONS

The terms **HUD**, **Public housing**, and **Public Housing Agency (PHA)** are defined in 24 CFR part 5.

The following definitions also apply to 24 CFR Part 75 HUD's Economic Opportunities for Low-and Very Low-Income Persons:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 *et seq. activities related to Public Housing*

Contractor means any entity entering into a contract with:

- (1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or
- (2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act, at or below 80% AMI. Note that Section 3 worker eligibility uses individual income rather than family/household income.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Prevailing Wage Analyst is person tasked with overseeing all Section 3 responsibilities for DHA.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in 24 CFR Part 75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

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

Section 3 business concern means:

- (1) A business concern meeting at least one of the following criteria, documented within the last six-month period:
 - (i) It is at least 51 percent owned and controlled by low- or very low-income persons;
 - (ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

- (iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- (2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.
- (3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 project means a project defined in 24 CFR Part 75.3(a)(2).

Section 3 worker means:

- (1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - (i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
 - (ii) The worker is employed by a Section 3 business concern.
 - (iii) The worker is a YouthBuild participant.
- (2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.
- (3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in 24 CFR Part 75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act (at or below 50% AMI).

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

APPENDIX B: MULTIPLE FUNDING SOURCES - CHART

TYPE OF FINANCIAL ASSISTANCE	DEFINITIONS *TARGETED SECTION 3 WORKER	THRESHOLDS	PRIORITIZATION	REPORTING
Public Housing and Housing and Community Development	<p>PHA – must follow subpart B of Part 75</p> <p>HCD – may follow subpart B or C of Part 75</p>	<p>None</p> <p>*Any amount of PH assistance triggers Section 3</p>	<p>PHA – must follow subpart B of Part 75</p> <p>HCD – may follow subpart B or C of Part 75</p>	<p>PHA – must follow subpart B of Part 75</p> <p>HCD – may follow subpart B or C of Part 75</p> <p>Both - Must report on project as a whole and identify the multiple associated recipients</p>
<p>Multiple Sources of Housing and Community Development <i>(single or multiple recipients)</i></p>	<p>Must follow subpart C of Part 75</p>	<p>Exceeds \$200,000 for Section 3 projects</p> <p>*LHCHHP exceeds \$100,000</p>	<p>Must follow subpart C of Part 75</p>	<p>Must follow subpart C of Part 75</p> <p>Must report on project as a whole and identify the multiple associated recipients</p> <p>Must report to the applicable HUD program office, as prescribed by HUD</p>

APPENDIX C: SECTION 3 OPPORTUNITIES PLAN

Housing Authority of the City and County of Denver
Section 3 Opportunities Plan

Company Name:	Address:
Contact Name for Hiring/Training:	Telephone: Email:

Job Openings (“N/A” will not be accepted)

Anticipated Job Opening At least 25% must be come from Section 3 Worker Pool	Number of Openings	Minimum Qualifications	Anticipated Date

*By checking this box, I affirm that at least 25% or more of project labor hours will be Section 3 Workers and 5% from Targeted Section 3 Workers.

Good Faith Estimate of Labor Hours

Estimated Section 3 Work Labor Hours to be Worked	Estimated Targeted Section 3 Labor Hours to be Worked	Total Estimated Hours to be Worked

Training Opportunities (“0” or “N/A” will not be accepted)

Training/Internship	Total Number Placed	Term of Training/Internship
Total Contract Amount		Number of Section 3 Training / Internship Slots
Up to \$200,000		1
At least \$200,000 but less than \$500,000		2
At least \$500,000 but less than \$1,000,000		3
At least \$1,000,000 but less than \$2,000,000		4
At least \$2,000,000 but less than \$4,000,000		5
At least \$4,000,000 but less than \$7,000,000		10
\$7,000,000 or more		1 additional training slot for every additional \$500,000.00

Section 3 Business Subcontracting Opportunities:

25% of the value of all other contracts awarded.

Type of Contract	Contractor	Amount	Duration

To be filled out by Procurement Only:

Solicitation #:	Assigned COR:
Estimated Length of Contract:	Estimated Total Bid:
Reason for Contract:	Procurement Initials:

Please contact Procurement Services at procurement@denverhousing.org with any questions

APPENDIX D: BUSINESS STATUS AFFIDAVIT

- Women’s Business Enterprise

A women’s business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.

- Category 1 Section 3 Business

A business that is fifty-one percent (51%) owned and controlled by low or very low-income persons

- Category 2 Section 3 Business

Over seventy-five percent (75%) of the labor hours performed for the business over the prior three-month period are performed by Section 3 Workers (see below definition)

- Category 3 Section 3 Business

A business that is fifty-one percent (51%) owned and controlled by current public housing residents or residents who currently live in Section-8 assisted housing.

Definition of Section 3 Workers:

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

- a. Category One - is a low or very low-income individual (income for the previous or annualized calendar year is below income limit established by HUD:
<https://www.huduser.gov/portal/datasets/il.html>)
- b. Category Two – is employed by a Section 3 Business Concern
- c. Category Three – is a participant in HUD Youthbuild Program

Definition of Targeted Section 3 Workers:

- d. Category Four - is employed by a Section 3 Business Concern
- e. Category Five – Is a resident of public housing or participant in the Housing Choice Voucher (Section 8) program (currently or within the past five years of hire)
- f. Category Six – Lives within the service area or the neighborhood of the project (currently or within the past five years of hire)
- g. Category Seven – is a participant in HUD Youthbuild Program

4. I have read and understand the definitions contained herein.
5. The Company hereby agrees to provide within thirty (30) days, upon request, any documents DHA requires to verify the information provided herein.
6. I understand and acknowledge that the following penalties will apply if DHA determines that the Company has submitted a false Business Status Affidavit:
 - A. If discovered prior to any contract being awarded, the Company will be ineligible for award of the contract, and will be permanently placed on the DHA debarment list; or
 - B. If discovered during the term of the contract, the contract will immediately be terminated, and the Company will be permanently placed on the DHA debarment list; or
 - C. If discovered after the completion of the contract, the Company will be permanently placed on the DHA debarment list.
7. I am the _____ (Title) of the Company, and I am authorized to execute this affidavit on its behalf, and to bind the Company regarding the matters contained herein. I have personal knowledge of the statements made in this affidavit and state that the same are true.

FURTHER Affiant sayeth naught.

Signature _____

Subscribed and sworn to before me this ___ day of _____, 20__ by _____.

WITNESS my hand and official seal.

My commission expires: _____

[SEAL]

**APPENDIX E: SECTION 3 AND TARGETED SECTION 3 WORKER
SELF-CERTIFICATION**



Section 3 Worker and Targeted Section 3 Worker Self-Certification

The purpose of HUD's Section 3 program is to provide employment, training and contracting opportunities to low-income individuals, particularly those who are recipients of government assistance for housing or other public assistance programs. **Your response is confidential, and has no effect on your employment.**

Eligibility for Section 3 Worker or Targeted Section 3 Worker Status

A Section 3 worker seeking certification shall self-certify and submit this form to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 Worker as defined in 24 CFR Part 75. The undersigned being duly sworn on oath, represents, warrants, certifies, deposes, and says, under penalty of law, the following:

Instructions: Enter/select the appropriate information to confirm your Section 3 worker or Targeted Section 3 Worker status.

Employee Name: _____

1. Are you a resident of public housing or a Housing Choice Voucher Holder (Section 8)? YES NO
2. Are you a resident of the City and County of Denver? YES NO
3. In the field below, select the amount of individual income you believe you earn on an annual basis.

- | | | |
|--|--|---|
| <input type="checkbox"/> Less than \$10,000 | <input type="checkbox"/> \$30,001 - \$40,000 | <input type="checkbox"/> More than \$60,000 |
| <input type="checkbox"/> \$10,001 - \$20,000 | <input type="checkbox"/> \$40,001 - \$50,000 | |
| <input type="checkbox"/> \$20,001 - \$30,000 | <input type="checkbox"/> \$50,001 - \$60,000 | |

Select from **ONE** of the following two options below:

I qualify as a:

- Section 3 Worker (as defined on page 3 of this document)
- Targeted Section 3 Worker (as defined on page 3 of this document)

Employee Affirmation

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Employee Address: _____

Print Name: _____ Date Hired: _____

Signature: _____ Date: _____

FOR ADMINISTRATIVE USE ONLY

Is the employee a Section 3 worker based upon their self-certification? YES NO

Is the employee a Targeted Section 3 worker based upon their self-certification? YES NO

Was this an applicant who was hired as a result of the Section 3 project? YES NO

If Yes, what is the name of the company? _____

What was the date of hire? _____

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.



Section 3 Income Limits

Eligibility Guidelines

The worker's income must be at or below the amount provided below for an individual (household of 1) regardless of actual household size. The residential address of the worker is used to determine Section 3 worker income limits.

Maximum Income

The worker's income must be at or below the amount provided in the below link for an individual (household of 1) regardless of actual household size. Extremely low income is 30% of the Area Median Income (AMI); very low income is 50% AMI; and low income is 80% AMI.

See the individual worker income limits by County at the below link and use a household of 1. <https://www.huduser.gov/portal/datasets/il.html>

Section 3 Worker Definition:

- A low (80% AMI) or very low-income (50% AMI) resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD-see above link); or
- Employed by a Section 3 business concern; or
- A YouthBuild participant.

Targeted Section 3 Worker Definition (for public housing)

- Employed by a Section 3 business concern or
- Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - A resident of public housing; or
 - A resident of other public housing projects or Section 8-assisted housing; or
 - A YouthBuild participant.

Targeted Section 3 Worker Definition (for housing and community development)

- Employed by a Section 3 business concern or
- Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - Living within the service area or the neighborhood of the project, as defined in 24 CFR 75.5
 - A YouthBuild participant.

APPENDIX F: SECTION 3 JOB ORDER FORM



Denver Housing Authority | Section 3 Job Order Form

Email: procurement@denverhousing.org

<u>Employer Information</u>									
Employer/Company Name:					Contract # (if applicable)				
Nature of Business:									
Address:			City:		State:		Zip:		
County:		Telephone:		Fax:		E-mail:			
When we need to check on the status of this position, how do you want to be contacted? <input type="checkbox"/> Fax <input type="checkbox"/> Phone <input type="checkbox"/> E-mail									
<i>Point Of Contact:</i>					Title:				
<u>Job Information</u>									
Open Position:			Exp. Required:		Months		Years		
Job Site (if different from business location):						City:			
Education:			Field of Study			Minimum age:			
<input type="checkbox"/> Full Time <input type="checkbox"/> Part Time #Hrs			Temporary:		<input type="checkbox"/> Full Time <input type="checkbox"/> Part Time		# of openings:		
Work Schedule:			If temporary, job will last until:						
Starting pay or pay range:		From: \$		To: \$		Per:		<input type="checkbox"/> Hour <input type="checkbox"/> Week <input type="checkbox"/> Month <input type="checkbox"/> Year	
If commission, average projected earnings:			Per hour: \$		Base pay: \$				
Does company provide health benefits?			<input type="checkbox"/> Yes <input type="checkbox"/> No		Starting when:				
How to refer:	<input type="checkbox"/> Send Direct		<input type="checkbox"/> Fax Resume		<input type="checkbox"/> E-mail Resume		Apply by Date:		
	<input type="checkbox"/> Call For Appt.		<input type="checkbox"/> U. S. Mail		<input type="checkbox"/> Apply On-line				
AND									
Will company hire felons?: <input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Require Background Check			<input type="checkbox"/> Spanish Speaking			
If yes please explain (i.e case by case): Case by case			<input type="checkbox"/> Require Pre-employment Drug Test			<input type="checkbox"/> Jobs for Youth			
If construction related position, is license required? <input type="checkbox"/> Yes <input type="checkbox"/> No Type:									
Job Summary: List licenses, skills & experience requirements/description of the job. What products, functions, services or skills are involved in doing this job? If more space is needed, continue on another page. If your company has a job description available for this position, please include with your response.									
Required Skills:									
Preferred Skills:									
Duties:									

APPENDIX G: EMPLOYER TRAINING REPORT

Company Name: _____

Type of Training: _____

SECTION 3 WORKERS ATTENDED	TRAINING PROVIDER	TRAINING DATES	# OF TRAINING HOURS	TOTAL COST OF TRAINING & TRAINING MATERIALS
1)				
2)				
3)				
4)				
5)				
6)				
7)				
8)				
9)				
10)				

Employer Name: _____

Date: _____

Title: _____

** You must attach Training agenda as well as proof that your organization paid for the training such as Receipt, Copy of Check, Purchase Order, etc.**

**APPENDIX H1: HUD FORM 4737 SECTION 3 UTILIZATION
TRACKER: BUSINESS LABOR HOURS**

Section 3 Utilization Tracker: Business Labor Hours

U.S. Department of Housing and Urban Development
Office of Field Policy and Management

OMB 2501-0040
Expiration 04-30-2025 HUD
Form 4737

Public reporting for this collection of information is estimated to average 5 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.

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992 (Section 3), and 12 U.S.C. § 1701u ensure that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low- and very low-income persons, particularly those who receive government assistance for housing. The regulations are found at 24 CFR Part 75. This collection of information is required to ensure that Section 3 workers and Section 3 Business concerns participating in Housing and Community Development Projects and Public Housing Assistance Projects with HUD funding are documenting Section 3 labor hours to meet the requirements of Section 3 found in 24 CFR part 75. The information will be used by the Department to monitor program recipient's 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 a self-monitoring tool.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to Anna P. Guido, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2501-0040. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number. No assurances of confidentiality are provided for this information collection.

FORM A: Business Labor Hours Tracking

Tracking of labor hours occurs throughout the project and is reported no later than the conclusion of the work for the identified business. This form is completed in conjunction with Form B for Section 3 Workers and Section 3 Targeted Workers labor hours. An alternative to this use of this form can be from a business or employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

EXAMPLE	Business Name	Non-Section 3 Business	Section 3 Business (must be verified by recipient/subrecipient before contract is executed)	Total number of Section 3 worker or Section 3 business labor hours worked	Total targeted Section 3 worker labor hours. (Of the total Section 3 worker labor hours reported list total labor hours from Targeted Section 3 workers)	Total number of labor hours worked from non-Section 3 and Section 3 workers/Section 3 businesses	Section 3 Benchmark non-Section 3 businesses calculate column E divided by column G
A. Construction (HCD programs) or Capital Expenses (PHAs) <i>(Enter labor hours for all construction contracts or subcontracts in the project. Note Section 3 requirements do not apply to material supply contracts.)</i>						All Section 3 businesses report total in column E	All Section 3 business shall record 100% of total labor hours
B. Construction subtotal (Add all amounts in column E to display a subtotal for column E; Add all amounts in column G to display subtotal of all labor hours in column G)	Optimus General Contractor	x		50	25	500	10.0%
	123 Excavation	x		19		40	47.5%
	XYZ Concrete		x	120	20	120	100.0%
	76 Framers		x	80		80	100.0%
				269		740	36.4%
C. Professional Services/Recipients Professional Service/recipients Section 3 worker labor hours are only added to the total in column E (Optional reporting, but is encouraged if it is Section 3 Business or Section 3 worker)							
D. Professional Services/Recipient Subtotal (Add all professional service/recipient hours reported in column E to display a subtotal for column E. This subtotal amount is added to the cumulative hours total in column E)	Vision Land Surveying		x	10			100.0%
	1+2 Engineering	x					
	Accrued Accountants	x		20			100.0%
	City of Entitlement CDBG	x					
	Helpful NGO Subrecipients LLC	x		10			100.0%
			40				
E. Cumulative Project Labor Hours				309		740	41.8%
F. Benchmark met.							

**APPENDIX H2: HUD FORM 4737A SECTION 3 UTILIZATION
TRACKER: SECTION 3 LABOR HOURS**

