



Charlotte Housing Authority

SECTION 3

ADMINISTRATIVE GUIDE

CHARLOTTE HOUSING AUTHORITY
Finance Administration Division
Procurement Contract Development
400 East Boulevard
Charlotte, North Carolina 28203

April 14, 2009
Rev: March 10, 2015
Rev: March 30, 2016
Rev: ~~April 25, 2017~~ May 1, 2017

Table of Contents

I.	Charlotte Housing Authority <u>General</u> Policy Statement	3
II.	<u>Section 3</u> Purpose	3
III.	Section 3 Contracting Policy & Procedure	3
IV.	Section 3 Action Plan	3
V.	<u>Section 3</u> Employment & Training Goals	4
VI.	Certification Procedure for Section 3 Program Participant <u>Certification Procedures</u>	4
VII.	Resident Hiring Requirements	5
VIII. VII.	Assisting Contractors to Achieve Section 3 Goals	65
IX. VIII.	Preference for Contracting with Section 3 Business Concerns	57
X. IX.	Section 3 <u>Business Business Concern</u> Certification	67
XI. X.	Resident Owned Business Contracting	68
XII. XI.	<u>Efforts to</u> Contracting with Section 3 Business Concerns	79
XIII. XII.	Section 3 <u>Resident</u> Recruitment, Training and Employment	840
XIV. XIII.	Employment of Section 3 Program Participants	844
XV. XIV.	Contractor’s Requirements in Employing Section 3 Participants	942
XVI. XV.	Internal Complaint Procedure	103
XVII. XVI.	Definitions	11-134-16
XVIII. XVII.	Section 3 <u>Contract</u> Clause	13-1447

Exhibits/Forms

Exhibit 1:	Section 3 Resident Preference Claim Form <u>Eligibility for Preference</u>	1548
Exhibit 1a:	Section 3 Income Limits	19
Exhibit 2:	Section 3 Business Concern Applications	20-2316-20

I. General Policy Statement

The Housing Authority of the City of Charlotte (CHA) is committed to helping the residents of its communities move towards self-sufficiency by providing opportunities for training and employment. It is the policy of the CHA to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

The CHA implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the CHA and other qualified low- and very low-income persons residing in the city of Charlotte.

The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of CHA residents and businesses by CHA contractors working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The CHA shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to CHA residents prior to acting on any proposed contract award.

II. Section 3 Purpose

The CHA fully embraces the spirit and intent of its obligations as defined under Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) which requires the CHA ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, 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.

III. Section 3 Contracting Policy and Procedure

The CHA will incorporate Section 3 in its existing Procurement Policy and adopt a Section 3 Contracting Policy and Procedure to be included in all procurements generated for use with HUD funding. This policy and procedure contains goal requirements for awarding contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals to the CHA, be required to complete certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions required by this section. Such certifications shall be adequately supported with appropriate documentation as referenced in the form.

The existing Procurement Policy also contains goal requirements for awarding contracts to Minority and Women Business Enterprises (M/WBE).

IV. Section 3 Action Plan

The CHA will develop a Section 3 Action Plan to identify the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3.

CHA's intent to develop this plan is to include input from various city departments to include and, as well as HUD. Where applicable, input from other agencies and companies will be included.

V. Section 3 Employment & Training Goals

It is the policy of the CHA to utilize CHA residents and Section 3 businesses in contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). CHA has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (Reference 24 CFR 135.30 – Numerical goal for meeting the greatest extent feasible requirement). The numerical goal is:

- Thirty percent (30%) of the aggregate number of new hires in any fiscal year.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals were not feasible. All contractors submitting bids or proposals to the CHA are required to certify that they comply with the requirements of Section 3.

The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects. The Section 3 Clause must be included in all Section 3 covered projects. The Section 3 Contract Clause is included, page 137.

VI. Section 3 Program Participant Certification Procedure

The CHA will certify Section 3 program participants who reside in the Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area ~~City of Charlotte~~ and who are seeking preference in training and employment by completing the Section 3 Resident Preference Claim Eligibility for Preference Form. (Exhibit 1) ~~and 1.a~~.

- ~~All persons~~ Anyone living in the ~~City of Charlotte~~ Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area who meet the Section 3 eligibility guidelines can, by appointment, visit with the ~~Section 3 Coordinator~~ Economic Development Coordinator to complete ~~a job readiness assessment~~ the Section 3 Resident Preference Claim Form, or request a registration by mail or email.
- ~~Once this the registration assessment~~ is complete, and received, the ~~Section 3 Coordinator~~ Economic Development Coordinator will determine if the individual meets the eligibility requirements.
- and is job ready.
- ~~Eligible If the individuals will be placed on a distribution list and will be notified of employment, training, and other economic opportunities as they become available. is deemed eligible for Section 3 participation and deemed not ready for employment, a referral will be made to other agencies that are better equipped to address the individual's needs, i.e., substance abuse providers, etc.~~
- The Section 3 job readiness component is a part of the CHA's commitment to provide economic opportunities and training to residents/eligible participants to become gainfully employed.

VII. Resident Hiring Requirements

The CHA has adopted the following scale for resident hiring that is to be used on all construction contracts, service contracts and professional service contracts that contain a labor component. It is expected that an appropriate number of residents with particular qualifications or a willingness to begin unskilled labor will be able to participate in CHA's contracted labor efforts. A prime contractor may satisfy resident hiring requirements through its subcontractors.

Total Dollars	X Factor = Lesser of
When the lowest responsive bid is less than \$100,000	10% of the labor dollars or \$9,000
At least \$100,000, but less than \$200,000	9% of the labor dollars
At least \$200,000, but less than \$300,000	8% of the labor dollars
At least \$300,000, but less than \$400,000	7% of the labor dollars
At least \$400,000, but less than \$500,000	6% of the labor dollars
At least \$500,000, but less than \$1 million	5% of the labor dollars
At least \$1 million, but less than \$2 million	4% of the labor dollars
At least \$2 million, but less than \$4 million	3% of the labor dollars
At least \$4 million, but less than \$7 million	2% of the labor dollars
\$7 million or more	1 – 1/2% of the labor dollars

With this sliding formula, it is expected that an appropriate number of public housing residents and neighborhood residents with particular qualifications or willingness to begin unskilled labor will be able to participate in contracted labor efforts. A prime contractor, through its subcontractor(s), may satisfy CHA resident hiring requirement set forth above.

Subcontract or joint venture with a resident owned business. The business must be 51% or more owned by CHA public housing residents, or subcontract/joint venture with a business that employs full time, 30% or more CHA or low and very income individuals within the City of Charlotte, or

Direct hiring of CHA's public housing residents and/or low and very low income neighborhood residents based on the Resident Hiring Scale, or

Contractor incurs the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth in the Resident Hiring Scale, or

Contractor makes a contribution to CHA's Education Fund to provide assistance to residents to obtain training. The level of contribution would be commensurate with the sliding scale set forth in the Resident Hiring Scale.

VIII.VII. Assisting Contractors to Achieve Section 3 Goals ~~Hiring and Contracting Goals~~

The CHA will assist contractors in achieving Section 3 hiring and contracting goals by:

- Requiring the contractor to present a list, to the ~~Section 3 Coordinator~~Economic Development Coordinator, of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- ~~Section 3 Coordinator~~Economic Development Coordinator will provide the contractor with a list of interested and qualified Section 3 residents for ~~construction employment opportunities projects~~.
- ~~Section 3 Coordinator~~Economic Development Coordinator will provide contractor with a list of Section 3 business concerns interested and qualified for ~~construction projects~~subcontracting opportunities.
- ~~Section 3 Coordinator~~Economic Development Coordinator will inform contractor of known issues that might affect Section 3 residents from performing job related duties.
- ~~Section 3 Coordinator~~Economic Development Coordinator will review the new hire clause with contractors and subcontractors to ensure that the requirement is understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 program participants before any other person, when hiring additional employees needed to complete proposed work to be performed with HUD (federal) funds.

• —

IX.VIII. Preference for Contracting with Section 3 Business Concerns

The CHA, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts to Section 3 business concerns in the following order to priority:

- **Category 1:** Business concerns that are 51% or more owned by residents of the housing development for which the work is performed, or whose full-time, permanent workforce includes 30% of these persons as employees.
- **Category 2:** Business concerns that are 51% or more owned by CHA residents other than the housing development where the work is to be performed; or whose full-time permanent workforce includes 30% of these persons as employees.
- **Category 3:** HUD Youthbuild programs being carried out in the city of Charlotte in which Section 3 covered assistance is expended.
- **Category 4:** Business concerns that are 51% or more owned by a Section 3 resident(s), or whose permanent, full-time workforce includes no less than 30% Section 3 residents (category 4 business); or that subcontract in excess of 25% of the total amount of subcontracts to Section 3 business concerns.

Contractors and subcontractors are expected to extend to the greatest extent feasible, efforts to achieve the numerical goals established by the CHA.

X.IX. ~~Evidence of~~ Section 3 Business Concern Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the CHA shall complete the ~~Section 3 Business Concern Application (Exhibit 2) and Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability form~~, which can be obtained from the CHA ~~Section 3 Coordinator~~Economic Development Coordinator. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program.

Certifications for Section 3 preference for business concerns must be submitted to the ~~Section 3 Coordinator~~Economic Development Coordinator of the CHA prior to the submission of bids for approval. If the ~~Section 3 Coordinator~~Economic Development Coordinator previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid.

XI.X. Resident Owned Business Contracting

CHA will consider utilizing the alternative procurement process (Section 24 CFR Part 963) when contracting with businesses owned in substantial part by CHA residents (resident-owned business) for public housing services, supplies or construction.

To be eligible for the alternative procurement process, a business must submit evidence to CHA that shows how each of the following requirements has been met:

- Submit certified copies of any city, state, or county municipal licenses that support the type of business activity for which it performs.
- Disclose to the ~~Section 3 Coordinator~~Economic Development Coordinator, all owners of the business, as well as, each owner's percentage of ownership and names of those individuals who possess the authority to make decisions on a day-to-day basis.
- Submit evidence that the business is able to perform successfully under the terms and conditions of the proposed contract.
- Provide a certified listing of all contracts awarded and received under the alternative procurement process within a two-year period. If a resident-owned business has received under this alternative contracting procedure one or more contracts (within the two-year period) with total combined dollars of \$1,000,000, then it is no longer eligible for additional contracts under the alternative process until the 2-year period is past.

This alternative procurement policy is based upon the procurement procedure and policy set forth in HUD's regulations at 24 CFR, Part 85.36, but applies only to solicitations of resident-owned businesses. The CHA will utilize the alternative contracting procedure for resident-owned businesses only in cases where it is considered to be in the best businesses, economic and service interests of the authority.

XII.XI. Efforts to Efforts to Award Contract with Opportunities to Section 3 Business Concerns

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

- Advertise contracting opportunities via social media, email, agency procurement website, newspaper, mailings, or posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide electronic 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 the bid invitation.
- Coordinate pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
- Conduct workshops on CHA's 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.
- Contact the City of Charlotte's Business Development Department, business assistance agencies, Minority and Women's Business Enterprise (M/WBE) contractor associations and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 businesses.
- Establish relationships with the Small Business Administration (SBA), Minority and Women's Business Enterprise M/WBE association, Community Development Corporations, and other sources as necessary to assist SPHA-CHA with educating and mentoring residents with a desire to start their own businesses.
- Seek out referral sources in order to ensure job readiness for public housing residents through on the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market.
- Develop resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, and obtain licenses, bonding, and insurance.

XIII.XII. Section 3 Residents Recruitment, Training, and Employment

CHA will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Training opportunities will be advertised by social media, email, distributing flyers, ~~via mass mailings~~ and posting in common areas of the housing developments as well as all CHA public housing management offices.
- The resident councils, resident management corporations, as well as neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.
- Employment opportunities will be advertised by social media, email, –posting job vacancies in common areas of all of the CHA housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations.
- A database will be developed of certified Section 3 residents of public housing individuals.
- A database will be developed to maintain a skill assessment of all Section 3 residents
- A database will be developed of eligible qualified Section 3 Business concerns to contact with respect to the availability of contract opportunities.
- Relationships will be developed with local area employers in an effort to solicit job vacancies to determine skills needed in their workforce, thereby providing training to CHA residents developing skills that will transfer into the external labor market.
- A provision for a specific number of eligible CHA residents to be trained or employed by the contractor will be incorporated into the contract.

•

XIV.XIII. Employment of Section 3 Program Participants

- The ~~Section 3 Coordinator~~Economic Development Coordinator will conduct a pre-interview as applicable, with eligible and qualified residents prior to being hired by a contractor.
- The pre-interview will assess job readiness (i.e., childcare, transportation, work maturity, job retention skills). Only residents meeting the minimum qualifications of the contractor or subcontractor will be referred to the job site. Residents not deemed job ready would be referred elsewhere. It is imperative that the resident's basic needs are met prior to employment.
- ~~• If a resident is referred to a contractor and does not perform satisfactorily due to poor work habits (i.e., tardiness, absenteeism, alcohol/drugs, abusive language, fighting, etc.) she/he will be allowed two additional opportunities to be referred to other contractors. If after that time the resident still does not perform satisfactorily, it will be mandatory that she/he attend and complete a job readiness class, alcohol/drug treatment center, or any other program that he or she may be required to attend. After successful completion the resident will be given the opportunity to be reinstated on the list of residents available for work.~~
- Residents experiencing problems with contractors should first communicate the problem to the employer. If the problem cannot be solved between the employee and employer, the ~~Section 3 Coordinator~~Economic Development Coordinator will meet with the parties involved to assist in trying to resolve the problem. Residents and employers (contractors or subcontractors) should document problems whenever they occur and record any and all efforts to correct them. The written documentation of the problem should be submitted to the ~~Section 3 Coordinator~~Economic Development Coordinator.
-
- ~~• In order to qualify for employment with contractors, public housing residents must have their name(s) on a CHA lease, be current on rent, be at least eighteen years of age, and not be involved in any legal action with CHA (current documented eviction, criminal and drug activity or trespassing).~~
- ~~• Residents not interested in construction employment opportunities will be assessed for other skills (clerical, administrative, etc.) and will have the opportunity to receive help with interviewing techniques, mock interviews, resume preparation, application assistance, employment leads, and how to dress for success when conducting a job search.~~
- Residents interested in pursuing General Equivalency Diploma (GED) and continued training education will be referred to those resources by the ~~Section 3 Coordinator~~Economic Development Coordinator ~~who will maintain biweekly contact with residents to monitor progress.~~

XV.XIV. Contractor's Requirements in Employing Section 3 participants:

Under the CHA Section 3 Program, contractors and subcontractors are required to:

- Provide employment opportunities to Section 3 residents/participants in the priority order listed below:
 - a) **Category 1 – Section 3 Resident**
Residents of the housing development or developments for which the contract shall be expended.
 - b) **Category 2 – Section 3 Resident**
Residents of other housing developments managed by the CHA
 - c) **Category 3 – Section 3 Resident**
Participants in HUD Youthbuild program being carried out in the project boundary area.
 - d) **Category 4 – Section 3 Resident**
Residents ~~who receive Housing Choice Voucher of Section 8 of the CHA Housing Authority~~ as well as all other residents residing in the City of Charlotte who meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).

- After the award of contracts, the contractor must, prior to beginning work, inform Section 3 participants of the development at which the work will be performed, by providing the following:
 - a) names of the Section 3 business concerns to be utilized,
 - b) estimates of the number of employees to be utilized for contract,
 - c) projected number of available positions, to include job descriptions and wage rates (construction wages consistent with Davis Bacon),
 - d) efforts that will be utilized to seek Section 3 participants. (See Exhibit 2)

- Contractors must notify the ~~Section 3 Coordinator~~Economic Development Coordinator of their interests regarding employment of Section 3 participants prior to hiring. The ~~Section 3 Coordinator~~Economic Development Coordinator will ensure that the participant is Section 3 eligible, by assessing the Section 3 database to ensure job readiness. Additionally, the legal department will be contacted to ensure that the individuals are not involved in any legal proceedings against/with the CHA.

- Submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award.

- Document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc., and provide this information to the CHA ~~Section 3 Coordinator~~Economic Development Coordinator.

- Immediately notify the ~~Section 3 Coordinator~~Economic Development Coordinator of any problems experienced due to the employment of Section 3 participants.

- Immediately notify the ~~Section 3 Coordinator~~Economic Development Coordinator if a participant quits, walks off, or is terminated for any reason. The contractor must provide written documentation of all such incidents to support such decisions to the ~~Section 3 Coordinator~~Economic Development Coordinator to determine if an investigation is warranted.

XVI.XV. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, CHA encourages submittal of such complaints to its ~~Section 3 Coordinator~~Economic Development Coordinator as follows:

- 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 135.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The ~~Section 3 Coordinator~~Economic Development Coordinator will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- The ~~Section 3 Coordinator~~Economic Development Coordinator will provide written documentation detailing the findings of the investigation of the CHA. The CHA will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than thirty (30) days after the filing of complaint.

If complainants wish to have their concerns considered outside of the CHA, a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410

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

XVII.XVI. Definitions

Applicant – Any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency 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.

Assistant – the Assistant Secretary for Fair Housing and Equal Opportunity.

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

Contractor - any entity which contracts to perform work generated the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 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 jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, 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 of low- and very low-income families.

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

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 smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

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

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

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

Section 3 Business Concern – a business concern,

- 1) That is 51 percent or more owned by Section 3 resident: or
- 2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- 3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

Section 3 Covered Assistance –

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

Section 3 Clause – the contract provisions set forth in Section 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 for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

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

Section 3 Resident – a public housing resident or an individual who resides in the metropolitan area or Non-metropolitan Metropolitan County in which the Section 3 covered assistance is expended and who is considered to be a low-to very low-income person.

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 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.

~~XVIII~~.XVII. Section 3 Clause

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

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD- assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 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 this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 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.

~~D.~~

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 to the maximum extent feasible, but not in derogation of compliance with section 7(b).



Charlotte Housing Authority

SECTION 3 RESIDENT PREFERENCE CLAIM FORM

A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in 24 CFR 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

CERTIFICATION FOR SECTION 3 RESIDENT

I, _____, am a legal resident of the Mecklenburg County Area* and I **(check one box)**

qualify as a Section 3 resident do not qualify as a Section 3 resident

based on my family size and household income during 2016 for the income levels as outlined in the Mecklenburg County Area Median Income limits listed below.

(Note: Mecklenburg County is part of the Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area. The Charlotte-Gastonia-Concord HUD Metro FMR Area contains the following areas: Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC; and York County, SC.)

2017 Mecklenburg County Area Median Income Limits

Family Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Income	\$39,600	\$45,250	\$50,900	\$56,550	\$61,100	\$65,600	\$70,150	\$74,650

My permanent address is: _____

Street Address **(No PO Box)**

_____ City State Zip

Phone: _____ Email: _____

Number of family who live in my household: _____

My total annual household income for the prior calendar year (2016) is: _____

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

- Proof of public assistance (i.e., TANF, Food Stamps, Medicaid, SCHIP)
- Proof of participation in a HUD Youth Build program
- Proof of participation in a federal, state or local public assistance program (WIA, etc.)
- Copy of current Federal Tax filings (2016)

I certify that my answers are true and complete to the best of my knowledge.

Print Name

Signature Date

Please return to the CHA Economic Development Coordinator at 400 East Boulevard, Charlotte, 28203 or fax to 704-336-7892

SECTION 3 INCOME LIMITS

All residents of CHA public housing developments qualify as Section 3 residents. Additionally, residents residing in the City of Charlotte who meet the income limits set forth below can also qualify for Section 3 status.

A picture identification card and proof of current residency is required.

Mecklenburg County, North Carolina										
FY 2016 Income Limit Area	Median Income	FY 2016 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Mecklenburg County	\$67,000	Very Low (50%) Income Limits	23,550	26,900	30,250	33,600	36,300	39,000	41,700	44,400
		Extremely Low (30%) Income Limits	14,100	16,100	20,160	24,300	28,440	32,580	36,730	40,890
		Low (80%) Income Limits	37,550	42,900	48,250	53,600	57,900	62,200	66,500	70,800

NOTE: Mecklenburg County is part of the ~~Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area~~. The ~~Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area~~ contains the following areas: Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC; and York County, SC.

~~*FY 2016 Income Limits – Current as of 03/28/2016~~



Charlotte Housing Authority
Building Community, People & Partnerships

SECTION 3 BUSINESS CONCERN APPLICATION

Business Name: _____

D.B.A. (If different from above): _____

Address: _____
City State Zip

Business Phone: _____ Fax: _____

Email: _____ Business Website: _____

Contact Person & Title: _____

Contact Phone: _____

Employer ID Number: _____ Owners Social Security Number (if no EIN): _____

NC Business License # OR Charlotte Mecklenburg Privilege License #: _____

Number of employees: Full-time: _____ Part-time: _____ Contract: _____ Total: _____

Section 3 employees: Full-time: _____ Part-time: _____ Contract: _____ Total: _____

Has business worked directly for Charlotte Housing Authority before: [] Yes [] No

Check all that apply: [] SBE [] WBE [] MBE

List primary product or service: (check all that apply)

- [] General Contractor [] Mechanical Contractor
[] Electrical Contractor [] Consultant Services
[] Material Supplier [] Other _____

Professional or Contractor License Number (if applicable)

List additional products or services your business can provide:

Type of Business Entity (check one):

- [] Corporation [] Limited Liability Partnership (LLP)
[] Partnership [] Joint Venture
[] Sole Proprietorship [] Other (describe): _____
[] Limited Liability Corporation (LLC)

Capacity limit: (Contract limit your business could manage)

- [] Up to \$300,000 [] \$1-\$5 million
[] \$300,000 - \$500,000 [] \$5-\$10 million
[] \$500,000 - \$1 million [] Other _____

I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 business concern.

Print Name

Date

Signature



SECTION 3 BUSINESS CONCERN
Resident Business Owner(s)

Name of Owner: _____

Home Address: _____

Name of Business: _____

Percentage of Ownership: _____

Check the appropriate box for your family size and income and submit a Section 3 Preference Income Form:

Check Box	# of Persons in Household	Gross Household Income Max.
<input type="checkbox"/>	1 individual	\$37,550 \$39,600
<input type="checkbox"/>	2 individuals	\$42,900 \$45,250
<input type="checkbox"/>	3 individuals	\$48,250 \$50,900
<input type="checkbox"/>	4 individuals	\$53,600 \$56,550
<input type="checkbox"/>	5 individuals	\$57,900 \$61,100
<input type="checkbox"/>	6 individuals	\$62,200 \$65,600
<input type="checkbox"/>	7 individuals	\$66,500 \$70,150
<input type="checkbox"/>	8 individuals	\$70,800 \$74,650

I certify that I am a resident of the Charlotte, NC Metropolitan Area and my total household income last year was less than the amount shown above for my family size. *(Note: Mecklenburg County is part of the **Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area**. The **Charlotte-Gastonia-Concord HUD Metro FMR Area** contains the following areas: Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC; and York County, SC.) FY 2014-17 Income Limits Documentation*

If the business is owned by more than one Section 3 resident, each should submit a separate Section 3 Resident Income Preference Claim Form. List each owner below:

NAME & POSITION	ADDRESS	PERCENTAGE OF OWNERSHIP

I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 business concern.

Name: _____ **Title:** _____

Company Name: _____

Signature: _____ **Date:** _____

Notary Signature and Seal: _____



SECTION 3 BUSINESS CONCERN
30% + Workforce

A business can be certified as a Section 3 Business Concern if at least 30% of its permanent, full-time employees are Section 3 residents, or were Section 3 residents within three years of the date of the first employment with the business. For your firm to be eligible UNDER THIS CRITERIA, you must provide the following information for **all permanent full-time employees**. Copy this form if necessary.

List All Employees	Date Hired	Section 3 Resident (Submit the Section 3 Preference Income Verification Form)	Job Title/Trade
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Total Number of Employees:			
Number of Section 3 Residents			
Section 3 % of Total Workforce:			

I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 business concern.

Name: _____ **Title:** _____

Company Name: _____

Signature: _____ **Date:** _____

Notary Signature and Seal: _____



**SECTION 3 BUSINESS CONCERN
 Contracts Awarded**

List all work performed by businesses meeting Section 3 business conditions:

Name of Business & Contact Information	Qualifying Condition	Total Contract Award

I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 business concern.

Name: _____ **Title:** _____

Company Name: _____

Signature: _____ **Date:** _____

Notary Signature and Seal: _____



SECTION 3 RESIDENT PREFERENCE CLAIM FORM

A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in 24 CFR 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

CERTIFICATION FOR SECTION 3 RESIDENT

I, _____, am a legal resident of the Mecklenburg County Area* and I
(check one box)

qualify as a Section 3 resident do not qualify as a Section 3 resident

based on my family size and household income during 20156 for the income levels as outlined in the Mecklenburg County Area Median Income limits listed below.

(Note: Mecklenburg County is part of the Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area. The Charlotte-Gastonia-Concord HUD Metro FMR Area contains the following areas: Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC; and York County, SC.)

20167 Mecklenburg County Area Median Income Limits

Family Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Income	\$39,600 \$37,550	\$45,250 \$42,900	\$50,900 \$48,250	\$56,550 \$53,600	\$61,100 \$57,900	\$65,600 \$62,200	\$70,150 \$66,500	\$74,650 \$70,800

My permanent address is: _____
Street Address (No PO Box)

City State Zip

Phone: _____ Email: _____

Number of family who live in my household: _____

My total annual household income for the prior calendar year (20156) is: _____
I have attached **ONE** of the following documentation as evidence of my status:

- Proof of public assistance (i.e., TANF, Food Stamps, Medicaid, SCHIP)
- Proof of participation in a HUD Youth Build program
- Proof of participation in a federal, state or local public assistance program (WIA, etc.)
- Copy of current Federal Tax filings (20156)

I certify that my answers are true and complete to the best of my knowledge.

Print Name

Signature

Date

Please return to the CHA ~~Section 3 Coordinator~~ Economic Development Coordinator at 400 East Boulevard, Charlotte, 28203 or fax to 704-336-7892