

SECTION 3

Job Training, Employment, and Contracting Opportunities for Low-Income Persons

A TOOL FOR “ECONOMIC UPLIFT”

Section 3 of the Housing and Urban Development Act of 1968 is a tool that is used to realize HUD’s commitment to the “economic uplift” for public housing (HA) communities. It requires that public housing authorities (HAs), as well as their contractors and subcontractors, make good faith efforts to provide opportunities for job training, employment, and contracting to low-income persons, particularly those who are recipients of Federal housing assistance.

GOOD FAITH EFFORT

Under regulations at 24 CFR 135, HAs and their contractors must make “good faith efforts” to use area residents as trainees & employees and to award contracts to businesses located within the Section 3 covered project areas. Good faith effort means a contractor must take concrete steps to expand resident training & employment opportunities, such as making residents aware of the employment application process & actually employing Section 3 area residents.

OUTREACH TO EXPAND SECTION 3 RESIDENT TRAINING & EMPLOYMENT OPPORTUNITIES

- Advertising in the local media;
- Distributing flyers on training & job opportunities to every occupied dwelling unit of Section 3 communities, and posting in common areas;
- Asking resident councils and other resident bodies to help promote resident participation, and asking similar help from community leaders and organizations;
- Informing labor organizations and private job training agencies of potential jobs and contracting opportunities;
- Holding job information meetings and workshops to help Section 3 resident’s complete applications;
- Arranging for a place within the housing community for residents to drop off employment application forms and hold interviews.

PROMOTING BUSINESS PARTICIPATION

- Advertisement in local media and trade association papers;
- Posting flyers in the housing community;
- Developing a list of eligible Section 3 businesses;
- Giving all eligible concerns written notice in time for them to participate in pre-bid meetings and meet proposal deadlines;
- Holding workshops on contract procedures;
- Dividing contract work to allow wider participation;
- Promoting joint ventures between a large business and Section 3 business concerns;
- Limiting competition for PHA-administered opportunities to resident-owned businesses through the use of alternative procurement procedures for contracts under \$500,000, as described in HUD regulations at 24 CFR 963.

HAK requires that all contractors doing business with the Authority make a “good faith effort” to use area residents as trainees and employees and to award contracts to businesses located within the Section 3 covered project areas. Good faith efforts will include concrete steps to expand resident training and employment opportunities, such as making residents aware of the employment application process and employing qualified Section 3 area residents.

It is the policy of HAK to ensure that employment and other economic opportunities generated by the result of contracts awarded that are funded with federal financial assistance shall, to the greatest extent feasible, be directed toward low and very low-income persons, particularly those who are recipients of government assistance for housing.

This policy sets forth the practices required for contractors to hire Section 3 Residents and to subcontract with business concerns owned in whole or in part by Section 3 Residents. This document also sets forth the requirements for the contracting with business concerns owned in whole or in part by Section 3 Residents, Minority, Women, Disadvantaged, Disabled Veterans and Labor Surplus Area Business Enterprises.

Contractors who are not able to otherwise meet the Section 3 requirements set forth in this policy may contribute to the HAK Resident Services Section 3 Employment Education fund. Such contribution shall be in the amount of a minimum of 5% of the total contract costs below \$100,000; 4% of the total contract costs between \$100,001 and \$500,000; and, 2% for contracts in excess of \$1,000,000 and so noted within proposal submittal.

Required Efforts

Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that minority-owned, small disadvantaged and Section 3 businesses, women’s business enterprises, labor surplus area businesses and other individuals or firms located in or owned in substantial part by persons residing in the area of the HAK project are used when possible. Such efforts shall include, but shall not be limited to:

1. Including such firms, when qualified, on solicitation mailing lists;
2. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms; Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;

5. Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR Part 135 (so-called Section 3 businesses); and
6. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

Definitions

1. A small business is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR Part 121 should be used to determine business size.
2. A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals.

Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

3. A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
4. A "Section 3 business concern" is as defined under 24 CFR Part 135.
5. A Disabled Veterans Enterprise (DVE) is a sole proprietorship, partnership, or corporation owned, operated, controlled by a disabled veteran (as determined by the Veterans Administration) who have at least 51% ownership. The disabled veteran must have operational and managerial control, interest in capital, and earnings commensurate with the percentage of women ownership. To qualify as an eligible DVE, the business must be certified and in good standing with the State of South Carolina.
6. A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.
7. Section 3 Residents are residents of housing programs managed, administered or sponsored by HAK; an individual residing in the Williamsburg County Statistical Metropolitan Survey Area and, who is a low-income person, earning less than 80% of area median income; or a very low-income person, earning less than 50% of area median income.

Goals

1. **Section 3 Resident Participation Goal.** HAK has established a goal of a minimum percentage of 10% of Section 3 Residents as “New Hires” for all contracts in excess of \$100,000.
2. **Minority/Women Business Enterprise Goal.** HAK has set a goal of achieving at least 30% of each Section 3 Covered Contract sum to be awarded to minority and disadvantaged in the categories described above.

SECTION 3 ESTIMATED PROJECT WORK FORCE BREAKDOWN

(Complete and Return to HAK with submittals)

Job Category	Total Estimated Positions Needed For Project	No. Positions Occupied by Permanent Employees	Number of Positions Not Occupied	Number of Positions to be filled with Section 3 (NEW HIRES)
Professionals				
Technician				
Office/Clerical				
Officials/Managers				
Sales				
Other:				
Other:				
Other:				
Other:				
TRADE:				
Craft Workers (skilled)				
Operatives (semi-skilled)				
Laborers (unskilled)				
Service Workers				
Other:				
Other:				
Other:				
Other:				
Other:				

Section 3 Resident is defined as an individual residing within the Section 3 area whose family income does not exceed 80% of the area median income (AMI) of the area in which the project is located. Contractors must give first priority for Section 3 hires to the following groups in order of preference: 1) HAK Public Housing residents and/or Housing Choice Voucher Program participants; 2) residents of the City of Kingstree; and, 3) residents of Williamsburg County.

Company:			
Project Name:			
Name:		Title:	
Signature:		Date:	

The information contained within this proposal is considered confidential to
The Housing Authority of Kingstree.

RESIDENT EMPLOYMENT OPPORTUNITY DATA

(Complete and Return to HAK with submittals)

**HOUSING AUTHORITY OF KINGSTREE (HAK)
1022 LEXINGTON AVE., KINGSTREE, SC 29556**

ELIGIBILITY FOR PREFERENCE

Eligibility for Preference

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 Section 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 Resident Seeking Section 3 Preference in Training and Employment

I, _____, am a legal resident of the _____
_____ and meet the income eligibility guidelines for a
low- or very-low-income person as published on the reverse.

My permanent address is: _____

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

- | | |
|--|---|
| <input type="checkbox"/> Copy of lease | <input type="checkbox"/> Copy of receipt of public assistance |
| <input type="checkbox"/> Copy of Evidence of participation
in a public assistance program | <input type="checkbox"/> Other evidence
_____ |

Signature

Print Name

Date

**CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 PREFERENCE
IN CONTRACTING AND DEMONSTRATION OF CAPABILITY**

(Complete and return to HAK with submittals)

Name of Business: _____

Address of Business: _____

Type of Business:

Corporation Partnership Sole Proprietorship Joint Venture

Attached is the following documentation as evidence of status:

For Business claiming status as a Section 3 resident-owned enterprise:

- Copy of resident lease of public assistance Copy of receipt
 Copy of evidence of participation in a public assistance program Other evidence

For business entity, as applicable:

- Copy of Articles of Incorporation Certificate of Good Standing
 Assumed Business Name Certificate Partnership Agreement
 List of owners/stockholders % ownership of each Corporation annual report
 Latest board minutes appointing officers
 Organization chart with names and titles and brief function statement
 Additional documentation

For business claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:

- List of subcontracted Section 3 business(es) and subcontract amount

For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:

- List of all current full-time employees List of employees claiming Section 3 status
 PHA/IHA Residential lease less than 3 years from date of employment
 Other evidence of Section 3 status less than 3 years from date of employment

Evidence of ability to perform successfully under the terms and conditions of the proposed contract:

- Current financial statement Statement of ability to comply with public policy
 List of owned equipment List of all contracts for the past two years

Authorizing Name and Signature (Corporate Seal)

Attested by: _____