



CITY OF SAN ANTONIO  
**NEIGHBORHOOD & HOUSING  
SERVICES DEPARTMENT**

## **SECTION 3 PROGRAM POLICY**

April 12, 2013



*City of San Antonio Office of Grants Monitoring and Administration is committed to compliance with the Section 3 Policy Guide and regulations regarding the Section 3 Act of 1968 as amended. It is our desire to work together with recipients of HUD Section 3 covered contracts to ensure compliance with Section 3 goals, to the greatest extent feasible, through the awarding of contracts to Section 3 business concerns and through the employment and training of Section 3 Residents for new hires.*

Revised 7-15-2016

## TABLE OF CONTENTS

<i>Section 3 Category</i>	<i>Page Number</i>
Purpose	3
Activities Covered and Section 3 Goals	4
Procurement and Preferences	5
Section 3 Certifications	8
Obligations and Responsibilities	9
Utilization Plan	9
Sub-recipient Contract Language	9
Non Performance and Compliance	9
Reporting	9
Recordkeeping	10
Notification and Outreach	10
Performance Reports	11
Assist Developers/Contractors in meeting Section 3 goals	11
Providing Training Opportunities	11
Section 3 Applications	12
Internal Complaint Procedure	12
Definitions	Attachment I
Section 3 Quick Guide	Attachment II
Certification to Comply	Attachment III
Section 3 Contract Clauses	Attachment IV
Section 3 Individual Certification	Attachment V
Section 3 Business Concern Certification	Attachment VI
Section 3 Utilization Plan and Evaluation Form	Attachment VII

### **Section 3 Purpose**

Section 3 of the Housing and Urban Development Act of 1968, and implementing regulations states the purpose of Section 3 of the Housing and Urban Development Act of 1968 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low-and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very low-income persons. The City of San Antonio fully embraces this definition of Section 3 and has set forth policies and procedures to ensure employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be directed to low and very low income persons, and to businesses which provide economic opportunities to low and very low income persons businesses residing in the community where the project is located.

The Office of Grants Monitoring and Administration developed this document to identify the applicability of the provisions of 24 CFR Part 135, and actions that will be implemented to ensure compliance with the Requirements of Section 3. The intent is to provide information and guidance to developers, general contractors, subcontractors, residents and community leaders regarding the City of San Antonio's administration of Section 3 regulations. This document is not meant to be a comprehensive narrative of the Section 3 Act; rather it focuses on the requirements imposed on vendors receiving HUD funding. GMA staff will ensure that all vendors are apprised of the requirements, its responsibilities, and obligations under the Section 3 Act.

### **Activities Covered by Section 3**

Section 3 covers Housing and Urban Development (HUD CPD) federal funding including CDBG, HOME, NSP, Section 108, ESG, and HOPWA expended for housing rehabilitation, demolition, housing construction, or other public construction projects.

- The City of San Antonio is required to comply with Section 3 regulations if it is awarded HUD grant funds in excess of \$200,000, when the funds are used in conjunction with Section 3 covered activities.
- Any recipient (city department/sub-grantee) awarded of HUD grant funds in excess of \$100,000, is required to comply with Section 3 regulations

### **City of San Antonio Section 3 Goals**

The goals listed below are for hiring Section 3 residents and contracting with Section 3 businesses. These goals are used to determine compliance with Section 3 regulations and apply to the City of San Antonio as the direct recipient, sub-grantees, developers, contractors, and subcontractors (as applicable). The goals are referenced in 24 CFR 135.30.

#### *Hiring Goal*

- A. Thirty percent (30%) of the aggregate number of new hires shall be Section 3 residents

#### *Contracting Goals*

- B. Ten percent (10%) of all covered construction contracts shall be awarded to Section 3 business concerns
- C. Three percent (3%) of all covered non-construction contracts shall be awarded to Section 3 business concerns

### **Meeting Section 3 Goals**

The City of San Antonio to the greatest extent feasible, attempts to meet the hiring and contracting goals for Section 3 for all Community Development Programs. The grant recipient is also responsible for ensuring compliance with the Section 3 contractual and procurement requirements.

When the City of San Antonio awards HUD funding in excess of \$100,000 to any recipient, developer, or contractor to carry out Section 3 covered work, it must direct training, contracting, and employment opportunities to certified Section 3 businesses and individuals. Additionally, it is the City of San Antonio preference to contract with businesses that subcontract to Section 3 business concerns.

### **Section 3 Procurement and Preferences**

GMA has incorporated Section 3 in the “Sub-Grantee Procurement Guide”. The procurement guide provides information concerning the specific procedures that must be followed by the City of San Antonio, its sub-grantees, or developers for implementing Section 3 contracting preferences for each type of procurement method. The preferences in the procurement policy describe the conditions in which Section 3 businesses may be awarded contracts over other qualified sources and also includes preferences that describe conditions in which Section 3 businesses may be awarded contracts over other qualified Section 3 business concerns.

The City requires sub-grantees, developers, and contractors to abide by the following Section 3 procurement procedures when awarding contracts for Section 3 covered projects.

For all procurement methods, when more than one qualified Section 3 business concern submits a bid or quote, the contracting party must provide preference to certified Section 3 business concerns according to the priority ranking below:

1. Section 3 business concerns that provide economic opportunities for Section 3 residents in the neighborhood where the project is located
2. Section 3 business concern owners who were honorably discharged active members of U.S. Armed Forces
3. Applicants selected to carry out Youth Build programs
4. Other Section 3 business concerns in the Metropolitan Statistical Area

The sub-grantee, developer, or contractor is responsible for providing documentation of its strategies and actions taken to comply with Section 3 regulations and, if applicable, subsequent inability to find Section 3 business concerns under this preference structure.

#### Small Purchase (>\$1,000 - \$24,999)

Written quotations must be obtained from three (3) qualified sources. At the time of solicitation, the parties must be informed of:

1. Section 3 covered contract to be awarded with sufficient specificity
2. Deadline within which quotations must be submitted
3. Information that must be submitted with each quotation

#### **Award**

The contract shall be awarded to the qualified Section 3 business concern with the highest priority ranking and with the most responsive / best value bid, if it is reasonable and no more than ten percent (10%) higher than the quotation from the lowest responsive non-Section 3 qualified business concern. If no responsive quotation by a qualified Section 3 business concern is within ten percent (10%) of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

**Competitive Sealed Bids (≥\$25,000 – Construction)**

Sealed bids should be used for all construction contracts or for goods that cost \$25,000 or greater. Bids shall be solicited from all businesses (Section 3 business concerns and non- Section 3 business concerns). An award shall be made to the qualified Section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid:

- a) Is within the maximum total contract price established in the contracting party’s budget for the specific project for which bids are being taken, and
- b) Is not more than “X” higher than the total bid price of the lowest responsive bid from any qualified bidder. “X” is determined as follows:

When the lowest responsive bid is:	“X” = lesser of:
Less than \$100,000.	10% of that bid or \$9,000
At least \$100,000, but less than \$200,000	9% of that bid, or \$16,000
At least \$200,000, but less than \$300,000	8% of that bid, or \$21,000
At least \$300,000, but less than \$400,000	7% of that bid, or \$24,000
At least \$400,000, but less than \$500,000	6% of that bid, or \$25,000
At least \$500,000, but less than \$1 million	5% of that bid, or \$40,000
At least \$1 million, but less than \$2 million	4% of that bid, or \$60,000
At least \$2 million, but less than \$4 million	3% of that bid, or \$80,000
At least \$4 million, but less than \$7 million	2% of that bid, or \$105,000
\$7 million or more	1 ½% of the lowest responsive bid, with no dollar limit

If no responsive bid by a Section 3 business concern meets the requirements listed above, the contract shall be awarded to a qualified bidder with the lowest responsive bid.

**Competitive Sealed Bid (≥\$25,000 – Professional Services)**

A Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be use to rate proposals.

One of the evaluation factors shall address both the preference for Section 3 business concerns (see priority ranking above) and the acceptability of the strategy for meeting the greatest extent feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 business concerns). This factor shall provide for a range of 5 to 15 percent (5% – 15%) of the total number of available points to be set aside for the evaluation of these two components.

The RFP shall require the disclosure of the contractor’s Section 3 strategy to comply with the Section 3 resident and business concern preference structure. A determination of the contractor’s responsiveness will include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsive firm (either Section 3 or non-Section 3 business concerns) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

Compliance with Davis Bacon (if applicable)

Upon award of the contract, the recipient will ensure all Section 3 new hires will be paid at or above prevailing wages in compliance with the Davis Bacon Act. If a project site visit or payroll audit demonstrates missing or inaccurate payroll data or new hires are not paid at the appropriate wage, reimbursement from the awarded grant may be withheld until the issue is addressed. Non-compliance with Davis Bacon requirements on Section 3 covered projects may result in sanctions, penalties, or delay and cancellation of the contract.

**Resident Preferences**

The preferences listed below apply to the City of San Antonio, sub-grantees, developers, contractors and sub contractors (as applicable), and describe the conditions in which Section 3 residents may be awarded employment and training opportunities over other qualified Section 3 residents.

Covered recipients seeking new hires must provide preference to certified Section 3 residents in the following manner:

- a. Section 3 Residents who reside in the service area or neighborhood in which the Section 3 covered project is located
- b. Section 3 Residents who were honorably discharged active members of U.S. Armed Forces
- c. Section 3 Residents who participate in the Youth Build program
- d. Other Section 3 Residents in the Metropolitan Statistical Area

The City of San Antonio will provide and maintain an active preferred hiring list of eligible Section 3 Certified Residents to distribute to Section 3 sub-grantees, developers, contractors and sub contractors. Sub-grantees, developers, contractors and sub contractors are responsible for providing documentation of its inability to find Section 3 residents under this preference structure.

## **Section 3 Certifications**

### **Section 3 Resident Application and Certification Process (Attachment V)**

All persons seeking Section 3 preference in training and employment opportunities must apply to the Office of Grants Monitoring and Administration via the website, or in person. In addition application forms are available at local community centers, or libraries. The Section 3 resident application form is attached. Certification is valid for a period of three (3) years.

### **Business Applications and Certification Process (Attachment VI)**

All businesses seeking Section 3 preference in contracting opportunities may apply to the Office of Grants Monitoring and Administration for certification as a Section 3 business at (or before) the time of submission of bids. However, Section 3 preference may not be given until a Section 3 Certification is issued. Any business concern that submits certification for preference after the awarding of bid cannot have the Section 3 certification retroactively applied to the procurement process. Businesses seeking Section 3 preference must fill out an application form; certification is valid for a period of three (3) years. Section 3 certification letter(s) must be attached to the bid packets and submitted along with the bid.

### **Section 3 Obligations and Responsibilities**

Since the City of San Antonio is a direct recipient of HUD funding in excess of \$200,000, it is subject to Section 3 requirements. Sub-grantees developers, contractors, will assume the responsibilities of compliance with HUD Section 3 requirements, where they carry out a Section 3 covered project. The following list of items describes the obligations and responsibilities of grant recipients with regards to complying with Section 3 regulations.

#### *Section 3 Utilization Plan (Attachment VII)*

A recipient bidding on a Section 3 covered project must complete a Section 3 Utilization Plan with the bid packets to the Sub-Grantee or City Department collecting bids. City of San Antonio Section 3 staff persons will assist in providing information on how to meet your Section 3 requirements prior to submitting bid information. If the awarded contractor has the need to subcontract work and the subcontract is in excess of \$100,000, the contractor shall require a Section 3 Utilization Plan from each potential subcontractor under the particular bid. The contractor is responsible for ensuring that the subcontractor also complies with Section 3 regulations.

#### *Section 3 Sub-recipient Contract Language*

City of San Antonio Sub Grantees, Developers, Contractors must incorporate the Section 3 clause verbatim and the Section 3 Utilization Plan into all contract solicitations for Section 3 covered projects. The Section 3 clause specifies the requirements for developers/contractors hired for covered projects. All Section 3 covered contracts shall include the clause in Attachment IV.

#### *Section 3 Non Performance/Compliance*

The developer/contractor must implement the conditions outlined in the Section 3 Utilization Plan. Contractors/developers that fail to meet the numerical, goals bear the burden of demonstrating why it was not possible. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will allow Grants Monitoring and Administration staff to make a determination regarding compliance.

### **Reporting**

The City of San Antonio is responsible for submitting to HUD an Annual Section report to HUD detailing the following by HUD grant:

#### *Section 3 Business Goal Reporting*

- Amount of contracts awarded by type
- Amount of Section 3 contracts awarded by type
- Number of contracts awarded by type
- Number of Section 3 contracts awarded by type
- Explanation of Section 3 goals achieved
- Outreach efforts

#### *Section 3 New Hires Goal Reporting*

- Number of new hires
- Number of Section 3 new hires by race and ethnicity
- Efforts to provide training and resources to Section 3 Businesses and Residents
- Outreach efforts

### **Record Keeping**

Developers and Contractors will be required to submit contract activity information, as well as, new hire information to GMA for each project as outlined in the grant agreement.

To document Section 3 participation:

- For Section 3 Business Concerns: keep copies of the certification application, certification letter, and employee Section 3 resident certification forms with appropriate supporting material
- For Residents: keep copies of the certification letter with appropriate supporting material
- For each recruitment effort: document that a number of resources were contacted in attempt to locate Section 3 qualified residents
- For covered activities: maintain a spreadsheet of each party hired or contracted and whether or not the party was Section 3 qualified
- Maintain dated flyers with a list of where they were distributed
- Maintain copies of vacancy announcements
- Maintain copies of signed contracts and Section 3 Plans
- Maintain copies of Section 3 resident and business application forms
- Maintain copies of website postings

Each entity undertaking a portion of the work associated with a covered contract shall be required to maintain all Section 3 related documents and records in their files for a period of not less than three (3) years from the date the work was performed.

Each entity undertaking a portion of the work associated with a covered contract shall be required to make all Section 3 related documents and records available for inspection and duplication by the City of San Antonio or federal agency.

### **Notification and Outreach**

Notifying Section 3 Residents and businesses about training/employment and contracting opportunities is implementing by one or more of the following actions:

- Utilize the Section 3 registries provided by the City of San Antonio and the San Antonio Housing Authority
- Advertise training opportunities by distributing flyers via mass mailings and posting in common areas of public housing developments
- Post available jobs with the Texas Workforce Commission
- Contact City Section 3 Partner organizations such as SAHA and area Youth Build programs

- Contact area resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities
- Advertise employment opportunities by posting job vacancies in common areas of all public housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations

### **Section 3 Performance Reports**

At the submission of each invoice, the developer and/or contractor must submit a summary of Section 3 new hire information. This information is submitted to the sub-grantee or city department who submits to the Office of Grants Monitoring and Administration. This report indicates the number of Section 3 residents hired and the number and dollar amount of contracts awarded to Section 3 business concerns (out of the total numbers of persons hired and total number/dollar amount of contracts awarded). The contractor activity report is submitted monthly.

### **Assist Developers/Contractors in meeting Section 3 goals**

The Office of Grants Monitoring and Administration is available to assist contractors with little or no experience in achieving Section 3 hiring goals by:

- Providing the developer/contractor with the Section 3 rules, regulations, guidelines, plan and technical assistance with Section 3 requirements
- Reviewing the new hire clause with contractors and subcontractors to ensure that the requirement is understood
- Providing the contractor with a list of certified Section 3 residents
- Providing the contractor with a list of certified Section 3 businesses

### **Provide Training and Employment Opportunities**

Developer, sub-grantees and contractors shall provide training and employment opportunities to Section 3 program participants by implementing the following:

- Advertise training opportunities by distributing flyers via mass mailings and posting in common areas of public housing developments
- Contact San Antonio Housing resident councils, private resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of training and employment opportunities
- Advertise employment opportunities by posting job vacancies in common areas of all public housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations
- Create a database of certified Section 3 residents and business concerns that can be used by contractors as a resource for selecting and hiring or contracting with Section 3 residents and/or business concerns

### **Section 3 Certification Applications**

The City of San Antonio in coordination with the San Antonio Housing Authority collects, reviews, and approves all Section 3 resident and business concern applications. Individual and business contact information of those who receive Section 3 Certification is added to the Section 3 Registry located on our website at <http://www.sanantonio.gov/gma/programs/Section3.aspx>.

### **Internal Complaint Procedure**

In an effort to resolve complaints generated due to non-compliance, the City of San Antonio's Grants Monitoring and Administration encourages submittal of such complaints 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 City 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
- A report will be written and provided to the complainant within 30 days of the start of the investigation, which will outline findings and the next course of action

A resident or business owner may file a complaint with:

**Grants Administrator  
Neighborhood and Housing Services Department, City of San Antonio  
1400 S. Flores Unit GMA  
San Antonio, TX 78204**

Additional a resident or business owner may file a complaint with:

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

The complaint must be received no later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

# Attachment I

## Definitions

## 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 by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

**Employment Opportunities Generated by Section 3 Covered Assistance** – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative 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 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 Youth Build 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.

**Independent** – An individual work person who is not an employee, but who appears on the Contractor/Subcontractor payroll and in whose name the Contractor/Subcontract issues an IRS 1099 Form.

**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 percent of the area median income. City of San Antonio 2016 Income Limits are as follows:

FY 2016 HUD Income Limits								
Household Size	1	2	3	4	5	6	7	8
80% AMI	\$34,800	\$39,800	\$44,750	\$49,700	\$53,700	\$57,700	\$61,650	\$65,650

Metropolitan Statistical Area – a metropolitan statistical area (MSA), as established by the Office of Management and Budget. For City of San Antonio projects, this includes the following counties: Atascosa County, Bandera County, Bexar County, Comal County, Guadalupe County, Wilson County, Kerr County, Medina County,

New Hires – full-time employees for permanent, temporary or seasonal employment opportunities. “Re-hires” are considered “new hires” and must meet the Section 3 Resident definition in order to be counted as a Section 3 new hire.

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, Public Housing Authority, or other public body, public or private nonprofit organization, private agency or institution, realtor, 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 HUD Act of 1968, as amended (12 U.S.C. 1701u)

**Section 3 Business Concern**

- 1) That is 51 % or more owned by Section 3 resident; or
- 2) Whose permanent, full-time employees include persons, at least 30 % 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 % of the dollar award of all subcontracts to be awarded to businesses that meet the qualifications set forth in items 1 or 2 above.

**Section 3 Covered Assistance**

- 1) Public housing development assistance pursuant to Section 5 of the 1937 Act;
- 2) Public housing operating assistance pursuant to Section 9 of the 1937 Act;
- 3) Public housing modernization assistance 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 Contract 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 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 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% 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% 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.

# Attachment II

## Section 3 Quick Guide

## Section 3 Quick Guide

### WHAT IS SECTION 3?

Section 3 of the Housing and Urban Development Act of 1968 recognizes that HUD funding typically results in projects/activities that generate new employment, training, and contracting opportunities. When these opportunities are created, Section 3 requires that preference is provided to low and very low-income residents of the local community (regardless of race and gender), and the businesses that substantially employ them, for new employment, training, and contracting opportunities resulting from the HUD-funded project.

### SECTION 3 GOALS

1. 30% of the aggregate number of new hires shall be Section 3 Residents
2. 10% of all covered contracts shall be awarded to Section 3 Businesses
3. 3% of all covered non-construction contracts shall be awarded to Section 3 Business

Efforts to meet these goals must be made to the greatest extent feasible and all efforts taken must be documented accordingly.

### SECTION 3 RESIDENT

A public housing resident or an individual who resides in the metropolitan area in which the Section 3 covered assistance is expended and who is considered to be a low- (80% of AMI) to very low-income (50% of AMI) person. Persons must be certified as Section 3 Residents to count toward the goals listed above. Certification lasts for a period of 3 years.

### SECTION 3 BUSINESSES

1. 51% or more of the business is owned by Section 3 Residents; or
2. 30% of the business's permanent, full-time employees are certified Section Residents
3. The business provides evidence that it will subcontract in excess of 25 percent (25%) of the dollar award of all subcontracts to be awarded to qualified Section 3 Business

### COMPLIANCE REQUIREMENTS\*

All contracts must incorporate the Section 3 Clause (verbatim) [see 24 CFR Part 135.38];

All recipients submitting bids/proposals must submit a Section 3 Utilization Plan.

*\*Please refer to the City's of San Antonio Office of Grants Monitoring and Administration, Section 3 Program Policy for compliance requirements, forms, and detailed information*

# Attachment III

Certification to Comply  
(Included in Solicitations)

**Certification to Comply**

We certify that we have received and read the Section 3 Policies and Procedures and are committed to comply with the plan, the Section 3 Act, and the Section 3 regulations. It is our desire to work together with the City of San Antonio Office of Grants Monitoring and Administration to ensure compliance with Section 3 goals, to the greatest extent feasible, through the awarding of contracts to Section 3 business concerns, and through the employment and training of Section 3 Residents for new hires. We commit to include the Section 3 clause (see attached) in all covered contract solicitations and commit to ensure that this Section 3 Utilization Plan is filled out and submitted for any additional contract awarded with HUD funds over \$100,000.

We are committed to taking measures to make Section 3 business concerns and residents aware of contracting and hiring opportunities in connection with this Section 3 covered contract or in connection with the receipt of Section 3 covered assistance. We agree to provide a list of items that we will attempt to implement as part of our efforts to comply with Section 3. We are committed to meeting to the greatest extent feasible the Section 3 hiring and contracting goals. We understand that the Section 3 Utilization Plan is subject to audit at anytime during the awarding of the contract through the duration of the contract by the City of San Antonio.

In the event we are not able to hire/train Section 3 residents and/or contract with Section 3 business concerns, we understand that we will be required to document why we were unable to meet the numerical goals.

Name / Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# Attachment IV

## SECTION 3 CONTRACT CLAUSES

### SECTION 3 CONTRACT CLAUSES

All Section 3 covered contracts shall include the following clause (Part 135.38):

**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.

**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.

# Attachment V

## SECTION 3 INDIVIDUAL CERTIFICATION FORM



# City of San Antonio Certification for Section 3 Individual

Office of Grants  
Monitoring &  
Administration

## Contact Information

\*First: \_\_\_\_\_ M.I.: \_\_\_\_\_ \*Last: \_\_\_\_\_ Suffix: \_\_\_\_\_  
 \*Address: \_\_\_\_\_ \*Phone Number: \_\_\_\_\_  
 \*City: \_\_\_\_\_ \*County: \_\_\_\_\_ \*State: TX \*Zip: \_\_\_\_\_  
 \*Driver License/State ID: \_\_\_\_\_ Email Address: \_\_\_\_\_

Skill Category	Specific Skill Area	Proficiency Level	Add
			+

## Annual Income

In order to be a Section 3 Certified Individual, your household income must meet the income criteria by household size. Check one of the following if your family income is at or below the listed amount:

**FY 2016 80% AMI - Income Limit (Household Size)**

<input type="radio"/> <b>1</b>	<input type="radio"/> <b>2</b>	<input type="radio"/> <b>3</b>	<input type="radio"/> <b>4</b>	<input type="radio"/> <b>5</b>	<input type="radio"/> <b>6</b>	<input type="radio"/> Greater than 6 family members
At or below <b>\$34,800</b>	At or below <b>\$39,800</b>	At or below <b>\$44,750</b>	At or below <b>\$49,700</b>	At or below <b>\$53,700</b>	At or below <b>\$57,700</b>	_____
						\$ _____

## Program Participation

Please check or list any public assistance program(s) in which you currently participate:\*

- |  |  |
|--|--|
| <input type="checkbox"/> <b>TANF</b> (Temporary Assistance for Needy Families)   | <input type="checkbox"/> Public Housing Assistance (Section 8 voucher) |
| <input type="checkbox"/> <b>SNAP</b> (Supplemental Nutrition Assistance Program) | <input type="checkbox"/> Youth Build participant                       |
| <input type="checkbox"/> <b>SSI</b> (Supplemental Security Income)               |  |
| <input type="checkbox"/> <b>CEAP</b> (Comprehensive Energy Assistance Program)   | <input type="checkbox"/> Other: _____                                  |
| <input type="checkbox"/> <b>UI</b> (Unemployment Insurance benefits)             |  |

\*Note: Use the paperclip icon at the bottom left to attach lease, last 2 pay stubs, or public assistance letter(s).



**City of San Antonio  
Certification for Section 3  
Individual**

Office of Grants  
Monitoring &  
Administration

**Affirmation**

- By checking this box, I swear or affirm that the information contained on this form, to the best of my knowledge and belief is true, correct, and complete.

I certify that I have read and completed the annual income portion of this application, indicating the total number of persons and the annual income of my household. I understand that this information will be used to determine my eligibility to participate in the Section 3 Certification program.

My signature/printed name below signifies that I understand and authorize the City of San Antonio and U.S. Department of Housing and Urban Development (HUD) officials to verify all the information I provide regarding Section 3 Certification.

\_\_\_\_\_  
Applicant Signature/Printed Name

\_\_\_\_\_  
Date

Please be aware that any information on this form is subject to public disclosure laws.

**A GMA staff member will contact you shortly to verify and document information provided.**

Complete this form and Fax a copy to:

**Section 3 Division**

Fax Number: (210) 207-5471

# Attachment VI

SECTION 3 BUSINESS CERTIFICATION FORM





# City of San Antonio Certification for Section 3 Business

Office of Grants  
Monitoring &  
Administration

## Affirmation

By checking this box, I swear or affirm that the information contained on this form, to the best of my knowledge and belief is true, correct, and complete.

I understand that this information will be used to determine my eligibility to participate in the Section 3 Certification program.

My signature/printed name below signifies that I understand and authorize the City of San Antonio and U.S. Department of Housing and Urban Development (HUD) officials to verify all the information I provide regarding Section 3 Certification.

\_\_\_\_\_  
Applicant Signature/Printed Name

\_\_\_\_\_  
Date

Please be aware that any information on this form is subject to public disclosure laws.

**A GMA staff member will contact you shortly to verify and document information provided.**

Complete this form online. Use the **Submit** button to send the form for processing,  
or use the **Print** button and Fax a copy to:

### Section 3 Division

Fax Number: (210) 207-5471

# Attachment VII

## SECTION 3 UTILIZATION PLAN AND EVALUATION FORM



# City of San Antonio Section 3 Utilization Plan

Office of Grants  
Monitoring &  
Administration

Please fill this form out online and print it using the **Print** button provided. [Frequently Asked Questions](#)

## Contract Information

\*Project Name: \_\_\_\_\_

\*Name of Bidder/Proposer: \_\_\_\_\_

\*Address: \_\_\_\_\_

\*City: \_\_\_\_\_ \*State: TX \*Zip: \_\_\_\_\_

\*Contact Person: \_\_\_\_\_

\*Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

\*Section 3 Certified Business?  Yes  No (If "Yes", include Certification Letter)

For a list of certified Section 3 Businesses and Individuals who are in our hiring database, please refer to the Grants Monitoring and Administration website at [www.sanantonio.gov/gma](http://www.sanantonio.gov/gma) or request an updated list by calling (210) 207-6600.

List all Subcontractors that will be used in this contract.

Section 3	Subcontractor	Subcontractor Award Amount	Certification Number
<input type="checkbox"/>	*Name: _____ *Address: _____ Email: _____ *Tax ID: _____		
<input type="checkbox"/>	Name: _____ Address: _____ Email: _____ Tax ID: _____		
<input type="checkbox"/>	Name: _____ Address: _____ Email: _____ Tax ID: _____		

Only companies certified as Section 3 businesses by the City of San Antonio can be applied toward the contracting goals. All Section 3 subcontractors must submit a copy of their certification through the General Contractor. Proof of certification must be attached to this form. If a business is not certified, please call the Office of Grants Monitoring and Administration, Special Project Division at (210) 207-6600 for information and details on how subcontractors may obtain certification.



# City of San Antonio Section 3 Utilization Plan

Office of Grants  
Monitoring &  
Administration

Please fill this form out online and print it using the **Print** button provided. [Frequently Asked Questions](#)

Estimate the number of employee new hires that will be brought onto the job, if awarded the contract. \_\_\_\_\_

What percentage of the new hires will be certified Section 3 individuals? \_\_\_\_\_

Describe how Section 3 individuals will be notified of employment opportunities.

Describe how bids from Section 3 businesses were solicited.

If Section 3 contracting and hiring goals were not achieved in a percentage that equals or exceeds the City's goals, please give an explanation.

List all bids from Section 3 contractors that were received, but rejected.

Business Name	Reason for Rejection

## Affirmation

I hereby affirm that the above information is true and complete to the best of my knowledge and belief. I further understand and agree that if awarded the contract, this document shall be attached thereto and become a binding part of the contract.

\_\_\_\_\_  
Signature of Bidding Authority

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Phone

For additional information, contact:  
Section 3 Staff  
Office of Grants Monitoring & Administration  
1400 S. Flores, Unit 3  
San Antonio, Texas 78204  
(210) 207-6600

## SECTION 3 UTILIZATION PLAN Staff Evaluation

Project Name	
Solicitation #	
Contractor Name	
Bid Amount	
Date of Evaluation	

<i>Section 3 Evaluation Question</i>	<i>Points Possible</i>	<i>Points Awarded</i>	<i>Comments</i>
Is the bidding contractor a Certified Section 3 Business?	5		
<u>If not</u> , does the percentage of the award meets or exceeds the City Contracting Opportunities goal of 30%	3		
Does the Utilization Plan exceed the City's 30% New Hire goal?	3		
Will the contractor provide meaningful training opportunities for Section 3 Residents?	2		
<b>Total</b>	<b>10 Possible</b>		

**I HEREBY AFFIRM THAT THE ABOVE INFORMATION IS ACCURATE BASED ON MY KNOWLEDGE AND BELIEF OF THE SECTION 3 PROGRAM REQUIREMENTS.**

Evaluated by:	
Signature:	