

Colorado Department of Local Affairs (DOLA)



CO L O R A D O

Department of Local Affairs

Community Development Block Grant —
Disaster Recovery

Section 3 Plan

**For CDBG - Disaster Recovery Programs
Updated 1/5/16**

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GENERAL POLICY STATEMENT

The State of Colorado, Department of Local Affairs - Disaster Recovery Program, has developed this Section 3 Plan and Policies in compliance with Title 24 CFR Part 135 - Creating Economic Opportunities for Low- and Very Low-Income Persons. Such plan is intended to ensure that employment and other economic opportunities generated by qualifying HUD financial assistance shall, to the greatest extent feasible, benefit persons and businesses identified in the regulation.

- This document is applicable to the State, units of general local governments (UGLG's), public housing authority's (PHA's), public housing commission, Indian tribe, tribally designated housing entity, or other public agency, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property owner, property manager, resident management, corporation, resident council, or cooperative association.
- The requirement applies to recipients of housing and community development programs financial assistance that exceeds \$200,000 and all contracts or subcontracts that exceed \$100,000.
- A Section 3 covered project is the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction that includes buildings or improvements (regardless of ownership) assisted with housing or community development funds.
- Contracting opportunities include, but are not limited to, demolition, rehabilitation, housing construction, other public construction (roads, sewers, and community centers), architectural design, legal representation, or other services directly related to construction and rehabilitation activities.

Additional provisions have been made for contracts that do not meet the above threshold, but are for building trades work arising in connection with a Section 3 covered contract and for non-construction contracts associated with Section 3 covered activities as detailed in Section III.

PURPOSE

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) requires to the greatest extent feasible, that employment and other economic and business opportunities generated by the HUD financial assistance are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance and business concerns that provide economic opportunities to low- and very-low income persons.

CONTRACTING POLICY AND PROCEDURES

It is DOLA's policy to monitor to ensure that there are equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, national origin, and handicap. Further, it is our policy to monitor contractors to ensure they create employment and business opportunities for residents in Section 3 Covered Projects. These projects occur in their respective communities and for other qualified low- and very low-income persons residing in low-moderate income areas.

DOLA and its Partnering Agencies will ensure that all Section 3 language is incorporated in all applicable procurement documents generated in conjunction with the use of HUD funding. Goal requirements are set forth in 24 CFR Part 135 for awarding contracts to Section 3 Business Concerns and are delineated in Section III. Section 3 Business. Employment Training and Contracting Goals.

To the greatest extent feasible, information will be made available to persons with Limited-English Proficiency (LEP) in compliance with E.O. 13166.

DEFINITIONS

Applicant: Any entity that makes an application for Section 3 covered assistance and includes, but is not limited to, any State, units of local government (UGLG's), public housing agency (PHA's) or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited divided sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.

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

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

Employment Opportunities Generated by Section 3 Covered Assistance: All employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e. operating assistance, development assistance and modernization assistance (as described in Section 135.3 (a) (1))). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing Authority (HA): Public Housing Agency

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

HUD Youthbuild Programs: Programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members for low- and very low-income families.

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

high or low-income families.

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

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

Recipient. Any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but not limited to, any State, unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under HUD program to which Section 3 applies and does not include contractors.

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

Section 3 Business Concern: Section 3 Business is a business that is located in the Section 3 local area as defined in this section and that is able to demonstrate one of the following:

1. 51% (or more) of your business is owned by one or more Section 3 residents, and whose management and daily business operations is controlled by one or more such individuals.
2. At least 30% of your business workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of the date of first employment with your business.
3. Provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to businesses that meet one of the above definitions.

Section 3 Covered Assistance:

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

Section 3 Clause: The contract provisions set forth in Section 135.38

Section 3 Covered Contracts: A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. Section 3 covered contracts do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract includes the installation of materials, the contract constitutes a Section 3 covered contract.

Section 3 Covered Project: The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction such as roads, sewers and community centers, and buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Covered Non-Construction Project: A project associated with the Section 3 Covered Project such as maintenance contracts, re-painting, routine maintenance, HVAC servicing, and professional services (architectural, engineering, legal services, accounting, marketing, etc.)

Section 3 Resident: An individual residing in the Section 3 local area that can document that he/she is one or more of the following:

- A public housing resident
- A participant in a DOL YouthBuild program
- A member of a family that receives federal housing assistance
- An individual who meets the HUD income limits for determining the eligibility of low- and very low-income persons for HUD assisted housing programs within the metropolitan area or non-metropolitan county
- For Disaster Programs, under the HUD-established income limit for a one-person family for the jurisdiction **Federal Register / Vol. 78, No. 43 / Tuesday, March 5, 2013 / Notices / Page 6 #38**

Subcontractor: Any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

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

SECTION 3 PLAN

The State of Colorado, Department of Local Affairs (DOLA) has developed this Section 3 Plan to

create consistency in applying the provisions of 24 CFR Part 135 objectives, and to guide the action steps that will be implemented to ensure compliance with the requirements of Section 3. This Plan specifically covers HUD CDBG-DR funds. The threshold requirements are applicable to all HUD-funded programs including but not limited to CDBG-DR, CDBG, HOME, ESG, housing construction, housing rehabilitation, and public improvements construction projects.

I. SECTION 3 COORDINATOR

DOLA has identified the DR Compliance Manager as the staff who will ensure Section 3 compliance, herein called "DOLA's DR Section 3 Coordinator".

A. The DOLA DR Section 3 Coordinator will be responsible for ensuring compliance by:

- Identifying programs, projects and activities which may trigger Section 3 compliance for DOLA as the recipient of HUD funds
- Ensure all Section 3 Clauses are in each Interagency Agreement to each Partnering Agency
- Assist in training the Partnering Agencies to ensure they understand their responsibility concerning Section 3
- Monitor each Partnering Agency to assure they are assisting contractors where necessary
- Collect required reports from Partnering Agencies
- The DOLA DR Section 3 Coordinator will report all annual DR program accomplishments regarding employment and other economic opportunities provided to low and very low-income persons under Section 3, to the DOLA CDBG Program Manager. Form HUD-60002 is currently being utilized for reporting accomplishments. This form may be changed and updated from time to time as required by HUD and 24 CFR 135. Exhibit J

B. The Partnering Agency (when directly implementing a Section 3 Covered Project) responsibilities are:

- Insert Section 3 Clauses into all Bid Documents (monitor if they are awarding funds to a subrecipient to carry out the section 3 covered project)
 - The Section 3 Clauses are attached as (Exhibit E) or may be obtained at 24 CFR Part 135.38
- Insert Section 3 Contract Clauses into contracts for Section 3 covered activities (monitor if they are awarding funds to a subrecipient to carry out the section 3 covered project)
- Inform contractors or subrecipients of the language necessary to include in their agreements with all lower tiered contracts for Section 3 covered projects.
- Annually updating Section 3 compliance documents with HUD Section 8 income limits.
- Serving as point of contact for information regarding Section 3 compliance, reporting, business certification process and all other related matters.

- Obtain information necessary to document compliance with Section 3 requirements.
- Obtain information necessary for the DOLA Section 3 Compliance Coordinator to submit the required HUD 60002 form to HUD.
 - The DOLA CDBG Program Manager must submit the HUD 60002 form annually to HUD. This guidebook provides many best practice reports as exhibits. These reports are examples that may be used. They range from monthly compliance reports to self-certification reports.
- The Partnering Agencies will attend scheduled pre-bid, pre-construction, bid opening and construction meetings for all section 3 covered projects that they are implementing directly and be available to attend when requested by a subrecipient when feasible.

C. The Contractors Responsibility for Section 3

- **Meet numerical Goals** of 30% of the new hires, 10% of the total dollar value of the construction contracts to section 3 business or 3% of the non-construction contract value
- **Outreach for Section 3 Business** examples such as:
 - Advertise contracting opportunities via newspaper, mailings, and posting notices that provide general information about the work to be contracted and where to obtain additional information.
 - Distribute notices of upcoming projects to local Public Housing Agencies, contractor associations, community organizations, Small Business Administration (SBA), Minority and Women's Business Enterprise M/WBE association, and Community Development Corporations.
 - Conduct an annual staff workshop on contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner in an effort to allow Section 3 business concerns the opportunity to take advantage of any upcoming contracting opportunities.
 - Provide technical assistance directly or through contracted organizations to help Section 3 businesses meet bonding and insurance requirements and become certified as Section 3 businesses. Additionally, this assistance will focus on helping existing Section 3 eligible contractors to identify and utilize other Section 3 businesses, subcontractors, and suppliers.
 - Research possible Section 3 Business listed on the HUD Registry at www.hud.gov/Sec3Biz.
- **Contractor Outreach for Section 3 Individuals** examples such as:
 - Register Section 3 workers and refer them to job training they may need to be successful as workers on projects under Section 3
 - Post notices or advertise at the local unemployment centers
 - Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information
 - Distribute notices of upcoming projects to local Public Housing Agencies, contractor associations, community organizations, Small Business

Administration (SBA), Minority and Women's Business Enterprise M/WBE association, and Community Development Corporations

- Distribute target flyers and outreach in neighborhoods of Section 3 eligible activities

- **Reporting**

- The exhibits provide best practice reports that may be used to assist contractors to submit required information.
- Exhibit M is required to be submitted by the contractor to the Partnering Agency

II. FUNDING THRESHOLDS, BUSINESS, EMPLOYMENT TRAINING AND CONTRACTING GOALS

A. Funding Thresholds

Recipient thresholds

- The requirements of this part apply to recipients of other housing and community development program assistance for a section 3 covered project(s) for which the amount of the assistance exceeds \$200,000

Contractor and subcontractor thresholds

- The requirements of this part apply to contractors and subcontractors performing work on section 3 covered project(s) for which the amount of the assistance exceeds \$200,000; and the contract or subcontract exceeds \$100,000

Threshold met for recipients, but not contractors or subcontractors

- If a recipient receives section 3 covered housing or community development assistance in excess of \$200,000, but no contract exceeds \$100,000, the section 3 preference requirements only apply to the recipient

B. Minimum Numeric Goals

The numerical goals established in this section represent minimum numerical targets (reference 24 CFR 135.30) - General minimum numerical goals). The minimum numerical goals established apply to the aggregate number of employment and contracting opportunities generated by Section 3 covered financial assistance during each federal fiscal year annual reporting period. Recipients of housing and community development financial assistance shall, to the greatest extent feasible, reach the minimum numerical goals set forth at in 24 CFR Part 135.

Employment opportunities

Recipients, developers, and contractors are required, to the greatest extent feasible, direct contractors and subcontractors to employ Section 3 residents as 30 percent of direct new hires. A new hire means full-time employees for permanent, temporary or seasonal employment opportunities. Recipients, developers, and contractors are encouraged to provide long-term employment.

Recipients of housing and community development financial assistance must ensure, to

the greatest extent feasible, that 30 percent of any new hires within the agency that will primarily work on HUD-funded projects or activities involving demolition; housing rehabilitation; housing construction; demolition, rehabilitation, or construction of other public buildings, facilities, or infrastructure; or construction and rehabilitation-related (professional service) projects and activities are Section 3 residents. For example, these positions may include electricians, plumbers, construction managers, general laborers, consultants, accountants, and architects.

Contracting opportunities

Recipients of housing and community development financial assistance must, to the greatest extent feasible, have sub-recipients, contractors, and subcontractors that receive contracts for Section 3 covered projects and activities, award at least 10 percent of the total dollar amount of all subsequent contracting and subcontracting opportunities to Section 3 businesses for construction projects and 3% for non-construction projects.

For Disaster Programs and Pursuant to the U.S. Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) and 24 CFR 135, the Secretary is authorized to establish income limits to consider an individual to be a Section 3 resident. This Notice authorizes grantees to determine that an individual is eligible to be considered a Section 3 resident if the annual wages or salary of the person are at, or under, the HUD-established income limit for a one-person family for the jurisdiction

It is the responsibility of contractors to implement efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting such goals was not feasible. Those contractors that demonstrate exceeding minimum Section 3 goals and/or provide internal training/apprenticeship opportunities shall receive preference for additional projects. (See Exhibit L).

Should the contractor fail to meet the Section 3 reporting requirements, the following actions may be taken:

- Written warning notice of non-compliance and remedial actions needed
- Termination of the contract for default, suspension or jeopardize receiving future HUD funded contracts.
- Other sanctions listed in 24 CFR 135.38

C. Contractor Requirements

After the award of a contract but prior to beginning work, the contractor must, in a visible location within the construction site, complete and post (Exhibit F) which will provide the following information:

- Number of jobs and titles for hire
- Availability of apprenticeships and training positions, if any
- Contact information for person(s) taking applications or providing information on qualifications for new hires apprenticeships and training positions
- Anticipated date the work shall begin

If a Section 3 eligible worker is removed from a position, the employer must first seek to again fill the job with a Section 3 eligible worker.

Contractors are encouraged to offer on-the-job or continuing training to Section 3 hires that is comparable to, or exceeds, the training provided to non-Section 3 eligible employees throughout the life of the contract/project.

III. Procedure for Reporting Non-Compliance

In an effort to resolve Section 3 concerns due to non-compliance, DOLA encourages a written submittal of the concerns to its Section 3 Coordinator. Concerns should contain the name of the complainant and a brief description of the alleged violation. An investigation will be conducted to determine if the Section 3 requirements were fulfilled in compliance with the Section 3 laws and regulations and the contract.

In the event the Section 3 resident or Section 3 business does not feel DOLA satisfactorily resolved the concern, complainants should file the concern using form HUD 958 and submit to:

U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

A complete complaint must be received no later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for the filing is extended by the Assistant Secretary for good cause shown. Submission must include name and address of complainant, name and address of party against whom the complaint is remitted (Respondent), and description of acts or omissions by Respondent.

Explanation of Exhibits

- | | |
|-----------|---|
| EXHIBIT A | CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY - SAMPLE <ul style="list-style-type: none">• This form can be used when a business is able to self-certify as a Section 3 Business. This form also allows prioritization of Section 3 business that are in the “Local Area” |
| EXHIBIT B | ASSURANCE OF COMPLIANCE (Section 3, HUD ACT of 1968) TRAINING, EMPLOYMENT, AND CONTRACTING OPPORTUNITIES FOR BUSINESSES AND LOWER INCOME PERSONS - SAMPLE <ul style="list-style-type: none">• This form can be used in all contracts and agreements to show acknowledgment of Section 3 and that the contractor will comply with Section 3. |
| EXHIBIT C | CONTRACTOR/SUBCONTRACTOR CERTIFICATION REGARDING SECTION 3 AND SEGREGATED FACILITIES - SAMPLE <ul style="list-style-type: none">• This form can be used when you request a contractor to validate that a subcontractor understands that the Section 3 requirements are part of the contract and they will comply with Section 3. |

- EXHIBIT D CONTRACTOR'S SECTION 3 PLAN - SAMPLE
- This form can be used when a recipient wants the contractor to sign as to the activities that they will do to recruit and hire Section 3 workers.
- EXHIBIT E SECTION 3 CLAUSE - SAMPLE
- These clauses should be included in all bid solicitations and contracts for Section 3 covered projects.
- EXHIBIT F POSTED NOTICE TO PROJECT RESIDENTS - SAMPLE
- The contractor can use this form when they want to post on location that this job is a Section 3 covered project and let the public know of the positions that are available for hire.
- EXHIBIT G & H CONTRACTOR/SUBCONTRACTOR'S SECTION 3 TABLES A & B - SAMPLE
- This form can be used in bid solicitations to allow potential bidders know that this is a Section 3 covered project and to provide estimated subcontract and workforce breakdown.
- EXHIBIT I Contractors Compliance Form - SAMPLE
- This form can be used to obtain monthly data on Section 3 compliance and efforts by contractors.
- EXHIBIT J HUD SECTION 3 FORM 60002 - REQUIRED
- This is the **REQUIRED** form that DOLA must submit to HUD Annually
- EXHIBIT K SECTION 3 EMPLOYEE DATA & CERTIFICATION - SAMPLE
- This form can be used when a business is certifying that an employee is a section 3 employee or when new hire is self-certifying that they are a section 3 person.
- EXHIBIT L SECTION 3 FLOW CHART - SAMPLE
- Flow chart illustrating when Section 3 is triggered
- EXHIBIT M CONTRACTORS SECTION 3 REPORTING FORM - REQUIRED
- This for is **REQUIRED** for contractors to submit annually to the Partnering agency. The Partnering agency will verify data and submit this form to the CDBG-DR Section 3 Coordinator Annually. Data from this form will be rolled up to be used in the HUD 60002 form that DOLA must submit annually to HUD>



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EXHIBIT A - CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY

Name of Business _____

Address of Business _____

Type of Business/Trade/Profession _____

Type of Business Corporation Partnership Sole Proprietorship Joint Venture

Are you located in the 'Local Area' as defined below?

Primary metropolitan statistical area where the Section 3 covered project or activity takes place; or

Nonmetropolitan County where the Section 3 covered project or activity takes place

Select the statement below (1, 2 and/or 3) that best describes your business:

1. 51% (or more) of your business is owned by one or more section 3 residents, and whose management and daily business operations is controlled by one or more such individuals.

2. At least 30% of your business workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of the date of first employment with your business.

List the number of full- time employees, and provide one or a combination of the following regarding your employees:

List of employees claiming Section 3 status with Exhibit K completed for each employee

PHA/IHA Residential lease less than 3 years from day of employment

Other evidence of Section 3 status less than 3 years from date of employment

3. Provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to businesses that meet one of the above definitions.

Authorizing Name

Signature _____

Date _____

Witness Signature _____

Date _____



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EXHIBIT B - ASSURANCE OF COMPLIANCE (Section 3, HUD ACT of 1968)

**TRAINING, EMPLOYMENT, AND CONTRACTING OPPORTUNITIES FOR
BUSINESS AND LOWER INCOME PERSONS**

- A. The project assisted under this (contract) (agreement) is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns that are located in or owned in substantial part by persons residing in the area of the project.

- B. Notwithstanding any other provision of this (contract) (agreement), the (applicant) (recipient) shall carry out the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary set forth in 24 CFR Part 135 (published in 38 Federal Register 29220, October 23, 1973 as amended), and all applicable rules and orders of the Secretary issued thereunder prior to the execution of this (contract) (agreement). The requirements of said regulations include but are not limited to development and implementation of an affirmative action plan for utilizing Section 3 business concerns located within or owned in substantial part by persons residing in the area of the project; the making of a good faith effort, as defined by the regulation, to provide training, employment and business opportunities required by Section 3; and incorporation of the "Section 3 Clause" specified by Section 135.38 of the regulation in all contracts for work in connection with the project. The (applicant) (recipient) certifies and agrees that it is under no contractual or other disability which would prevent it from complying with these requirements.

- C. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Secretary issued thereunder prior to approval by the Government of the application for this (contract) (agreement), shall be a condition of the Federal financial assistance provided to the project, binding upon the (applicant) (recipient), its successors and assigns. Failure to fulfill these requirements shall subject the (applicant) (recipient), its contractors and subcontractors, its successors, and assigns to the sanctions specified by the (contract) (agreement), and to such sanctions as are specified by 24 CFR 135.38 (f).

Applicant

Signature

Address

Date



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**EXHIBIT C - CONTRACTOR/SUBCONTRACTOR CERTIFICATION
REGARDING SECTION 3 AND SEGREGATED FACILITIES**

Company Name

Project Name

The undersigned hereby certifies that:

- a. Section 3 provisions are included in the Contract.
- b. The above stated company is a signatory to the Contractor's Section 3 Plan.
- c. No segregated facilities will be maintained as required by Title VI of the Civil Rights Act of 1964.

Name and Title

Signature

Date



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EXHIBIT D - CONTRACTOR'S SECTION 3 PLAN

_____ agrees to implement the specific following affirmative action steps directed at increasing the utilization of lower income residents and businesses within the county.

- A. To ascertain from the locality's CDBG or CDBG-DR program official the exact boundaries of the Section 3 covered project area and where advantageous, seek the assistance of local officials in preparing and implementing the affirmative action plan.
- B. To attempt to recruit from within the city/county/MSA, the necessary number of lower income residents through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within and servicing the project area.
- C. To maintain a list of all lower income residents who have applied either on their own or on referral from any source, and to employ such persons, if otherwise eligible and if a vacancy exists.
- D. To insert this Section 3 plan in all bid documents and to require all bidders on subcontracts to submit a Section 3 affirmative action plan including utilization goals and the specific steps planned to accomplish these goals.
- E. To insure that subcontractors adhere to the Section 3 provisions that are applicable to the Contractor.
- F. To insure that all appropriate project area business concerns are notified of pending sub-contractual opportunities.
- G. To maintain records, including copies of correspondence, memoranda, etc., which document that all of the above affirmative action steps have been taken.
- H. To appoint or recruit an executive official of the company or agency as Equal Opportunity Officer to coordinate the implementation of this Section 3 plan.
- I. To maintain records concerning the amount and number of contracts, subcontracts, and purchases which contribute to Section 3 objectives.
- J. To maintain records of all projected workforce needs for all phases of the project by occupation, trade, skill level, and number of positions and to update these projections based on the extent to which hiring meets Section 3 objectives.

As officers and representatives of _____
Company

We the undersigned have read and fully agree to the Section 3 Affirmative Action Plan, and become a party to the full implementation of the program and its provisions.

Signature

Signature

Title

Title

Date

Date



EXHIBIT E - SECTION 3 CLAUSE

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 Clause):

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly person who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under the Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act. (25 U.S.C 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).



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EXHIBIT F - POSTED NOTICE TO PROJECT RESIDENTS

The project _____ is being funded by the U.S. Department of Housing and Urban Development under the - Disaster Recovery Funding Program. This notice complies with the Programs Section 3 Plan and is intended to inform the public, in particular project residents, of the economic opportunities (jobs) created through the use of the federal award.

Contractor/subcontractor intends to hire for the following positions:

Number of Jobs	Title	Description of Qualifications / Licensure / Certification

Section 3 preferences:

1. Persons residing in the project area and who are of low- to very-low- income
2. Homeless Persons
3. Residents of the local Public Housing Authority
4. Residents of the local Section 8 Housing Assistance Program units

For more information including job applications, apprenticeships, training positions, and qualifications, contact:

Name of Contractor

Contact Person

Street Address

City State Zip

Phone

Estimated Construction Start Date



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EXHIBIT G - CONTRACTOR/SUBCONTRACTOR'S SECTION 3 TABLES A & B

**TABLE A
PROPOSED SUBCONTRACTS BREAKDOWN**

FOR THE PERIOD COVERING ___ 20___ THROUGH ___ 20___
(Duration of the CDBG-Assisted Project)

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
Type of Contract (Business or Professional)	Total Number of Contracts	Total Approximate Dollar Amount	Estimated Number of Contracts to Project Area Businesses*	Estimated Dollar Amount of Project Area Businesses*

*The Project Area is coextensive with the City of _____'s boundaries.

Company Name

Project Name

Project Number

EEO Officer (Signature) and Date



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EXHIBIT H - ESTIMATED WORKFORCE BREAKDOWN

**TABLE B
ESTIMATED WORKFORCE BREAKDOWN**

Name of Business / Contractor / Subcontractor _____

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
Job Category	Specific Job Title	Total Estimate Positions	Number of Positions Currently Occupied by Permanent Employees	Number of Positions Not Currently Occupied	Number of Positions to be Filled with Section 3 Residents/Low Income Persons*
Officers Supervisors					
Professionals					
Technicians					
Housing - Sales / Rental Management					
Office Clerical					
Service Workers					
Others					
Trade:					
Journeyman					
Common Laborers					
Apprentices					
Maximum Number of Trainees					
Trade:					
Journeyman					
Common Laborers					
Apprentices					
Maximum Number of Trainees					
Trade:					
Journeyman					
Common Laborers					
Apprentices					
Maximum Number of Trainees					
Trade:					
Journeyman					
Common Laborers					
Apprentices					
Maximum Number of Trainees					

*A Section 3 Resident is (1) a public housing resident; or (2) a low- or very low-income person residing in the metropolitan area or Non-metropolitan County where the project is located.

HIREEMPLOYER / CONTRACTOR MUST CONTACT THEIR RESPECTIVE WORKFORCE BOARD FOR ALL NEW HIRES

Signature

Date

AN INCOME DOCUMENTATION CERTIFICATION (SEE EXHIBITS J & K) MUST BE COMPLETED FOR ALL NEW



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Exhibit I - CONTRACTORS COMPLIANCE FORM

Contractor and all subcontractor(s) must sign, date and deliver this form monthly to the project Section 3 Compliance Officer Located at:

Project Name _____

Project Location _____

For the Month of _____

I. Hiring

Select one:

I have not hired any new employees during the month specified.

I have hired ____ Section 3 employees, and/or ____ non-Section 3 employees during the month.

II. Recruitment

I have taken one or more of the following recruitment steps to hire a Section 3 resident with the highest training and employment priority ranking: (check all that apply)

I have made the Regional Workforce Solutions Center, and/or the Regional Workforce website the initial contact for all new hires.

I have advertised to fill vacancy (ies) at the site(s) where work is taking place, in connection with this project. Below, I have checked the steps I have taken to find Section 3 low-income residents, from the targeted groups and neighborhoods, to fill any vacancies.

Placed signs or posters in prominent places at project site(s).

Taken photographs of the above item to document that the above step was carried out.

Distributed employment flyers to the administrative office of the local Public Housing Authority.

Contacted employment referrals or Youthbuild Program referrals.

Kept a log of all applicants and indicated the reasons why Section 3 residents who applied were not hired.

Retained copies of any employment applications completed by Public Housing Authority, Section 8 certificate or voucher holders or other Section 3 residents.

Sent a notice about Section 3 training and employment requirements and opportunities to labor organizations or to worker representatives with whom our firm has a collective bargaining or other agreement.

III. Verification

I have attached proof of all checked items.

I hereby certify that the above information is a true and correct.

Date

Signature

Title

Business Name



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EXHIBIT J - HUD SECTION 3 FORM 60002

Section 3 Summary Report

Economic Opportunities for Low- and Very Low-Income Persons

U.S. Department of Housing and Urban Development Office of Fair Housing And Equal Opportunity

OMB Approval No. 2529-0043 (exp. 11/30/2010)

HUD Field Office: []

See back of page for Public Reporting Burden statement

Form with 10 numbered fields: 1. Recipient Name & Address, 2. Federal Identification, 3. Total Amount of Award, 4. Contact Person, 5. Phone, 6. Reporting Period, 7. Reporting Period, 8. Date Report Submitted, 9. Program Code, 10. Program Name.

Part I: Employment and Training (** Columns B, C and F are mandatory fields. Include New Hires in E & F.)

Table with 6 columns: A Job Category, B Number of New Hires, C Number of New Hires that are Sec. 3 Residents, D % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents, E % of Total Staff Hours for Section 3 Employees and Trainees, F Number of Section 3 Trainees. Rows include Professionals, Technicians, Office/Clerical, Construction by Trade (List), Trade, and Other (List).

*Program Codes

- 1 = Flexible Subsidy
2 = Section 202/811

- 3 = Public/Indian Housing
A = Development,
B = Operation
C = Modernization

- 4 = Homeless Assistance
5 = HOME
6 = HOME-State Administered
7 =CDBG-Entitlement

- 8 = CDBG-State Administered
9 = Other CD Programs
10 = Other Housing Programs



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Part II: Contracts Awarded

1. Construction Contracts:

2. Non-Construction Contracts:

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, contacts with 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 burden 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 control number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u., mandates that the Department ensure 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 for 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 a 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) or the number of new hires utilized on the Section 3 covered project (columns B, C 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 two copies of this report to the local HUD Field Office. 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 the 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 contacts 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 contacts 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

Submit two (2) copies of this report to the to the HUD Field Office of Fair Housing and Equal Opportunity, Program Operations and Compliance Center Director, at the same time the performance report is submitted to the program office. For those programs where such a report is not required, the Section 3 report is submitted by January 10. Include only contracts executed during the reporting period specified in item 8. PHAs/HAs 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 per centum of the median for the area based on the Secretary's findings such that variations are necessary be- cause 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 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.



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EXHIBIT K - SECTION 3 EMPLOYEE DATA & CERTIFICATION

The U.S. Department of Housing and Urban Development (HUD) requires that the State of Colorado document the income of newly hired persons working on federally-funded construction projects. This form may also be utilized as supportive documentation for Exhibit A (#2) and is intended to comply with HUD Community Development Block Grant requirements.

Section I

Applicant's Name: _____

Job Title: _____

Address: _____

Phone: _____

Section I (Race/Ethnicity)

What is your race? (Check one)

White

Asian & White

Black/African American

Asian

American Indian/Alaskan Native

Native Hawaiian/Other Pacific Islander

Black & White

American Indian/Alaskan Native & Black

Other Multiracial

Is your family of Hispanic origin

Yes

No

Section II (Circle the correct answer)

1. Do you currently reside in Public Housing? Yes No

2. Are you a participant in a Department of Labor YouthBuild program? Yes No

3. Are you a member of a family that receives federal housing assistance? Yes No

4. Is your total family income (based on your family size) at or below the amount listed below? Yes No

Household Size	1	2	3	4	5	6	7	8
Denver (MSA), Adams, Arapahoe, Denver, Douglas, Jefferson, Broomfield, Elbert, Park, Clear Creek, Gilpin	\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150	\$79,250	\$84,350
Boulder County	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,600	\$86,900
Greely(MSA) Weld County	\$37,350	\$42,700	\$48,050	\$53,350	\$57,650	\$61,900	\$66,200	\$70,450
Fort Collins (MSA) Larimer County	\$43,600	\$49,800	\$56,050	\$62,250	\$67,250	\$72,250	\$77,200	\$82,200



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SECTION 3 EMPLOYEE DATA & CERTIFICATION (continued)

5. Is your hourly pay rate at, or below, the HUD-established income limit for a one-person family for the jurisdiction you reside in? (mark below)

Denver MSA - \$21.51 per hour or less Yes No

Boulder County - \$22.16 per hour or less Yes No

Greely MSA - \$17.95 per hour or less Yes No

Fort Collins MSA - \$20.96 per hour or less Yes No

Section III

1. Are you presently residing in one of the disaster declared counties? Yes No

Adams County, Arapahoe County, Boulder County, Clear Creek County, Crowley County, Denver County, El Paso County, Fremont County, Gilpin County, Jefferson County, Lake County, Larimer County, Lincoln County, Logan County, Morgan County, Sedgwick County, Washington County and Weld County.

I certify that all of the above information is true and correct to the best of my knowledge.

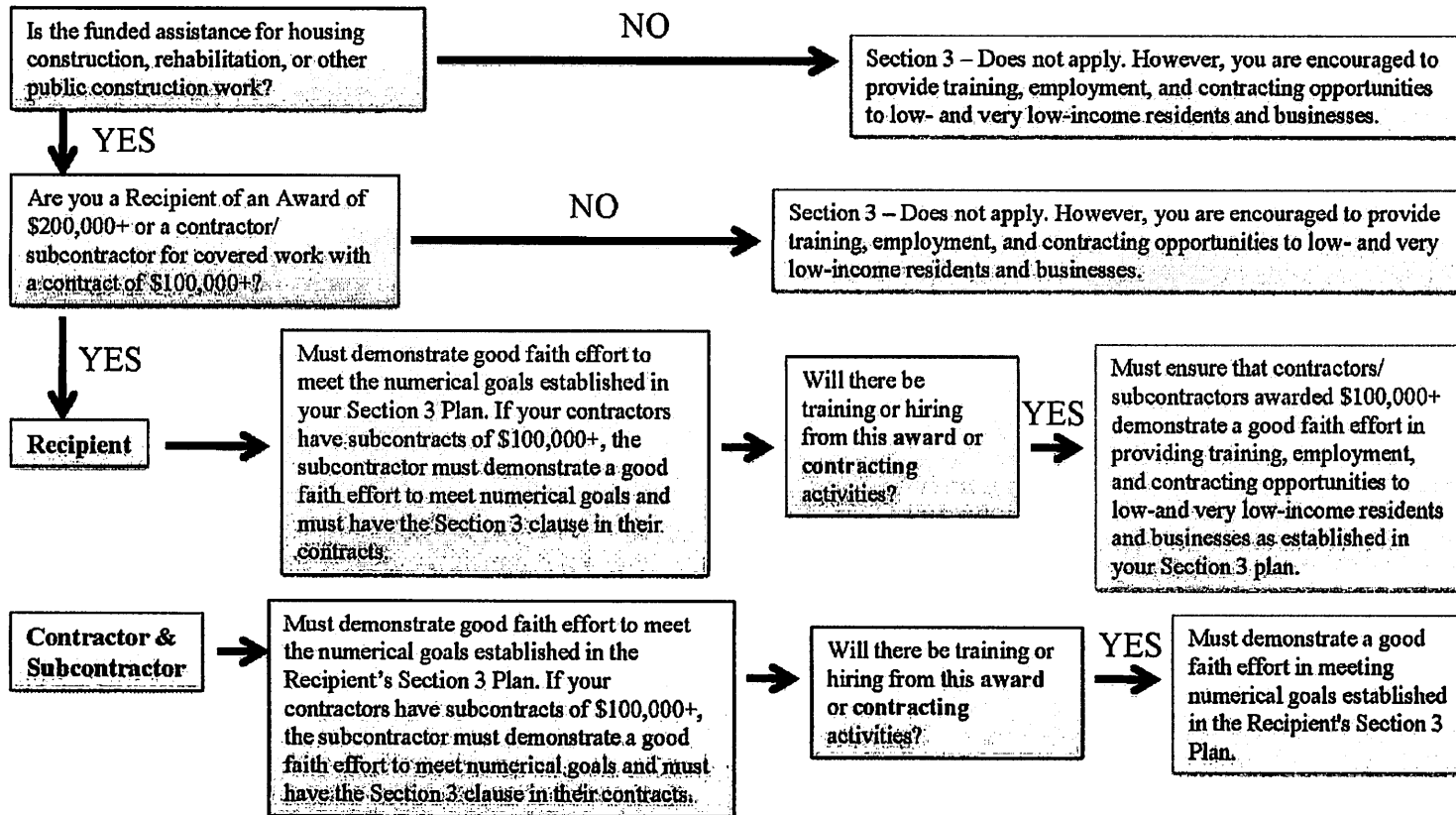
Employee Signature

Date



EXHIBIT L - SECTION 3 FLOW CHART

Section 3 Flow Chart
Use the following chart to determine if your project is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended.



Section 3 requirements apply to the entire project or activity funded with Section 3 covered assistance, regardless of whether the Section 3 activity is fully or partially funded with Section 3 covered assistance.



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**EXHIBIT M - CONTRACTORS SECTION 3 REPORTING FORM
FOR APRIL 1, 20____ THROUGH MARCH 31, 20____**

Recipient Name and Address:

Contact Person: _____

Telephone number: _____ Project #: _____

Total Project Cost (Include grant funds and all other funding sources): _____

Source of Grant Funds (Check whichever is applicable and include \$ amount per funding source:

CDBG-DR _____ CDBG _____ HOME _____

\$ _____ \$ _____ \$ _____

Part I: Employment & Training (Include new hires in columns E & F)**

A. Job Category	B. Number of New Hires	C. Number of New Hires that are Sec. 3 Residents	D. % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	E.** % of Total Staff Hours for Section 3 Employees and Trainees	F.** Number of Section 3 Employees and Trainees
Professionals					
Technicians					
Office/Clerical					
Construction by Trade (List)					
Trade					
Trade					
Trade					
Trade					
Trade					
Other (List)					
Total					



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 of 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, contacts with 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:



DEFINITIONS TO BE USED IN COMPLETING SECTION 3 FORM

This form is to report annual accomplishments regarding employment, training and contracting opportunities provided to low and very low-income persons under Section 3 of the Housing and Urban Development Act of 1958.

DEFINITIONS

SECTION 3 POLICY To ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very low income persons, particularly those who are recipients of governments assistance for housing.

SECTION 3 RESIDENT A public housing resident or an individual who resides in the metropolitan area or non-Metropolitan County in which assistance is expended and whose income does not exceed 80% (low income) of the median for the area with adjustments.

NEW HIRE A full-time employee for a new permanent, temporary or seasonal position that is generated from the expenditure of Section 3 covered assistance.

SECTION 3 COVERED CONTRACT At the grantee level, a contract or subcontract in excess of \$100,000 (construction or professional services) for work paid for by grant or other funds on a Section 3 covered project.

SECTION 3 COVERED PROJECT A project containing the activities of construction, reconstruction, conversion or rehabilitation of housing, or other public construction which includes buildings or improvements assisted with housing or community development assistance in which the total project costs exceed \$200,000 (may include projects with professional services contracts.)

SECTION 3 BUSINESS CONCERN A business that provides economic opportunities to low and very low income persons through business ownership, employment, training or subcontracting. Specifically, a business:

- (1) with 51% or more ownership by Section 3 residents; OR,
- (2) in which at least 30% of permanent, full-time employees are section 3 residents; OR,
- (3) which commits to subcontract more than 25% of the dollar award of all subcontracts to businesses that meet the qualifications of (1) and (2).



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WORKFORCE CENTER INFORMATION

HUD Section 3 Business Registry:

<https://portalapps.hud.gov/Sec3BusReg/BRegistry/BRegistryHome>

List Local Housing Authorities in the MSA

<http://portal.hud.gov/hudportal/HUD?src=/states/colorado/renting/hawebsites>