



Section 3 Guidelines

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SECTION 3 GUIDELINES

I. Introduction

These guidelines have been prepared to provide information and guidance to Section 3 recipients on how the Missouri Housing Development Commission will monitor compliance with Section 3 regulations. This guide should not be treated as a comprehensive recitation of the Section 3 Act and Section 3 Regulations. It is a summary of the pertinent provisions of the Section 3 Act and Section 3 Regulations, and focuses on the Section 3 Requirements imposed on the Developer, General Contractor and Subcontractor receiving the requisite amount of Section 3 Covered Assistance. Missouri Housing Development Commission reminds each Developer, General Contractor and Subcontractor that it bears the responsibility to familiarize itself with the Section 3 Act and Section 3 Regulations prior to accepting Section 3 Covered Assistance from Missouri Housing Development Commission.

II. Definitions

Owner/Developer means any entity engaged in the business of development of affordable housing which is an applicant for Section 3 Covered Assistance or has been awarded Section 3 Covered Assistance in excess of \$200,000 by MHDC.

General Contractor means any entity which has been awarded a construction contract of \$200,000 or more by an Owner/Developer to provide general contractor services, which are generated by the expenditure of Section 3 Covered Assistance or in connection with a Section 3 Covered Development.

Department or HUD means the Department of Housing and Urban Development, including its field offices to which authority has been delegated to perform functions under this part.

Employment Opportunities mean all employment opportunities arising in connection with a Section 3 Covered Development, as described in 135.3(a)(2), including management and administrative jobs connected with the Section 3 Covered Development. 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 specialists, payroll clerk, etc.

Housing and Community Development Assistance means any financial assistance provided or otherwise made available through a HUD housing or community development program, through any grant, loan, loan guarantee, cooperative agreement, or contract and includes community development funds in the form of community development block grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

HUD See Department or HUD above

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act

MHDC or Commission means Missouri Housing Development Commission

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

Neighborhood Area or Section 3 Area means for HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village or similar geographical designation.

Non-metropolitan Area means any area outside of a metropolitan area.

Public and Indian Housing Assistance includes funds used for:

1. Development assistance provided pursuant to Section 5 of the U.S. Housing Act of 1937 (the “1937 Act”);
2. Operating Assistance provided pursuant to Section 9 of the 1937 Act; and
3. Modernization Assistance provided pursuant to Section 14 of the 1937 Act.

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

Secretary means the Secretary of Housing Urban Development (HUD).

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

Section 3 Covered Assistance means: a) Public and Indian Housing Assistance and b) Housing Assistance and c) Community Development Assistance:

Section 3 Business Concern means:

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

Section 3 Clause means the contract provisions set forth in 24 CFR 135.38

Section 3 Covered Contract means a contract or subcontract (including a professional service contract) awarded by a Recipient, Owner/Developer, General Contractor or Subcontractor for the work generated by the expenditure of Section 3 Covered Development. Assistance of \$200,000 or more, or for work in like amount, arising in connection with a Section 3 Development. Section 3 Covered contract does not include any contracts for the purchase of supplies or materials, unless the contract includes the installation of the supplies or materials.

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

development assistance.

Section 3 Project means a project defined in 75.3(a)(2)

Section 3 Regulations means the regulations found at 24 CFR Part 135 in which govern the application of the Section 3 Act.

Section 3 Requirements means the employment, training and contracting opportunities imposed by the Section 3 Act upon Recipients and Covered Contracts.

Section 3 Resident means: 1) A public housing resident; or 2) An individual who resides in the metropolitan area or a non-metropolitan county in which the Section 3 Covered Assistance is expended, and who is:

1. A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S. C. 1437 a(b)(2)), which is 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; or
2. A very-low income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437 a(b)(2)), which 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.

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

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

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
2. The worker is employed by a Section 3 business concern.
3. The worker is a YouthBuild Participant.

Targeted Section 3 worker is a worker who meets the definition of a Section 3 worker plus one of the following:

1. A worker employed by a Section 3 business concern, or
2. A worker who currently fits or, when hired, fit at least one of the following categories, as documented within the past five years:
 - a. Living within the services area or the neighborhood of the project.
 - b. A YouthBuild Participant.

III. Section 3 Purpose

The Section 3 Act was enacted by HUD (12 U.S.C. 1701u), as amended, to ensure that certain employment and economic opportunities generated by certain HUD-funded Section 3 Covered Assistance are, to the greatest extent feasible, directed to Section 3 Residents and Section 3 Business Concerns. Therefore, upon receipt of the requisite amount of Section 3 Covered Assistance and awards of Section 3 Covered Contracts, the Developer, General Contractor and Subcontractor must comply with the Section 3 Requirements.

IV. MHDC Policy Statement

MHDC is a body corporate and politic of the state of the Missouri and its purpose is to provide financing to developers of affordable housing throughout the state of Missouri. A portion of this financing consists of HOME funds, which it administers on behalf of the State of Missouri pursuant to a Memorandum of Understanding entered into the State. In addition, MHDC serves as the Section 8 contract administrator for HUD, and participates in HUD's Risk-Sharing program. As a result, MHDC is a Recipient of Section 3 Covered Assistance exceeding the \$200,000 threshold, and is obligated to comply with the Section 3 Act and Section 3 Regulations. MHDC is committed to this purpose, and will work to ensure that the greatest extent feasible, and consistent with Federal, State and local laws and regulations, the Owner/Developer, General Contractor and Subcontractor which it awards Section 3 Covered Assistance comply with the Section 3 Act and the Section 3 Regulations through the utilization of these guidelines.

Successful compliance with the Section 3 Act and the Section 3 Regulations by the Owner/Developer and General Contractor will be a factor in determining future awards of the Section 3 Covered Assistance.

According to the Section 3 Regulations, located at 24 CFR Part 135, Section 3 Covered Assistance Recipients are required to provide employment, training and contracting opportunities to Section 3 Residents or Section 3 Business Concerns. However, the Section 3 Requirements are not imposed upon a recipient that does not engage in the hiring or training of persons, but instead awards contracts to Owners/Developers and General Contractors that hire and train in connection with Section 3 Covered Projects. According to the Section 3 Regulations, the recipients may comply with Section 3 by ensuring that the Owners/Developers, General Contractors and Subcontractors receiving Section 3 Covered Assistance comply with the Section 3 Act.

V. Section 3 Program Administrator

MHDC has established a Section 3 Program Administrator, who will serve as the immediate point of contact for the Owner/Developer, General Contractor and Subcontractor, and is available to assist in meeting its Section 3 Requirements. In addition, the MHDC Section 3 Program Administrator will provide the Owner/Developer, General Contractor and Subcontractor with Section 3 materials, including the Section 3 Act, Section 3 Regulations, and these MHDC Section 3 Guidelines. Further, the MHDC Section 3 Program Administrator is available to provide technical assistance to the Owner/Developer, General Contractor and Subcontractor. Technical assistance may consist of help in understanding the Section 3 regulations, identifying employment opportunities and training programs available to Section 3 Residents,

and information on outreach to Section 3 Residents and Section 3 Business Concerns.

MHDC staff may also conduct random on-site reviews of the Section 3 Covered Project to assess compliance with the Section 3 Act.

The Owner/Developer and General Contractor are encouraged to appoint a Section 3 coordinator and provide the name, address, telephone number and email address of this individual to the MHDC Section 3 Program Administrator. This person will be the direct point of contact with the MHDC Section 3 Program Administrator and advise the Owner/Developer, General Contractor, Subcontractor personnel and staff on Section 3 compliance. In addition, the coordinator will be responsible for the submission of all required Section 3 reports to the MHDC Section 3 Program Administrator. Further this individual will serve as the point of contact for Section 3 complaints and as the on-site monitor of the Owner/Developer, General Contractor, and Subcontractor implementation of its respective Section 3 Plan.

VI. Section 3 Benchmarks and Qualitative Efforts

Owner/Developers, General Contractors and Subcontractors with Section 3 Covered Contracts must establish certain contracting Benchmarks for Section 3 Business Concerns in connection with Section 3 Covered Developments. These numerical goals apply to contracts awarded by the Developer, the General Contractor or Subcontractor. These goals can be met by achieving the following benchmarks:

1. Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 development must be done by Section 3 workers.
2. Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Targeted Section 3 Workers.

If the Benchmarks are not met the Qualitative Efforts taken must be reported. Qualitative Efforts include but are not limited to; Outreach efforts to generate job applicants who are Public Housing Targeted Workers or Other Funding Targeted Workers, Direct on the job training (Including apprenticeships), and Outreach efforts to identify and secure bids from Section 3 business concerns.

VII. Employment and Training

To the greatest extent feasible recipients of housing and community development financial assistance shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located in the following order of priority:

1. Section 3 workers residing within the service area or the neighborhood of the development.
2. Participants in YouthBuild programs.

The MHDC Section 3 Program Administrator is available to provide technical assistance in order to meet these employment and training goals.

The Owner/Developer, General Contractor and Subcontractor must provide in its Section 3 Plan a Section 3 Worker List.

If the Owner/Developer, General Contractor or Subcontractor does not have any employment or training opportunities available in connection with the Section 3 Covered Development, this must be reflected in

its Section 3 Plan.

VIII. Formal Section 3 Plan

After the General Contractor has been selected the Owner/Developer shall submit a comprehensive Section 3 Plan, signed by the Owner/Developer and the General Contractor. The comprehensive Section 3 Plan will include the Section 3 benchmarks of the Owner/Developer and the General Contractor. This comprehensive Section 3 Plan will be submitted to the MHDC Section 3 Program Administrator for review and approval, in accordance with the deadlines set forth in the conditional reservation letter, as may be revised by any written extensions.

Upon submission of the comprehensive Section 3 Plan, the MHDC Section 3 Program Administrator will review it and either approve it, conditionally approve it, with suggested modifications or disapprove the plan. MHDC will not issue a firm commitment of the Owner/Developer until a Section 3 Plan has been approved. After the Section 3 Plan has been approved, the MHDC Section 3 Program Administrator will review and monitor it regularly to assess its implementation and the attainment of the Section 3 goals.

As subcontracts are awarded, those Subcontractors will be required to submit its own Section 3 Plan to the MHDC Section 3 Program Administrator for review and approval.

Other items that must be submitted to MHDC include copies of **all** bid documents that are submitted and all contracts that are awarded. Please submit electronically and in pdf format.

IX. Components of a Section 3 Plan

The Section 3 Plan must include specific information, not limited to the following:

1. Owner/Developer, General Contractor, or Subcontractor's statement certifying it intends to comply with the Section 3 Act and Section 3 Regulations, as well as the MHDC Section 3 Guidelines;
2. Owner/Developer, General Contractor, or Subcontractor's statement certifying each is aware of the employment, training, and contracting goals, and agree to work together to meet these goals;
3. Name and contact information of the Owner/Developer, General Contractor, or Subcontractor's Section 3 Coordinator;
4. Identification of the Section 3 Project area (see definition of Neighborhood Area);
5. Owner/Developer, General Contractor, or Subcontractor's Worker List;
6. Owner/developer, General Contractor, or Subcontractor's Section 3 employment, training and contracting opportunity goals;
7. Specific strategies for notifying Section 3 Residents of Section 3 employment and training goals;
8. Specific strategies for notifying Section 3 Business Concerns for Section 3 contracting opportunities;
9. Commitment to inform all Subcontractors of its Section 3 Plan;
10. Owner/Developer, General Contractor commitment to prepare and submit monthly Section 3 reports to the MHDC Section 3 Program Administrator reports including but not limited to 2502;
11. Commitment to Owner/Developer, General Contractor and Subcontractor to include the Section 3 Clause in all construction contracts and subcontracts;
12. Commitment to Owner/Developer, General Contractor and Subcontractor to conduct aggressive

outreach and notification campaign to Section 3 Residents and Section 3 Business Concerns regarding its Section 3 goals, including the usage of site signage, flyers, etc.

13. Commitment to provide employment agencies and local public housing authorities of possible employment, training and contracting opportunities to established job pools of Section 3 area residents;
14. Inclusion of the other strategies which facilitate the achievement of the Section 3 goals established by the owner/Developer, General Contractor and Subcontractor.

X. Implementation Strategies

In order to comply with the Section 3 Act and the Section 3 Regulations, the Owner/Developer, General Contractor or Subcontractor, as applicable, must implement an aggressive campaign to encourage participation of Section 3 Residents and Section 3 Business Concerns. Some strategies to implement this campaign include the following:

1. Publish in a local newspaper a notice of the potential employment and training opportunities for Section 3 Residents and potential contracting opportunities for Section 3 Business Concerns. Written notice must be provided in sufficient time to enable business concerns the opportunity to respond to bid invitation.
2. Post in a prominent location at the Section 3 Covered Development site notice of the potential employment and training opportunities for Section 3 Worker, and potential contracting opportunities for Section 3 Business Concerns.
3. Submit letters or flyers to the residents of the Section 3 Covered Development advising them of the employment, training and contracting opportunities for the Section 3 Covered Development (applies to rehabilitation when there are existing residents);
4. Provide the residents of the Section 3 Covered Development and the surrounding area with information on how to get certified as a Section 3 Worker or a Section 3 Business Concern;
5. Provide the local public housing authority with flyers, notices and other information related to the Section 3 employment, training and contracting Opportunities for the Section 3 Covered Development;
6. Provide minority and women-focused labor and trade organizations with notice of Section 3 employment, training and business opportunity goals;
7. Provide minority and women-focused labor and trade organizations with notice of when and where plans and specifications for bid review will be distributed;
8. Establish public forums regarding Section 3 Covered Developments being developed within the Section 3 area, in which the Owner/Developer, General Contractor and Subcontractor will participate;
9. Utilize other strategies set for the Appendix "A" of the Section 3 Regulations;
10. 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.

XI. Certification of Section 3 Residents

Individuals seeking to participate in Section 3 Covered Developments must first be determined as Section 3 eligible by the municipality in which they reside; or by the local public housing agency. If the municipality or local public housing agency does not provide this service, the individual shall complete the form entitled Section 3 Self Certification and submit the form along with the required documentation to either the Owner/Developer, the General Contractor or the Subcontractor, who in turn will provide a copy to the MHDC Section 3 Program Administrator. The form can also be obtained from the MHDC Section 3 Program Administrator.

For further explanation on eligibility please refer to the definition of a Section 3 Resident found earlier in these guidelines.

XII. Certification of Section 3 Business Concerns

Any business seeking to participate in Section 3 Covered Projects must first be determined as Section 3 eligible by the municipality in which the business is located, or by the local public housing agency. If the municipality or local public housing agency does not provide this service, a principal for the business shall complete the form entitled “Section 3 Business Concern-Self Certification”; and submit the form along with the required documentation to either to either the Owner/Developer, the General Contractor or the Subcontractor, who in turn will provide a copy to the MHDC Section 3 Program Administrator. The form can also be obtained from the MHDC Section 3 Program Administrator. For further explanation on eligibility, please refer to the definition of a Section 3 Business Concern found earlier in these guidelines.

XIII. Technical Support and Monitoring

The MHDC Section 3 Program Administrator is available to provide technical support to Owner/Developer, General Contractors and Subcontractors participating in the development of Section 3 Covered Developments. Owners/Developers, General Contractors and Subcontractors are required to submit copies to the MHDC Section3 Program Administrator of all outreach attempts, copies of all responses to notices published in the paper and posted other places, copies of all responses to bid invitations, and any other documentation helpful in monitoring compliance with the approved Section 3 Plan.

The MHDC Section 3 Program Administrator requires reports submitted by the Owner/Developer, General Contractor, or Subcontractor are complying with its approved Section 3 Plan.

In the event the MHDC Section 3 Program Administrator determined that the Owner/Developer, General Contractor is not meeting its employment, training or contracting opportunity goals as set out in the approved Section 3 Plan, he/she will provide the respective party with written notice of non-compliance.

XIV. Appendix

Section 3 Clause

Section 3 Plan Template (Owner/Developer and General Contractor)

Section 3 Plan Template (Subcontractor)

Outreach to Solicit Bids from Section 3 Businesses

Section 3 Worker List (Contractor)

Section 3 Business Concerns Self-Certification

Self-Certification for Worker

Self-Certification for Worker Employer

HUD 4736-Section 3 PH Certification

Section 3 MHDC Reporting Summary

SECTION 3 CLAUSE

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

(1) The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted Developments 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.

(2) The parties to this contract agree to comply with HUD’s regulations in 24 CFR Part 135, which implement Section 3 and which are now codified in 24 CFR Part 75, the Section 3 Final Rule (effective November 30, 2020 and replacing the prior Section 3 regulations). 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 part 75 regulations.

(3) 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 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.

(4) The contractor agrees to include this Section 3 clause in every subcontract to compliance with regulation in 24 CFR Part 75 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 75. 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 75.

(5) 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 75 require employment opportunities to be directed, were not filled to circumvent the contractor’s obligations under 24 CFR part 75.

(6) Noncompliance with HUD’s regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

**SECTION 3 PLAN
(OWNER/DEVELOPER
AND
GENERAL CONTRACTOR)**

For _____
(Name of Development)

Submitted by:

Name of Owner/Developer:

Address:

Contact Information:

Name of General Contractor:

Address:

Contact Information:

General Statement

_____, as the owner, and _____, as the general contractor are committed to comply with the Section 3 act, the Section 3 regulations, and the Missouri Housing Development Commission (“MHDC”) Section 3 Guidelines. It is our desire to work together to ensure compliance, to the greatest extent feasible, through the awarding of contracts for work and services to Section 3 companies, and to provide employment and training to Section 3 residents. We commit to include the Section 3 clause in the construction contract and all subcontracts. All subcontractors interested in submitting bids for contracts will be informed of the Section 3 requirements and goals. We agree to provide MHDC with copies of all bids received in response to the invitation to bid and copies of all contracts.

Benchmarks

Contracting:

To demonstrate compliance with Section 3 regulations, it is desirous to employ Section 3 and Targeted Section 3 workers at the following percentages of total labor hours.

- 25% of total labor hours performed by Section 3 Workers
- 5% of total labor hours performed by Targeted Section 3 Workers

These benchmarks are affirmed: Initials: _____

If the above listed benchmarks are not met, the Qualitative Efforts made in order to reach the above listed benchmarks will be documented and reported.

These Qualitative Efforts are affirmed: Initials: _____

If we do not feel it is feasible to meet the minimum benchmarks set forth above, we will be prepared to demonstrate why it was not possible. We understand failure to follow our Section 3 Plan could result in the Secretary of Housing and Urban Development (“HUD”) finding us non-compliant with the Section 3 regulations.

Employment and Training:

To demonstrate compliance with Section 3 regulations, it is desirous to employ Section 3 workers at 25% or more of the total number of labor hours worked by all workers on a Section 3 development, and employ Targeted Section 3 workers at 5% or more of the total number of labor hours worked by all workers on a Section 3 development. We agree to provide information regarding all labor hours as a part of this plan.

To the greatest extent feasible recipients of housing and community development financial assistance shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or non-metropolitan county) in which the project is located in the following order of priority:

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

All benchmarks established in this plan must be met. If we fail to do so, we agree to provide an explanation with supporting documentation as to why the goal was not met.

Outreach

We are committed to conduct an aggressive outreach campaign to make Section 3 Businesses and Section 3 Residents aware of contracting and possible hiring opportunities in connection with this Section 3 Covered Development. Efforts will include, but not be limited to, publication of opportunities in the local newspapers, use of signage at the development site, flyers posted in the neighborhood and surrounding areas, notification of local housing authorities, contractor and trade organizations, employment agencies, career centers and local Youthbuild chapters.

Development Neighborhood Area

The development neighborhood area is: _____

This area will be the primary focus of all outreach attempts.

Section 3 Coordinator

Name:

Contact Information:

This person will serve as the main point of contact for all Section 3 related issues on behalf of the owner, general contractor, and the subcontractor.

Reporting

We agree to submit a Master Subcontractor List MHDC Form 2502 on the 20th day of each month after construction of the Section 3 Covered Development has commenced. We agree to submit a final report to MHDC on Section 3 Reporting Summary quarterly and at completion of construction of the Section 3 Covered Development. We agree to immediately report any changes in this plan, including but not limited to, changes in the dollar amount of contracts awarded and staffing needs of the subcontractors.

Attachments

The following attachments are incorporated into and made a part of this Section 3 Plan:

- _____ Section 3 Clause that will be included in all contracts
- _____ Contracting Plan Worksheet
- _____ Outreach to Solicit Bids from Section 3 Businesses
- _____ Section 3 Business Concerns Self-Certification
- _____ Section 3 Worker List (Contractor)
- _____ For each worker listed either:
 - Employer Certification; or
 - Section 3 Worker Self Certification

We agree to provide to MHDC the following documentation as soon as the information is available to us:

- Outreach to Solicit Bids from Section 3 Businesses (updated)
- Section 3 MHDC Reporting Summary
- Number of Labor Hours worked for General Contractor
- Section 3 Labor Hours worked for General Contractor
- Targeted Section 3 Labor Hours worked for General Contractor

Submitted to Missouri Housing Development Commission

Under penalty of perjury, I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true accurate, and complete. I understand the information I provide in this certification is subject to verification, and I agree to provide additional necessary documentation if requested. I understand that any misrepresentation, false information, or omission may result in disqualification of this application, sanctions, or other penalty.

Electronic Submission Agreement and Disclosure. Once signed, a scanned version of this document may be submitted electronically to MHDC via email. If submitted electronically, the undersigned agrees that the signature is to be treated as an original signature and the document (in the form of a photocopy, PDF, or other electronic form) is to be treated as an original signed hard copy of the document as it deems necessary. The undersigned is responsible for retaining an original signed hard copy in his/her files.

OWNER/DEVELOPER:

Signature

Date

Printed Name

Title

GENERAL CONTRACTOR

Signature

Date

Printed Name

Title

**SECTION 3 PLAN
(SUBCONTRACTOR)**

For _____
(Name of Development)

Submitted by:

Name of Subcontractor:

Address:

Contact Information:

General Statement

_____, as the subcontractor, is committed to comply with the Section 3 act, the Section 3 regulations, and the Missouri Housing Development Commission (“MHDC”) Section 3 Guidelines. It is our desire to work together with the Owner and the General Contractor to ensure compliance, to the greatest extent feasible, through the awarding of contracts for work and services to Section 3 companies, and to provide employment and training to Section 3 residents. We commit to include the Section 3 clause in all subcontracts. We have been informed of the Section 3 requirements and goals set forth by the Owner and the General Contractor. Our submission of this document shall also be our agreement to follow the Section 3 Plan submitted to MHDC by the Owner/Developer and the General Contractor.

Employment and Training

To demonstrate compliance with Section 3 regulations, it is desirous to employ Section 3 residents at 25% or more of the total number of labor hours worked by all workers on a Section 3 development, and employ Targeted Section 3 workers at 5% or more of the total number of labor hours worked by all workers on a Section 3 development. We agree to provide information regarding existing employees and hiring needs as a part of this plan.

Any goal established in this plan must be met, or proof provided as to why the goal was not met.

Attachments

The following attachments are incorporated into and made a part of this Section 3 Plan:

- _____ Section 3 Clause that will be included in all contracts
- _____ Section 3 Worker List (Contractor)
- _____ For each worker listed either:
 - _____ Employer Certification; or
 - _____ Section 3 Worker Self Certification
- _____ Outreach to Solicit Bids from Section 3 Businesses

We agree to provide to the owner the following documentation as soon as the information is available to us:

- Number of labor hour worked for the Subcontractor
- Section 3 Labor Hours for the Subcontractor
- Targeted Section 3 Labor Hours for the Subcontractor
- Section 3 Reporting Summary

We agree to immediately report any changes in this plan, including but not limited to, changes in the dollar amount of contracts awarded and staffing needs.

Submitted to Missouri Housing Development Commission

Under penalty of perjury, I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true accurate, and complete. I understand the information I provide in this certification is subject to verification, and I agree to provide additional necessary documentation if requested. I understand that any misrepresentation, false information, or omission may result in disqualification of this application, sanctions, or other penalty.

Electronic Submission Agreement and Disclosure. Once signed, a scanned version of this document may be submitted electronically to MHDC via email. If submitted electronically, the undersigned agrees that the signature is to be treated as an original signature and the document (in the form of a photocopy, PDF, or other electronic form) is to be treated as an original signed hard copy of the document as it deems necessary. The undersigned is responsible for retaining an original signed hard copy in his/her files.

Signature

Date

Printed Name

Title

**Outreach to Solicit Bids from Section 3 Businesses
(Owner/Developer)**

Development Name	
Development Number	
Business Name	
	<input type="checkbox"/> Owner <input type="checkbox"/> Developer
Date Submitted	

In the space below indicate the efforts that will be made to notify Section 3 business concerns of contracting opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible (use additional pages if necessary). All efforts must be documented. After the contracts are awarded, attach copies of all publications, notices, pictures of posted notices, and other outreach material utilized, along with a list of all Section 3 business concerns that responded to your outreach efforts.

Signature

Date

Printed Name

**Outreach to Solicit Bids from Section 3 Businesses
(Contractor)**

Development Name	
Development Number	
Contractor Name	
	<input type="checkbox"/> General Contractor <input type="checkbox"/> Subcontractor
Date Submitted	

In the space below indicate the efforts that will be made to notify Section 3 business concerns of contracting opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible (use additional pages if necessary). All efforts must be documented. After the contracts are awarded, attach copies of all publications, notices, pictures of posted notices, and other outreach material utilized, along with a list of all Section 3 business concerns that responded to your outreach efforts.

Signature

Date

Printed Name

Section 3 Business Concern Certification

Instructions: Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

Business Information

Name of Business _____

Address of Business _____

Owner Name _____

Phone _____ Email _____

Preferred Contact Information

Name of Preferred Contact _____

Title _____ Phone _____

Type of Business (select from the following options):

- Corporation Partnership Sole Proprietorship Joint Venture

Select from *ONE* of the following three options below that applies:

- At least 51 percent of the business is owned and controlled by low- or very low-income persons. (Income Limits found at <https://www.huduser.gov/portal/datasets/il.html>)
- At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing. (Attach Self-Certification for Worker and HUD-4736)
- Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers. (Attach Self-Certification for Worker)

Business Concern Affirmation

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to MHDC may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Signature

Date

Printed Name

Title

Certification expires within six months of the date of signature
Information regarding Section 3 Business Concerns can be found at 24 CFR 75.5

FOR MHDC USE ONLY

Is the business a Section 3 Business Concern based upon their certification?

Yes No

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR 5 YEARS.

Section 3 Worker List

Development Name	
Development Number	
Contractor Name	
	<input type="checkbox"/> General Contractor <input type="checkbox"/> Subcontractor
Date Submitted	

Directions: List the employees whose annual income is below the HUD Income Limits.

See <https://www.huduser.gov/portal/datasets/il.html> for income limits.

For each Worker Listed include either the Section 3 Worker Self Certification, or the Employer Certification.

Name of Employee
1.
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.
15.
16.
17.
18.
19.
20.

Signature

Date

Printed Name

Section 3 Worker Employer Certification

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 employer certification requirements listed in 24 CFR § 75.31. To qualify as a Section 3 worker, the United States legal resident's annual income must not exceed the HUD income limits for the year before the worker was hired, or the individual's current income annualized on a full-time basis for the year must be below the HUD income limit. Additionally, an individual can qualify as a Section 3 worker and Targeted Section 3 worker, if an employee of a Section 3 Business Concern. To qualify as a Targeted Section 3 worker, an employer can confirm that the employee lives within the service area or neighborhood of the project.

Employer information:

Name of Business: _____

Street Address City State Zip

Phone: () - Email: _____

Worker information:

Name of Worker: _____

Street Address (Not a PO Box) Apt. City State Zip

Phone: () - Email: _____

Select the statement or statements below that apply for the worker listed above.

___ Worker income from your employment is below the income limit based on a calculation of what the worker's wage rate would be if annualized on a full-time basis. Currently or at the time of hire if hired within the past 5 years.

Year Certified _____

Employee Annualized Income _____

County _____

Income Limit _____

Income limits can be found at <https://www.huduser.gov/portal/datasets/il.html>

___ Worker is employed by a Section 3 Business Concern (Select if your business qualifies as a Section 3 Business Concern).

___ Worker's residents is within the service area or neighborhood of the project.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct and certifies that the worker identified above meets the definition of a Section 3 worker. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802)

Signature

Date

Printed Name

Title

Section 3 Worker Certification

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 employer certification requirements listed in 24 CFR § 75.31. To qualify as a Section 3 worker, the United States legal resident’s annual income must not exceed the HUD income limits for the year before the worker was hired, or the individual’s current income annualized on a full-time basis for the year must be below the HUD income limit. Additionally, an individual can qualify as a Section 3 worker if they are a YouthBuild participant or employee of a Section 3 Business concern.

Printed Name: _____

Street Address (*Not a PO Box*) Apt. City State Zip

Phone: (____) ____ - _____ Email: _____

To qualify as a Section 3 Worker, you must meet one of the following requirements or have your employer certify that you are employed by a Section 3 Business concern:

___ Employment income is below the income limit. Currently or at the time of hire if hired within the past 5 years. <https://www.huduser.gov/portal/datasets/il.html>

Year Certified	_____
Annualized Income	_____
County	_____
Income Limit	_____

___ A participant in a means-tested program such as a public housing or Section 8-assisted housing. *If applicable, HUD-4736 is required.*

___ A YouthBuild Participant.

I meet at least one of the requirements listed above and therefore qualify to be counted as a Section 3 Worker under 24 CFR § 75.

If applicable, please indicate which requirement you meet to be considered a Targeted Section 3 worker below. If you select “Living within the service area or neighborhood of the project,” that selection will have to be confirmed by your employer. If you do not meet any of these requirements or do not know if you meet any of the requirements listed below, you may leave this section blank.

___ Living within the service area or neighborhood of the project (requires employer confirmation)*

___ YouthBuild Participant*

*Currently or at the time of hire if hired within the past 5 years.

In addition to qualifying as a Section 3 Worker, I meet at least one of the requirements listed above and therefore qualify to be counted as a Targeted Section 3 Worker under 24 CFR § 75.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct and certifies that the worker identified above meets the definition of a Section 3 worker. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. ((18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802)

Signature

Date

Printed Name

If you or someone you know served in the U.S. Armed Forces, we encourage you to visit <http://veteranbenefits.mo.gov> or call (573) 751-3779 to learn about available resources.

Section 3 Public Housing/Section 8 Certification Form

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

HUD FORM 4736
OMB Approval Number 2501-0041
(Exp. 04/30/2025)

(In compliance with Section 3 of the HUD Act of 1968 and 24 CFR Part 75)

Public reporting for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information.

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992 (Section 3), and 12 U.S.C. § 1701u ensure that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low- and very low-income persons, particularly those who receive government assistance for housing. The regulations are found at 24 CFR Part 75. This collection of information is required in order to ensure that a worker can be certified as an eligible Section 3 worker as outlined in 24 C.F.R. § 75.31. The information will be used by the Department to ensure compliance with Section 3 of the HUD Act of 1968 employer certification requirements listed in 24 CFR § 75.31, 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 to ensure they are complying with their recordkeeping requirements found in the regulation, and as a self-monitoring tool.

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

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 certification requirements listed in 24 CFR § 75.31. This form should be completed by either a representative of a Public Housing Authority, the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing.

Please provide the worker's information below:

Printed Name of Worker: _____

Street Address (Not a PO Box) Apt# City State Zip

Phone #: _____ _Email: _____

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct information and certifies that the worker identified above is a participant in a PHA or Section 8 assisted housing program. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802)

Housing Representative Signature

Date