SECTION 3

REQUIRED CONTRACTOR FORMS

FOR

Rockford Housing Authority

223 South Winnebago Street
Rockford, IL 61102

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

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

Forms revised as of: January 29, 2019
**REQUIREMENTS**  
*Applicable to all awards and contracts DESPITE AMOUNT*

| NOTICE - Extra or greater efforts must be undertaken to make the low and very low-income persons in the project area aware of the existence of the opportunity before it is filled with non-Section 3 persons or businesses. This means the notice MUST be given in multiple methods (See Part VII of this policy for a list of methods) and documentation saved for audit purposes.  
As an example, contractors, subcontractors and developers cannot simply call their normal service providers and contractors for bids without including a host of notices to other low-income people, groups and organizations locally and beyond before committing to any contracts or potential contracts.  
Remember to keep every document and record demonstrating your efforts for audit and verification. If there are no records verifying the efforts made, it will be assumed there were none. The contractor, sub-contractor, and developer will also have access to the RHA Section 3 Business Concern and Resident Listings as indicated in Part VI above. | This applies to all contracts using Section 3 covered assistance from HUD and begins prior to the securing of the first contract service related to the proposed project including, professional services such as legal, architecture, engineering, consultants, etc. | Give notice to residents and businesses before or while soliciting bids/proposals/employees  
Notice must be provided prior to the execution of any contracts via: publication, flyers, posters, social media, email, letters, web-postings and any other such method elected |
| ENCOURAGEMENT - Contractors, sub-contractors and developers must be able to document they did something to encourage low-income people, the businesses they own and the businesses that substantially employ them to apply for their opportunities before filling them with non-Section 3 people or businesses. This includes activities such as hosting opportunity fairs for contracting and employment, informational sessions on how to achieve Preference in consideration or other verifiable methods designed to enhance participation by these groups.  
RHA requires that contractors, sub-contractors, and developers review and consider the listings of self-certified Section 3 residents and business concerns both initially and if new opportunities open during the contract life. However, contractors, subcontractors and developers should also do other encouragement and outreach efforts to the extent that new Section 3 person and businesses can be attracted and secured if qualified. There is no requirement to hire or contract any unqualified person or business. | These shall be in the form of: Opportunity Fairs, Meetings, Presentations, Inducements such as Transportation or Child Care Assistance, etc. | This is executed prior to every major contract and annually for all small purchases but definitely before awarding any contracts or employment  
It's important this be done early so the contracting phase can begin immediately after confirmation of award |
| FACILITATION - Contractors, sub-contractors, and developers must be able to provide documentation in the form of actual signed agreements or commitments to contract and employment verification like payrolls facilitated in compliance with the actual award of contracts and/or employment based on what opportunity was available. | This step must be central to the award of contracts and employment | This must be completed at every step in the contract through close-out |
Economic Opportunities for Low- and Very Low-Income Persons (Section 3, HUD Act of 1968; 24 CFR 135)

(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 of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of Section 3 apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(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.

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

Business Name: ___________________________________________________________

Business Address: _______________________________________________________

Print Name: _____________________________________________________________

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

Please return this form to the following address:

Michaela Harris  
Rockford Housing Authority  
223 South Winnebago Street  
Rockford, IL 61102  
Phone: 815-489-8674  
Cell 815-312-6084  
email: mharris@rockfordha.org

The RHA’s Section 3 Self-Certification

For assistance completing these forms, please  
Email or call: Michaela Harris  
Phone: 815-489-8674 Cell 815-312-6084  
mharrris@rockfordha.org

**Section 3 Business Criteria:** Your business is eligible for Section 3 Business Certification if it meets any one of the following criteria. Please note that the definition of Section 3 qualified person is on Section 3 Form #3, “Section 3 Resident Self-Certification Form.” *(Check one Preference option below)*

- Fifty-one percent or more of your business is owned by a Section 3 resident or residents.
- Thirty percent or more of your permanent, full-time employees are Section 3 residents.
- You can provide evidence of a commitment to subcontract in excess of 25 percent of the amount of all subcontracts to Section 3 businesses: (a) that are fifty-one percent or more owned by public housing residents or (b) that has thirty percent or more of their permanent, full-time employees as public housing residents.

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

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

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<thead>
<tr>
<th>Signature:</th>
<th>Date Signed:</th>
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<tr>
<th>Name:</th>
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<th>Company Name:</th>
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<th>Address:</th>
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Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN

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

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

Name of Business: ________________________________________________________________

Business Address: _________________________________________________________________

Contract Name/Solicitation #: ______________________________________________________

Total amount of Bid: __________________________________________________________________

PART II: PRIOR COMPLIANCE CERTIFICATION

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

________________________  ___________________  __________
Signature/Title  Print Name  Date

PART III: IS SECTION 3 TRIGGERED BY THIS CONTRACT?

IF CONTRACTOR DOES NOT ANTICIPATE TRIGGERING THE SECTION 3 REGULATIONS, YOU MUST INITIAL BOTH BOXES BELOW:

☐ I do not anticipate hiring any new permanent, temporary, or seasonal employees on this contract.

☐ I do not anticipate subcontracting any portion of the work on this contract.

If you checked both boxes, do **NOT** check any other boxes or select any other options on this form!

Skip to the attestation and notarized signature on the final page of Section 3 Form #3.

**IMPORTANT:** IF THIS CHANGES AT ANY POINT DURING YOUR CONTRACT, YOU MUST IMMEDIATELY CONTACT YOUR RHA CONTRACT CONTACT MICHAELA at P: 815-489-8674– C: 815-312-6084

mharris@rockfordha.org

Section 3 Form #3
PART IV: CONTRACTING/SUBCONTRACTING NEEDS:

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

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

Total amount to be sub-contracted to Section 3 Business Concerns: $____________

Percentage of total $ value of bid/contract: ____________________________

IMPORTANT: Should the scope of work or needs of the contractor change, the contractor shall, to the greatest extent feasible, assure that subcontracts be awarded to Section 3 business concerns and shall immediately contact your RHA contract contact.
Section 3 Form #3

PART V: WORKFORCE NEEDS AND HIRING PLAN

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

<table>
<thead>
<tr>
<th>1. List Job Title/Trade</th>
<th>2. Total # of Employees Needed to complete Scope of Work by Job Title</th>
<th>3. Total # from Current Staff</th>
<th>4. Of the total # in column (3), how many are Section 3 Hires within the past 3 years?</th>
<th>Total # of New Hires Needed (Column 2 – Column 3)</th>
<th>Total # of New Hires expected to be Section 3 Residents</th>
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<td>TOTALS</td>
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Use an additional sheet if required
Section 3 Form #3

PART VI. OTHER REQUIREMENTS

Outreach Plan:

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

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

Documentation of “To the GreatestExtent Feasible”:

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

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

1. Maintain a list of all low-income area residents who have applied, either on their own or from referral from any source, and employ such person if otherwise qualified and if a vacancy exists.

2. Review and consider the Section 3 Resident List provided by RHA prior to making new hires. If those hired are not Section 3 residents, or are in a lower preference category, the Contractor must explain in writing the qualifications that those on Section 3 Resident List lacked, or other reason for non-hire (e.g., job offer declined).
Section 3 Form #3

3. Provide evidence that the contractor has not filled vacant employment positions in its workforce immediately prior to undertaking work in an attempt to circumvent Section 3 regulations.

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

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

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

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

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

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

Other Economic Opportunities:

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

Grievance and Compliance:
The contractor or sub-contractor hereby acknowledges that they understand that any low-income and very low-income resident of the project area, for him/her or as representatives of persons similarly situated, seeking employment or job training opportunities in the project area, or any eligible business concerns seeking contract opportunities may file a grievance if efforts to the greatest extent feasible were not executed. The grievance must be filed with HUD not later than one hundred eighty (180) calendar days from the date of the action (or omission) upon which the grievance is based.
Section 3 Form #3

This language is a component of contract compliance with the work contractors and sub-contractors including developers respond to in RHA solicitations. The full requirements are provided in the Section 3 Clause found elsewhere in this package or in the HUD forms 5370-C or 5370 C1 as may be applicable.

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

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

E. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail from RHA notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.

F. If at any time a contractor fails to bring the contract into compliance, RHA must withhold all future payments until the contract is in compliance.

G. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to RHA why it cannot meet compliance. RHA must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If RHA deems the cause to be unacceptable, at its option, RHA can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or

H. If the contractor fails to take any corrective action to bring the contract into compliance within seven (7) business days from the most recent notice of non-compliance, or RHA does not accept any of the contractor’s corrective plans or justifications for non-compliance, RHA must terminate the contract immediately. All funds due to the contractor shall be held and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non-Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

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

ATTESTATION:

I attest that the above information is true and correct and that by signing below, the Contractor hereby agrees to comply with Section 3 requirements.

Name of Prime Contractor: ________________________________

Name of Authorized Officer: ______________________________

Title of Authorized Officer: ________________________________

____________________________________________     __________________________
Signature                Date

NOTARY REQUIRED

STATE:         COUNTY:

I, the undersigned a Notary Public in and for said authority and in said State, hereby certify that, ________________________, whose named as ______________________________ (Title) of ______________________ (Company) is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as ____________ (Officer Title), and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the _____ day of ______, 20__.

_____________________________     My Commission Expires: ______________________ {SEAL}
Notary Public
SECTION 3 RESIDENT SELF-CERTIFICATION FORM

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 certification requirements.

Printed Name of Individual: ___________________________________________________ 

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

Street Address          Apt Number                                                   City        State   Zip

Phone #:  _____________________________________  Email Address: __________________________________________________ 

Section 3 is a HUD regulation which states that any entity that receives section 3 covered funding must be section 3 compliant. Section 3 compliance is achieved by providing education, training, and/or employment opportunities to Section 3 person(s). A Section 3 person is an income eligible (low or very low-income) individual who resides in the service area of the housing authority, is a public housing resident, housing choice voucher resident, or youth build participant. In order to determine section 3 status please select all applicable boxes listed below:

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<tr>
<th>Select One:</th>
<th>$0</th>
<th>$37,151</th>
<th>$42,451</th>
<th>$47,751</th>
<th>$53,051</th>
<th>$57,301</th>
<th>$61,551</th>
<th>$65,801</th>
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<tr>
<td>Household</td>
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<td>Income</td>
<td>$37,150</td>
<td>$42,450</td>
<td>$47,750</td>
<td>$53,050</td>
<td>$57,300</td>
<td>$61,550</td>
<td>$65,800</td>
<td>$70,050</td>
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</tbody>
</table>

Check all that apply:

_____ I am a public housing resident (Name of housing development: ________________________________)

_____ I am a Section 8 rent assistance participant with RHA (have a Housing Choice Voucher)

_____ I live in the service area of the Housing Authority (Rockford city limits AND/OR Winnebago County)

_____ I do NOT live in the service area of the Housing Authority.

There is a total of _____ people living in my household.

I hereby certify to the U.S. Department of Housing and Urban Development (HUD) that all the information on this form is true and correct. I further certify that I am a legal resident of the United States. Finally, if applicable, I authorize the Rockford Housing Authority to include my name on a list of Section 3 Residents seeking employment and to include my contact information so that contractors may contact me.

Signature: ______________________________   Date: _____________________