



# **SECTION 3 POLICY MANUAL**

**FOR PROJECTS USING U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT (HUD) HOUSING AND COMMUNITY DEVELOPMENT  
PROGRAM FUNDS**

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# **New York State Homes and Community Renewal (NYSHCR)**

## **Section 3 Policy Manual**

### **INTRODUCTION**

The Section 3 Policy Manual implements Section 3 of the Housing and Urban Development Act of 1968 and corresponding regulations promulgated by the United States Department of Housing and Urban Development (HUD) found at [24 CFR 75](#). This Policy Manual implements the updated Section 3 Regulations that went into effect November 30, 2020 as they pertain to Housing and Community Development Financial Assistance (Subpart C of the regulations), such as HOME, CDBG and federal Housing Trust Fund. As such, it covers funds that were committed to projects by NYSHCR after that date. Awardees should confirm with their NYSHCR representative to determine whether their funding must comply with Section 3 according to the previous regulations or the current regulations.

#### **Legacy Contracts**

Awardees with HUD funding that was committed to the project by NYSHCR before November 30, 2020 (“Legacy Contracts”) are still expected to comply with Section 3 goals and objectives as outlined in the previous regulation, and should keep written records of Section 3 efforts, hiring and contracting conducted through the completion of the Project. NYSHCR will continue to require annual reporting on Section 3 utilization and greatest extent feasible efforts for these Legacy Contracts. A summary of the changes between the current rule, 24 CFR 75 and the previous rule, 24 CFR 135, can be found in Appendix A. Awardees with Legacy Contracts should follow policies and procedures laid out in the November 2017 Section 3 Policies and Procedures Manual available here: <https://hcr.ny.gov/section-3-compliance#legacy-contracts--pre-11-30-20->

Please consult HUD’s Section 3 Frequently Asked Questions resource available here for additional information: <https://www.hudexchange.info/section-3/faqs/>

### **SECTION 3 DEFINITIONS**

The following are definitions related to the implementation of Section 3 pursuant to the federal regulations updated November 30, 2020, 24 CFR 75, as they pertain to Housing and Community Development Financial Assistance, exclusively. Projects financed before November 30, 2020 may follow the previous regulation and definitions, 24 CFR 135.

**Awardee:** The entity that receives HUD funding such as CDBG, HOME and federal HTF from New York State Homes and Community Renewal (NYSHCR or HCR). May include a municipality, non-profit organization or developer/sponsor of affordable housing, among others.

**Contractor:** Any entity entering into a contract with an Awardee or Subawardee for work in connection with a Section 3 Project.

**HCR or NYSHCR:** New York State Homes and Community Renewal, the New York State housing agency that administers HUD Housing and Community Development Financial Assistance.

**HUD:** United State Department of Housing and Urban Development, the federal regulatory agency that oversees compliance with Section 3.

**HUD Housing and Community Development Financial Assistance, also HUD funding:** These terms are used interchangeably and cover such HUD funding as the HOME Investment

Partnership Program (HOME), HOME Small Rental Development Initiative (SRDI), Community Block Development Grant (CDBG), federal Housing Trust Fund (federal HTF).

Total Labor Hours: The number of paid hours worked by persons on a Section 3 Project, including those worked by Awardees, sub-awardees, contractors and subcontractors.

Low-income: Someone that is low-income earns less than 80 percent of the Area Median Income (AMI) for the county in which they live, as established by HUD. For purposes of this Manual, low-income includes very low-income persons as well. HUD income limits may be obtained from: <https://www.huduser.gov/portal/datasets/il.html> and are also available on the HCR Hiring Forms found here: <https://hcr.ny.gov/section-3-compliance>.

Material Supply Contracts: Contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies. These contracts are not covered by Section 3.

Professional Services: Non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services. Awardees may use labor hours performed by Professional Service providers to count toward Section 3 Worker hours while not counting toward Total Labor Hours, increasing the percentage of Section 3 Worker hours.

Recipient: The direct recipient of HUD funding. For these purposes, NYSHCR and its entities the Office of Community Renewal, the NYS Housing Trust Fund Corporation, the Division of Housing and Community Renewal and the NYS Housing Finance Agency, among others.

Section 3 Business or Section 3 Business Concern: These terms are used interchangeably and mean a business that meets at least one of the following criteria, documented within the last 6-month period:

- 1) At least 51 percent owned and controlled by 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) At least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Section 3 Project: See Section B, below, “Who is Required to Comply.”

Section 3 Worker: An individual employed by Awardee or its Subs who works on the Section 3 Project and who currently fits, or when hired within the past 5 years fit, at least one of the following criteria, as documented:

- 1) The worker’s income for the previous or annualized calendar year is categorized as low-income (80% AMI or less);
  - a. Note that recipients and residents of the following benefits are likely to meet the low-income criteria: Medicaid, Public Assistance/TANF, SNAP/Food Stamps, Section 8-assisted housing, Public Housing.
- 2) The worker is employed by a Section 3 Business (these are also Targeted Section 3 Workers); or
- 3) The worker is a YouthBuild participant (these are also Targeted Section 3

Workers).

The hiring of a Section 3 or Targeted Section 3 Worker shall not be negatively affected by a prior arrest or conviction.

Service Area or Neighborhood of the Section 3 Project: The area within one mile of the Section 3 Project site or, if fewer than 5,000 people live within one mile of a Section 3 project, the expanded radius of circle centered on the Section 3 Project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Subs: Includes all sub-awardees, contractors and subcontractors that do work on a Section 3 Project. These do not include material supply vendors.

Sub-awardee: An entity that receives HUD funding via the Awardee for work on a Section 3 Project.

Targeted Section 3 Worker: A Section 3 Worker who:

- 1) is employed by a Section 3 Business; or
- 2) currently fits or when hired fits at least one of the following categories, as documented within the past five years:
  - (i) Living within the Service Area or the Neighborhood of the project; or
  - (ii) A YouthBuild participant.

YouthBuild: A community-based pre-apprenticeship program administered by the federal Division of Youth Services within the Employment and Training Administration's Office of Workforce Investment at the U.S. Department of Labor that provides job training and educational opportunities for at-risk youth ages 16 through 24 who have previously dropped out of high school. More information available here: <https://youthbuild.org/our-programs/>

## REQUIRED PROGRAM DOCUMENTS

The following is a summary table of the required program documents to be completed by Awardee, the General Contractor (“GC”) and any other contractors and subcontractors (together with the GC, the “Subs”), and where they can be found. Continue to use these links to documents as they are updated periodically.

Document	Summary	Required for Use by:	Link
Contract Clause	Mandatory language for all S3 projects	Awardee, GC, all Subs	<a href="https://hcr.ny.gov/S3ContractClause">https://hcr.ny.gov/S3ContractClause</a>
Participation Plan	Outlines mandatory minimum efforts and sets forth Project’s plan to meet S3 objectives. <b>Must be completed before funding contract execution.</b>	Awardee & GC, Suggested for all Subs	<a href="https://hcr.ny.gov/S3ParticipationPlan">https://hcr.ny.gov/S3ParticipationPlan</a>
Sub-Reporting Form & Greatest Extent Feasible Checklist	Form GC and Subs use to report S3 performance up to Awardee	GC and all Subs	<a href="https://hcr.ny.gov/S3SubReportingForm">https://hcr.ny.gov/S3SubReportingForm</a>
Awardee Reporting Form	Form Awardee uses to report consolidated S3 performance to NYSCHR	Awardee (consolidating Sub Reporting Forms)	Link to be provided by NYSHCR at reporting time.
Section 3 Business Self Certification	Forms businesses can use to self-certify that they meet the S3 definition for a S3 business within the 6 months prior to contract	Awardee must have on file for all S3 Businesses on Project	<a href="https://hcr.ny.gov/S3BusinessSelfCert">https://hcr.ny.gov/S3BusinessSelfCert</a>
Hiring Form	Form to be used to determine which employees/applicants are Section 3 Workers % Targeted Section 3 Workers	Awardee, GC, all Subs	Translated Versions available <a href="https://hcr.ny.gov/section-3-compliance#forms---documents">https://hcr.ny.gov/section-3-compliance#forms---documents</a>

## **POLICIES AND PROCEDURES**

### ***A. What is Section 3?***

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain United States Housing and Urban Development (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 or residents of the community in which the federal assistance is spent. New York State Homes and Community Renewal (HCR) fully embraces its requirements and obligations under Section 3 and has set forth policies and procedures to implement them.

### ***B. Who is Required to Comply?***

All recipients of HUD funds, their Awardees and sub-awardees, contractors and subcontractors are expected to comply with Section 3 requirements when the HUD funds are used on a project meeting the requirements below (a “Section 3 Project”). It will be the awardee of the HUD funds (whether a unit of local government, a non-profit local administrator or a developer/sponsor) (the “Awardee”) that will be responsible for ensuring compliance and reporting on Section 3 performance on Section 3 Projects by all of its sub-awardees, contractors and subcontractors. A Section 3 Project meets the following factors.

#### **1. Project-Level Applicability**

The applicability of Section 3 is determined on the individual project level. A Section 3 Project is a housing rehabilitation, housing construction and other public construction project assisted under one, or a combination of, HUD programs including, HOME Investment Partnership Program (HOME), Community Block Development Grant (CDBG), HOME Small Rental Development Initiative (SRDI), federal Housing Trust Fund (federal HTF) and the Lead Hazard Control and Health Homes Programs, among others.

The Project is the site or sites together with any building(s) and improvement(s) located on the site(s) that are under common ownership, management and financing.

Section 3 requirements do not apply to: 1) Material Supply Contracts, 2) Indian and Tribal Preferences, and 3) Other HUD assistance and other federal assistance not subject to Section 3 (e.g., Section 8 HAP contracts). However, for financial assistance that is not subject to Section 3, recipients are encouraged to consider ways to support the purpose of Section 3.

#### **2. Housing Rehabilitation, Housing Construction or Other Public Construction**

The HUD Housing and Community Development funds, such as CDBG and HOME, must be used for housing rehabilitation, housing construction and other public construction projects, e.g. work on sewer lines. Demolition work is included in these categories.

#### **3. Threshold Amounts**

Section 3 requirements apply where combined HUD financing in the project *is more than* \$200,000 or for Lead Hazard Control and Healthy Homes program, more than \$100,000. Even if the project does not meet these thresholds, projects and programs are still encouraged to engage in efforts to hire and train low-income individuals.



**PROJECT EXAMPLES:**

- Projects with \$200,001 HOME funds = Section 3 Project
- Project with \$150,000 CDBG + \$100,000 HOME = Section 3 Project
- Project with \$100,000 HOME + \$200,000 State funds = NOT a Section 3 Project
- \$500,000 HOME to a Non-Profit Org = Not (yet) a Project. Non-Profit must fund a construction/rehab project with \$200,001 in HUD funds for Section 3 to apply

**4. Applicability to Entire Project**

Once it has been determined that a project is a Section 3 Project because it met the requirements above, Section 3 requirements apply to the *entire* project regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

**5. Mixed Funding in Projects**

As explained in the Introduction, this Policy Manual applies only to projects that have Housing and Community Development Financial Assistance from HUD (e.g., HOME, CDBG, federal HTF). However, Public Housing Financial Assistance received from HUD by a Public Housing Authority (PHA) also triggers Section 3 requirements. It is important that these PHA's and companies and municipalities working with them examine the Section 3 regulations carefully in implementing their Section 3 programs.

**6. Special Considerations for Rental Assistance Demonstration (RAD) Projects**

Section 3 regulations apply to Rental Assistance Demonstration (RAD) conversions of public housing to Project-Based Vouchers (PBVs) or Project-Based Rental Assistance (PBRA) when rehabilitation or construction required by the conversion exceeds \$200,000. In these instances, after the RAD closing, which takes place before the final conversion, the Public Housing Authority and the entities working on the conversion should follow the Section 3 requirements that apply to the Housing and Community Development Financial Assistance component of the regulation (Subpart C, also the subject of this Policy Manual).

Just as with the prior rule, Section 3 reporting is done through the RAD Resource Desk, with each individual transaction submitting their Completion Certification with Section 3 outcomes data at the completion of the rehabilitation or construction.

More guidance from HUD on the applicability of Section 3 to RAD projects can be found here: <https://www.radresource.net/output.cfm?id=Sec3Guide>

**C. Section 3 Duties & Obligations****1. “Duties Flow Down, Reporting Flows Up”**

Once it is determined that a project is a Section 3 Project (per the guidance in Part A, above), the Awardee is responsible for ensuring Section 3 performance and documentation of such performance by its sub-awardees, contractors and subcontractors (the “Subs”). Section 3 hiring and contracting duties flow down through the Awardee to all Subs on the Project, while reporting flows up through the Subs to the Awardee and ultimately to NYSHCR and HUD. See Appendix B for a flowchart representation of these requirements.

## **2. Section 3 Hiring and Contracting Prioritizations**

As discussed above, Awardees and their sub-awardees, contractors and subcontractors that fund or work on Section 3 Projects (defined above in Part A) shall, *to the greatest extent feasible*, ensure that employment, training and contracting opportunities are provided to Section 3 Workers and the businesses that provide opportunities to Section 3 Workers in the metropolitan area (or non-metropolitan county) where the project is located. Where feasible,

- (1) Employment and training opportunities arising in connection with Section 3 Projects are prioritized first to Section 3 Workers within the metropolitan area (or nonmetropolitan county) in which the Project is located and then to YouthBuild Participants, and
- (2) Contracts for work awarded in connection with Section 3 Projects are prioritized to first to business concerns that provide economic opportunities to Section 3 Workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located and then to YouthBuild programs.

## **3. “Greatest Extent Feasible”**

This is the standard governing the efforts a HUD Awardee, their sub-awardees, contractors and subcontractors must engage in in complying with Section 3. The “greatest extent feasible” standard does not mean that Section 3 is optional. All HUD Recipients, Awardees and their sub-awardees, contractors and subcontractors working on a Section 3 Project must make efforts to meet the Benchmark Goals described below. A list of greatest extent feasible (GEF) efforts is available in this [“Sub Reporting Form and Greatest Extent Feasible Efforts Checklist.”](#)

## **4. Benchmark Goals**

HUD established these benchmark hiring goals for Section 3 projects.

- (1) 25% of total labor hours worked by Section 3 Workers, including
- (2) 5% of total labor hours worked by Targeted Section 3 Workers.

These percentages are against the total number of labor hours worked by all workers on a Section 3 Project. Hours worked by Section 3 Businesses contracted to work on the Project count for Section 3 Worker Hours and Targeted Section 3 Worker Hours, which makes contracting with Section 3 Business vital to ensuring Section 3 compliance.

Section 3 does not require that Awardees or their Subs obtain time and attendance tracking systems. Awardees and Subs can make good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance-based payroll systems, unless the Project is otherwise subject to requirements specifying time and attendance reporting (e.g. Davis Bacon requirements).

Section 3 does not require the employment of someone who meets this definition of a Section 3 Worker. Section 3 Workers are not exempt from meeting the qualifications of the position to be filled.

## **5. Safe Harbor**

Awardees will be considered to have complied with Section 3 requirements, in absence of evidence to the contrary, if they:

- (1) Certify that they have followed the Section 3 Prioritizations, listed above; and
- (2) Met or exceed the Benchmark Goals, above.

If the Project has not met the Benchmark Goals for that reporting cycle, Awardee must provide a narrative and documentation describing why the Benchmark Goals were not met and the qualitative nature of its Section 3 compliance efforts and those its Subs pursued. A list of greatest extent feasible (GEF) efforts is available in this “[Sub Reporting Form and Greatest Extent Feasible Efforts Checklist](#).” The NYSHCR Section 3 Reporting Form (which includes the Safe Harbor certification) will be provided to Awardees by NYSHCR in electronic format, but a sample is available in Appendix C.

## **6. Non-Compliance/Complaints**

NYSHCR and HUD will monitor compliance with Section 3 policies through periodic reporting and site visits. Awardees, their sub-awardees, contractors and subcontractors are required to maintain records in a manner where they will be readily available for inspection. NYSHCR and HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found, which may include damages, sanctions, termination of the contract for default, and debarment or suspension from future HUD of YSHCR assisted contracts. Complaints alleging failure of compliance with this part may be reported to the Fair and Equitable Housing Office at HCR or to the local HUD field office.

### ***D. Mandatory Minimum Requirements for Meeting Section 3 Benchmark Goals***

Awardees of Section 3-triggerings funds (e.g. HOME, CDBG and federal HTF over \$200,000) that will either (1) directly develop a Section 3 Project (i.e., an affordable housing sponsor developing a multifamily housing project) or (2) fund a Section 3 Project by entering into a contract for the work on that Section 3 Project (e.g., a municipality funding a public works project with CDBG funds), must prioritize Section 3 Businesses and the hiring of Section 3 Workers (including Targeted Section 3 Workers) for the duration of the entire Section 3 Project. The following describes mandatory efforts for meeting these Section 3 Benchmark Goals. *Note that these are the minimum requirements and will not satisfy the “Greatest Extent Feasible” standard by themselves if Awardee and the particular Section 3 Project fails to meet the Section 3 Benchmark Goals for the Project.*

#### **1. Designating a Section 3 Coordinator**

Awardees must hire or designate a Section 3 coordinator who will have the responsibility of coordinating all Section 3-related activities. In addition, sub-awardees, contractors and subcontractors should also designate a Section 3 coordination who will be responsible for reporting Section 3 performance and providing Section 3 documentation to the Awardee, who will in turn report to HCR.

The Section 3 Coordinator is expected to be in charge of, at the least, the following:

- Timely reporting to HCR all Section 3 activities for Section 3 Projects;
- Ensuring all procurement and hiring documentation and processes meet Section 3 requirements;
- Coordinating and conducting regular compliance reviews, which consist of comprehensive

analysis and evaluation of the sub-awardee, contractor, subcontractor, nonprofits and/or developer documentation in meeting the Section 3 Benchmarks.

- Attending and providing training on Section 3 compliance and best practices.

## **2. Participation Plans**

All Awardees and their General Contractors who are funding/developing a Section 3 Project must complete a Section 3 Participation Plan *before finalization of the funding contract with NYSHCR (or one of its entities) that will fund the Section 3 Project*. The Section 3 Participation Plan will describe the scope of the Project and list the planned efforts to meet Section 3 Benchmark Goals. The required Participation Plan templates are available at: <https://hcr.ny.gov/S3ParticipationPlan>. The Participation Plan will be submitted to NYSHCR's Fair and Equitable Housing Office for approval. The Participation Plans completed and approved by NYSHCR will become part of the contract with NYSHCR.

If the Awardee does not have a General Contractor at time of finalization of the contract with NYSHCR (or its related entities), the Awardee must complete the Participation Plan and require that the General Contractor sign or amend and sign the Participation Plan before the commencement of construction.

## **3. Contract Clause**

Awardees of Section 3 funding must require sub-awardees, contractors and subcontractors to meet the requirements of Section 3 regardless of whether Section 3 language is included in their agreement or contract. As part of this requirement, Awardees, their sub-awardees, contractors and subcontractors must include the Section 3 Contract Clause language applying Section 3 requirements in any agreement or contract related to a Section 3 Project. The Contract Clause can be found here: <https://hcr.ny.gov/S3ContractClause>

## **4. Project Signage**

All Section 3 Projects must have a sign visible from the street that identifies the name identifies the name of the project, provides the contractor and/or Section 3 Coordinators contact information and states: "This is a HUD Section 3 Project with hiring and contracting priorities for low-income persons and business that hire or are owned by them."

## **5. Job Outreach and Posting Requirements**

All job descriptions and job postings for work to be done on Section 3 Projects must include this language, "This is a HUD Section 3 Project with hiring priorities for low-income persons." In addition, all job availabilities must be posted to the New York State Job Bank available here: <https://newyork.usnlx.com/>

Before construction commences, the Project must contact the Career Center(s) and YouthBuild organizations for the region in which the Project is located to notify them about the Project, the jobs that will be made available and a contact person at the Project (including the Subs) in charge of hiring. A list of career centers can be found here: <https://dol.ny.gov/career-centers>. YouthBuild programs can be found here: <https://youthbuild.org/our-programs/#map>.

In addition, the Project must contact local Public Housing Authorities and/or Section 8 programs located in project area for posting work opportunities on community bulletin boards, newsletters, websites and physical lobbies. Local PHAs are listed here: [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/pha/contacts](https://www.hud.gov/program_offices/public_indian_housing/pha/contacts).

## **6. Procurement/Solicitation Requirements**

As part of Awardees' and their Subs' commitment to Section 3, all procurement processes for construction and labor must prioritize the contracting of Section 3 Businesses. Section 3 requirements do not apply to Material Supply Contracts.

All calls for contractors and subcontractors must include this language: "This is a HUD Section 3 Project with contracting priorities for businesses that hire or are owned by low-income persons and/or public housing and Section 8 residents."

Preference in the awarding of contracts shall be given to otherwise qualified Section 3 Businesses and/or businesses that demonstrate a clear commitment and capacity to create economic opportunities for low-income individuals and Section 3 Businesses. Due diligence must be performed to ensure that the contractor and subcontractor do not have any Section 3 violations in their past.

## **7. Section 3 Business Certification**

At the time that Awardee or one of their Subs enters into a contract with a Section 3 Business, a Section 3 Business Certification must be collected to confirm that the business in fact meets the requirements. The certification must have been completed within the 6 months prior to entering the contract. Without the Section 3 Business Certification, Awardee and their Subs will not be able to count the labor hours for the employees that work for the intended Section 3 Business in their Section 3 Worker hours. Section 3 Business Certification is available here:

<https://hcr.ny.gov/S3BusinessSelfCert>

Section 3 Businesses should also register on HUD's Section 3 Business Registry, available here. <https://hudapps.hud.gov/OpportunityPortal/>

## **8. Section 3 Worker Verification**

As part of the efforts to ensure that employment and training opportunities are prioritized to low-income individuals, Awardees must collect verification that they, their sub-awardees, contractors and subcontractors that are working on a Section 3 Project are hiring Section 3 Workers and Targeted Section 3 Workers. An NYSHCR-provided Hiring Form can be used and is available here: <https://hcr.ny.gov/section-3-compliance#forms---documents>

Once an employee has been verified as a Section 3 Worker, they count as a Section 3 Worker for 5 years. Their labor hours should be included as Section 3 Worker Hours and, as appropriate, Targeted Section 3 Worker hours for 5 years from the date of verification *regardless of whether they still qualify as low-income or other factor that qualified them as a Section 3 Worker*. It should be noted that the hiring of a Section 3 or Targeted Section 3 Worker shall not be negatively affected by a prior arrest or conviction.

**Section 3 Worker verification can be completed in any of the following ways:**

(1) The Section 3 Hiring Form

The Section 3 Hiring Form is provided by HCR and can be used by the entity hiring for the Project. In this form, the individual can self-certify that their income from the prior calendar year is below the income limit or that they participate in a means-tested program such as public housing or Section 8-assisted housing (both of which qualify them as a Section 3 Worker).

The form can be found here (and translated into Spanish): <https://hcr.ny.gov/section-3->

## [compliance#forms---documents](#)

### (2) Certification from a Public Housing Authority/Section 8 Administrator

Certification from a PHA, or the owner or property manager of project-based Section 8 assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

### (3) Employer's Certification of Low-Income

An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis. The [Section 3 Hiring Form](#) can be used for this certification.

### (4) Section 3 Business Employer Certification

An employer's certification that the worker is employed by a Section 3 Business. The Section 3 Hiring Form can be used for this certification.

## **Targeted Section 3 Worker verification can be completed in any of the following ways:**

### (1) The Section 3 Hiring Form

The same Section 3 Hiring Form provided by HCR can be used for a worker to self-certify that they are a Targeted Section 3 Worker. On the form the worker can certify that that they are a YouthBuild Participant.

The form can be found here (and translated into Spanish): <https://hcr.ny.gov/section-3-compliance#forms---documents>

### (2) Employer's Certification of Worker's Residence

An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, an expanded circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census. The employer can use the Section 3 Hiring Form provided by HCR for this certification.

### (3) Section 3 Business Employer Certification

An employer's certification that the worker is employed by a Section 3 Business. The [Section 3 Hiring Form](#) can be used for this certification.

## **9. The Sub Reporting Form & Greatest Extent Feasible Efforts Checklist**

The "Section 3 Sub Reporting Form and Greatest Extent Feasible Efforts Checklist" will be used by General Contractor and all Subs for each reporting cycle, which Awardee will gather to submit a consolidated report to NYSHCR. In it, the GC and Subs will report the Total Labor Hours, Section 3 Worker Hours and all qualitative efforts taken to accomplish Section 3 objectives. Form available here: <https://hcr.ny.gov/S3SubReportingForm>

## **10. Training Requirements**

Awardees and their Subs must engage in training on Section 3 requirements and best practices. Staff at both the Awardee and their Subs that are in charge of hiring and contracting work on Section 3 Projects, including the Section 3 Coordinator, must review this Manual, attend a training



by HCR or HUD on Section 3 prior to the commencement of construction and attend additional trainings provided by NYSHCR that were advertised to Section 3 Projects. HUD Section 3 training module available here: <https://www.hudexchange.info/trainings/section-3/>. NYSHCR training available here: <https://hcr.ny.gov/section-3-compliance#training>. Awardees and their Subs will be ask to certify that such trainings have been completed.

## **11. Record Retention**

Awardees will retain records related to Section 3 performance and greatest extent feasible efforts including the Section 3 Hiring Forms for itself and its subs in accordance with program regulations (e.g., CDBG regulations) or, where the regulations are silent, 3 years from completion of the Project.

### ***E. Reporting Requirements***

The Awardee of HUD funds through NYSHCR is responsible for all reporting to NYSHCR on Section 3 performance for the entire Section 3 Project, including by the sub-awardees, contractors and subcontractors, as applicable. In its reporting to NYSHCR, Awardee should consolidate the Section 3 performance of all its Subs as reported through the “Sub Reporting Form and Greatest Extent Feasible Checklist” and report the labor hours and efforts as one report to NYSHCR. NYSHCR, in turn, reports performance numbers for each Section 3 Project to HUD.

Section 3 Reporting will occur twice a year, the end of the project and as requested by NYSHCR or HUD. The reports must not only include the labor hours performed by Section 3 and Targeted Section 3 Workers but must also include narratives of greatest extent feasible efforts and supporting documentation of those efforts or reasons why the Section 3 Benchmark Goals were not met. *It is important that all reporting is completed in a timely manner.* Failure to do so can affect payment and lead to negative compliance determinations.

#### **1. Mid-Year and Year-End Reporting Requirements**

Awardees funding or developing Section 3 Projects will be required to report on cumulative Section 3 performance on the Project every 6 months, at mid-year and year-end. The due dates for the reports will be August 1 (or the closest business day after that) for Section 3 performance through June 30 of that year, and January 15 (or the closest business day after that) for Section 3 performance through December 31 of the previous year. The Awardee’s Section 3 Coordinator will receive from NYSHCR an electronic link through which to complete the reporting.

#### **2. Final Reporting**

In addition to regular mid-year and year-end reporting, Awardees will have to complete final Section 3 reporting as the Project nears its completion. Awardees will receive project reporting forms which will contain a link to a Section 3 reporting form. This must be completed promptly.

#### **3. Content of Reports**

For all Section 3 Reports, the Awardee must include the information below, for itself and all Subs that have worked on the Section 3 Project. A sample Section 3 reporting form is attached at Appendix C, but Awardees will receive a link in a fillable form for each reporting cycle. In its reporting to NYSHCR, Awardee should consolidate the Section 3 performance of all its Subs as reported through the “Sub Reporting Form and Greatest Extent Feasible Checklist” and report the labor hours and efforts as one report to NYSHCR. HCR will in turn report the Project’s Section 3 performance information to HUD through the Integrated Disbursement and Information System

(IDIS) managed by HUD.

- Total Labor Hours: The total number of labor hours worked on the Project since the beginning of the Project including labor hours worked by all sub-awardees, contractors and subcontractors.
  - Professional Services Bonus: Labor hours performed by Professional Service providers *are not required* to be included in the Total Labor Hours for the Project. Professional Services are non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services. If a contract covers both Professional Services and other work and the Awardee or contractor or subcontractor chooses not to report labor hours from Professional Services, the labor hours under the contract that are not from Professional Services must still be reported.
- Total Section 3 Worker Labor Hours: The total number of labor hours worked by Section 3 Workers on the Project, including by Awardee, sub-awardee, contractor and subcontractor (with a Benchmark Goal of 25% of Total Labor Hours)
  - Professional Services: Although hours worked by Professional Service providers on the Project do not have to be included in the total labor hours, they can be included in the Section 3 and Targeted Section 3 and Targeted Section 3 Worker Labor Hours. This has the effect of increasing the percentage of Section 3 and Targeted Section 3 Worker Labor Hours.
  - Five Year Look-Back: Any worker who currently fits the Section 3 Worker definition *or when hired within the past five years* fit the definition, can be counted as a Section 3 and a Targeted Section 3 Worker.
- Total Targeted Section 3 Worker Labor Hours: The total number of labor hours worked by Targeted Section 3 Workers on the Project, including by Awardee, sub-awardee, contractor and subcontractor (with a Benchmark Goal of 5% of the Total Labor Hours, which is part of the 25% Benchmark Goal for Section 3 Workers).
- Additional Reporting if Section 3 Benchmarks are Not Met: If Awardee's reporting indicates that the Awardee has not met the Section 3 Benchmark Goals described above for the Project, Awardee must include in the report a description of qualitative nature of its activities and those its sub-awardees, contractors and subcontractors pursued. Awardee must also provide documentation supporting the efforts made to achieve the Benchmark Goals. Supporting documentation must be emailed to [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org). *Awardees who do not provide documentation of their efforts will be deemed out of compliance.*

Such qualitative efforts may include the following. More efforts are listed in the "Sub Reporting Form and Greatest Extent Feasible Checklist" included at this link:

<https://hcr.ny.gov/S3SubReportingForm>

- (1) Engaged in outreach efforts to generate job applicants who are Section 3 and Targeted Section 3 Workers.
- (2) Provided training or apprenticeship opportunities.



- (3) Provided technical assistance to help Section 3 Workers compete for jobs (*e.g.*, resume assistance, coaching).
- (4) Provided or connected Section 3 Workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- (5) Held or participated in one or more job fairs.
- (6) Provided or referred Section 3 Workers to services supporting work readiness and retention (*e.g.*, work readiness activities, interview clothing, test fees, transportation, child care).
- (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- (8) Assisted Section 3 Workers to obtain financial literacy training and/or coaching.
- (9) Engaged in outreach efforts to identify and secure bids from Section 3 Businesses.
- (10) Provided technical assistance to help Section 3 Businesses understand and bid on contracts.
- (11) Divided contracts into smaller jobs to facilitate participation by Section 3 Businesses.
- (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 Businesses.
- (13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- (14) Outreach, engagement, or referrals with the state one-stop system by contacting the relevant individuals and entities here: <https://dol.ny.gov/lwdb> and here <https://dol.ny.gov/career-centers>.

## ***F. Section 3 Best Practices***

The following are best practices to ensure a robust Section 3 Program at the Project:

### **(1) Start the process early and continuously!**

Remember that once an employee has been verified as a Section 3 Worker, they count as a Section 3 Worker for 5 years. Even employees that were hired before the Project began can count as Section 3 Workers if it is within the 5-year window.

### **(2) Create a relationship with the local public housing authorities, Section 8 programs, social services/food stamp/welfare offices and YouthBuild programs.**

Individuals who receive means-tested benefits are likely Section 3 Workers and in some instances, Targeted Section 3 Workers. YouthBuild participants are automatically Section 3 Workers and Targeted Section 3 Workers. Businesses owned or controlled by Section 8 and public housing residents are automatically Section 3 Businesses and all their worker hours count toward Section 3 Worker hours. Outreach to these organizations is required as a Mandatory Minimum Requirement described in Subsection D, above.

### **(3) Contract with Section 3 Businesses, including for Professional Services.**

Although new Section 3 regulations do not have contracting benchmark goals, all labor hours performed by those employed by Section 3 Businesses contracted to work on the Project count

toward the Section 3 Benchmark Goals.

You can find Section 3 Businesses by going to the HUD Section 3 Business Registry (<https://hudapps.hud.gov/OpportunityPortal/searchBusiness.action>), contacting the local public housing agency, and doing other local outreach to determine whether businesses are owned by or hire low-income workers and/or public housing/Section 8 residents. The business should register and self-certify with the HUD Business Registry and complete a self-certification by using the NYSHCR Certification form available here: <https://hcr.ny.gov/S3BusinessSelfCert>

Remember that labor hours from Professional Services businesses count toward the Section 3 Worker hours but do not have to be included in the Total Labor Hours for the Project. This increases your Section 3 Worker hours percentages.

**(4) Make sure every entity working on the Project knows about the Section 3 goals and requirements.**

Remember that all entities doing construction work on a Section 3 Project are required to meet Section 3 goals to the greatest extent feasible. Section 3 is not optional. In addition to including the Contract Clause in all contracts and subcontracts, ensure that Subs are using Section 3 language in job postings, training their staff on Section 3 requirements, using the Hiring Form and utilizing resources like the Sub Reporting Form and the Greatest Extent Feasible Efforts checklist, all available here: <https://hcr.ny.gov/section-3-compliance>

Keep in mind that the Awardee of the HUD funding from NYSHCR will be directly responsible for collecting Section 3 performance and compliance metrics and documentation for all entities working on the Project.

**(5) Offer Job Training/Apprenticeships to Low Income Individuals.**

Although unpaid work does not count toward total labor hours or Section 3 Worker hours, offering training and apprenticeship programs aimed at low-income workers does indicate efforts that the Project is making toward meeting Section 3 goals.

**(6) Ensure the efforts listed in the Greatest Extent Feasible Efforts Checklist are implemented throughout the Project.**

The Sub Reporting Form and Greatest Extent Feasible Checklist provides clear examples of the different hiring and contracting practices that can be undertaken by the Awardee, General Contractor and Subs to meet the Section 3 goals. It is available here:

<https://hcr.ny.gov/S3SubReportingForm>

**(7) Document!**

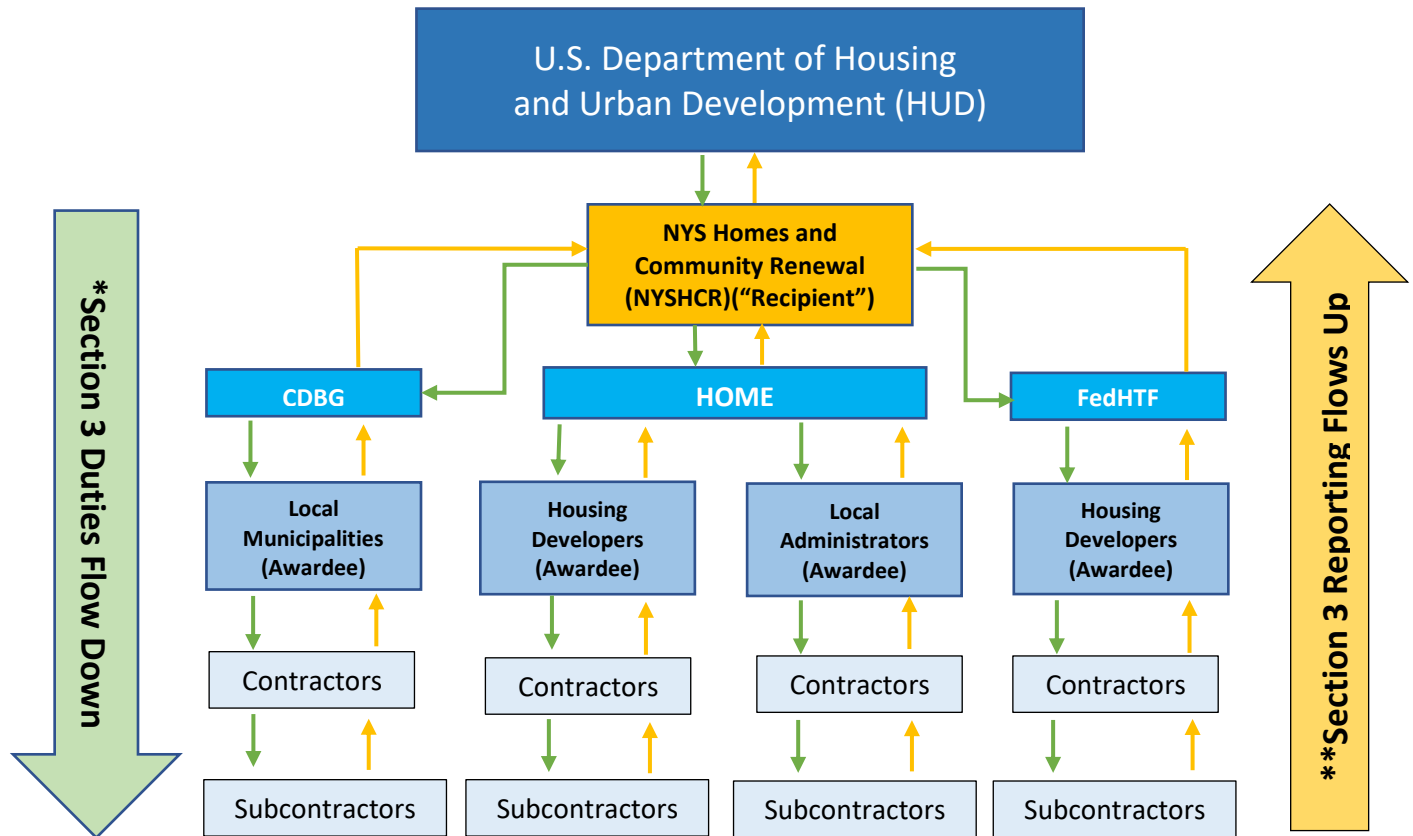
If the Project does not meet the Benchmark Goals for Section 3 Worker hours, the Awardee will not be able to access the Safe Harbor and must instead provide a narrative and documentation supporting the greatest extent feasible efforts it and its Subs took in attempting to meet the goals or why it was not possible. The documentation needs to be thorough for all entities working on the Project and failure to provide this information would put the Project out of compliance.

## Appendix A – Differences Summary

Old Rule - 24 CFR Part 135	New Rule - 24 CFR Part 75
<b>Focusing on sustained employment of low- and very low-income populations</b>	
A new hire for a temporary, one-month job and a new hire for a permanent, year-round job counted the same, instead of placing more value on long-term employment.	Recognizes the greater value of the permanent job by focusing on labor hours instead of new hires creating an incentive for employers to invest in and retain their newly hired low-income workers
<b>Crediting successful sustained employment in reporting benchmarks</b>	
<p>Former Benchmarks:</p> <ul style="list-style-type: none"> <li>• 30% of persons hired by Section 3 funding must be Section 3 residents</li> <li>• 10% of total funds for construction contracts awarded to Section 3 businesses</li> <li>• 3% of total funds for non-construction awarded to Section 3 businesses</li> <li>• No updates to these benchmarks</li> </ul>	<p>Final Rule Benchmark Notice:</p> <ul style="list-style-type: none"> <li>• 25% of all labor hours must be performed by a Section 3 worker</li> <li>• 5% of all labor hours must be performed by Targeted Section 3 workers</li> <li>• Benchmark Notice should be updated by the Secretary every three years</li> </ul>
<b>Allowing varied outcomes for different geographies and activities</b>	
<p>Section 3 residents are:</p> <ul style="list-style-type: none"> <li>• Public housing residents</li> <li>• Low- and very-low income persons who live in the metropolitan area or non-metropolitan county where a HUD assisted project for housing or community development is located</li> </ul>	<p>Section 3 workers is:</p> <ul style="list-style-type: none"> <li>• A worker whose income for the previous or annualized calendar year is below the income limit established by HUD</li> <li>• Employed by a Section 3 business concern</li> <li>• A YouthBuild participant.</li> </ul>
Under the old rule, there is no distinction or prioritization of hiring Targeted Section 3 workers.	New rule emphasizes the priority hiring of Targeted Section 3 workers living in public or Section 8-assisted housing or within a 1 mile radius of the project site.
<p>Section 3 Business concern is:</p> <ul style="list-style-type: none"> <li>• At least 51% owned by Section 3 residents.</li> <li>• At least 30% of employees are currently Section 3 residents, or were within first three years of employment</li> <li>• A business that subcontracts more than 25% of all subcontracts to a Section 3 business concern.</li> </ul>	<p>Section 3 business concerns are:</p> <ul style="list-style-type: none"> <li>• At least 51% owned and controlled by low- or very low-income persons;</li> <li>• Businesses where Section 3 workers perform over 75% of the labor hours over a 3 month period; or</li> <li>• At least 51% owned and controlled by current public housing or Section 8-assisted housing residents.</li> </ul>
<b>Integrating Section 3 into the program offices</b>	
Enforcement and compliance was performed by the Office of Fair Housing and Equal Opportunity.	Enforcement and compliance will be integrated into regular program office work.
<b>Reducing reporting requirements for grantees who are meeting benchmarks</b>	



## Appendix B – Section 3 Duties and Reporting Flowchart



## **Appendix C – Reporting Form Sample**

Please note that NYSHCR will only accept the online electronic form of this document, available [here](#).



# Consolidated Section 3 Awardee Reporting Form

You are receiving this Form because your company/organization/municipality received federal HUD funds through New York State Homes & Community Renewal (NYSHCR) for a housing construction/rehabilitation or public works project that is required to follow federal Section 3 requirements. This means that greatest extent feasible efforts must be made to provide employment, training and economic opportunities to low-income individuals and those companies that hire or are owned by them, particularly in the area where the project is located.

Projects that must comply with Section 3 requirements are those that:

- Are housing construction or rehabilitation or other public works projects, and
- Receive more than \$200,000 in HUD funding (e.g. HOME, CDBG, federal Housing Trust Fund)

If you believe you are not a Section 3 Project, provide explanation in the space below and reach out to your New York State Homes and Community Renewal (NYSHCR) program representative.

**NOTE: YOU MUST COMPLETE THE INFORMATION BELOW FOR YOUR COMPANY, THE GENERAL CONTRACTOR AND ALL THE SUBCONTRACTORS THAT WORK/ED ON THE PROJECT (the "Subs").** Use this Form to consolidate the labor hours and Section 3 Worker Hours reported to you by your Subs through the "Sub Reporting Form and Greatest Extent Feasible Checklist" or other applicable mechanism. **EMAIL ALL SUPPORTING DOCUMENTATION TO: [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org) (<mailto:Section3MWBE@nyshcr.org>).**

NOTE: Materials Supply contracts and Professional Services contracts can be excluded from Section 3 reporting requirements. HOWEVER, you are able to count hours for any Section 3 Worker that provides Professional Services without counting their hours in the Total Labor Hours, which may increase Section 3 Worker percentages.

Further information and guidance on completing this form can be found in the NYSHCR Section 3 Policy Manual here: <https://hcr.ny.gov/section-3-compliance#policy-manual>  
(<https://hcr.ny.gov/section-3-compliance#policy-manual>).

A PDF version of this form can be found here BUT HCR will only accept submission of this online version of the form: <https://hcr.ny.gov/S3SampleAwardeeReportingForm>  
(<https://hcr.ny.gov/S3SampleAwardeeReportingForm>).

HCR reserves the right to request additional information about the Project's Section 3 compliance.

## DEFINITIONS

Section 3 Workers are workers who currently fit, or when hired within the past five years, fit at least one of the following criteria:

- Low- or very low-income
- Employed by a Section 3 business concern
- DOL YouthBuild participant

Targeted Section 3 Workers are workers who currently meet, or when hired within the past five years, met at least one of the following criteria:

- Low- or very low-income persons residing within the neighborhood or service area of the project
  - Neighborhood service area: A one-mile radius of project site, or if fewer than 5,000 people, an expanded circle centered on project that contains 5,000+ people
- Employed by a Section 3 business concern
- DOL YouthBuild participant

The Section 3 Benchmark Goals for Section 3 Workers:

- 25% of total labor hours should be worked by Section 3 workers; including
- 5% of total labor hours should be worked by Targeted Section 3 workers

\* Required

## RECIPIENT INFORMATION

### 1. Reporting Entity/Awardee of HUD Funds: \*

Awardee is the entity that received HUD funds through New York State Homes & Community Renewal

2. Awardee Address/Phone/Email \*

3. Section 3 Coordinator for Awardee: \*

4. Section 3 Coordinator Phone (w/area code): \*

5. Section 3 Coordinator Email \*



## PROJECT IDENTIFICATION

6. This Company is the following for the Project/funds (check all that apply): \*

- ☐ Owner
- ☐ Developer
- ☐ Municipality or Other Local Govt
- ☐ Non-Profit
- ☐ Local administrator for HOME funds
- ☐
- Other

7. Project Name, if applicable:

8. Street Address of Project \*

9. City/Town/Municipality of Project \*

10. County of Project \*

11. NYSHCR Project ID/SHARS#:

12. Enter 1 paragraph short description of the project. \*

13. **Start of Project**: Approximate date that HUD funds (e.g., HOME, CDBG, federal HTF) were committed for the specific Section 3 Project that is the subject of this report. For example, the construction closing date for federal HTF funds used for an affordable housing project OR the date the contract was finalized between a municipality and NYSHCR for CDBG funds. \*



Format: M/d/yyyy

14. This Report reflects Section 3 compliance for the following Reporting Period: \*

- ☐ Start of Project through June 30 (Mid-Year Report)
- ☐ Start of Project through Dec. 31 (Year-End Report)
- ☐ Start of Project through End of Project (Final Report)
- ☐

Other

15. Date of Completion of Project (Anticipated or Actual): \*

Format: M/d/yyyy

16. HUD Funding Source: \*

- ☐ CDBG (Community Development Block Grant)
- ☐ HOME Investment Partnerships Program
- ☐ Federal Housing Trust Fund
- ☐

Other

17. Dollar (\$) Amount of HUD Funds in the Project: \*

## CONTRACTORS AND SUBCONTRACTORS

18. List all Subawardees (if any), contractors and subcontractors that have worked on the Project: \*

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--

19. Confirm that all these subawardees, contractors and subcontractors have submitted a Section 3 Sub Reporting Form to Awardee (the entity completing this form), which this electronic Form now consolidates. Email the Sub Reporting Forms to [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org) (<mailto:Section3MWBE@nyshcr.org>). \*

☐ Yes. Confirmed.

☐ No.

☐

--

Other

20. List any Section 3 Businesses contracted/subcontracted on this Project (Name, Location, Contact Information, Date of Contract and Type of Work performed). \*

21. For any Section 3 Businesses listed above, confirm that Section 3 Business Certifications were collected upon contract-signing with the Section 3 Business. Email the Certifications to [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org) (<mailto:Section3MWBE@nyshcr.org>). Certification Forms available here: <https://hcr.ny.gov/S3BusinessSelfCert> (<https://hcr.ny.gov/S3BusinessSelfCert>). \*

☐ Yes. Confirmed.

☐ No.

☐ Not applicable. No Section 3 Businesses worked on Project.

☐

Other

## BENCHMARK GOALS AND SAFE HARBOR

Enter the Section 3 performance metrics for the Project since the Start of the Project for the reporting period (mid-year, year-end or final report). All Section 3 reporting is cumulative from the Start of Project. If Projects meet the Benchmark Goals described below, they can take advantage of the Safe Harbor and do not have to provide narratives and documentation supporting Greatest Extent Feasible Efforts made.

22. Does this Report include, as required, the Section 3 performance of Awardee (the reporting entity) and all sub-awardees (if any), contractors and subcontractors who have done any work on the Project? \*

☐ Yes

☐ No

☐

Other

23. Total Labor Hours worked on Project by Awardee and ALL subawardees (if any), contractors and subcontractors that work or worked on the Project since the Start of the Project: \*

(Total Labor Hours do NOT include hours worked by Professional Services Providers, which are non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services))

24. Section 3 Worker Hours: Total Labor Hours worked by Section 3 Workers. Benchmark Goal is 25% of Total Labor Hours worked on Project. \*

A Section 3 Worker is an individual employed by Awardee or its Subs who works on the Section 3 Project and who currently fits, or when hired within the past 5 years fit, at least one of the following criteria, as documented:

- Their income for the previous or annualized calendar year is categorized as low-income (80% AMI or less);
  - Residents/recipients of the following benefits are likely to meet the low-income criteria: Medicaid – Public Assistance/TANF, SNAP/Food Stamps, Section 8-assisted housing, Public Housing.
- They are employed by a Section 3 Business (these are also Targeted Section 3 Workers); or
- They are a YouthBuild participant (these are also Targeted Section 3 Workers).

BONUS OPPORTUNITY: If there are Section 3 Workers at a Professional Services company (either at Awardee or a contractor) that did work on the Project (e.g. junior accountants, architects, etc.) their work hours can be counted as a Section 3 Worker hours in this field while not counted in the Total Labor Hours, above. This may increase the Section 3 Worker hour percentages.

CONSOLIDATE ALL SECTION 3 WORKER CERTIFICATIONS (ALSO KNOWN AS THE "SECTION 3 HIRING FORM") SUPPORTING THIS NUMBER FOR NYSHCR/HUD INSPECTION.

25. What percentage of Total Labor Hours (#23) is Section 3 Worker Hours? Benchmark Goal is 25%. \*

26. Did the Project meet the 25% Benchmark Goal for Section 3 Worker Hours for the reporting period? \*

☐ Yes

☐ No

27. If the Project did NOT meet the 25% Section 3 Worker Benchmark Goal, explain why this was not possible. (Below, you will be asked about efforts taken to hire and contract to meet this benchmark goal). \*

28. Targeted Section 3 Worker Hours: Total Labor Hours worked by Targeted Section 3 Workers. Benchmark Goal is 5% of Total Labor Hours. This 5% is part of the Section 3 Worker Hours. \*

A Targeted Section 3 Worker is a Section 3 Worker who:

- Is employed by a Section 3 Business; or
- Currently fits or when hired within the last 5 years fit at least one of the following categories:
  - Lives within 1 mile of the Project or in areas where there are fewer than 5,000 people within 1 mile, an expanded circle around that Project that encompasses at least 5,000 people; or
  - A YouthBuild participant.

29. What percentage of Total Labor Hours (#23) are the Targeted Section 3 Worker Hours? Benchmark Goal is 5% of Total Labor Hours. \*



30. Did the Project meet the 5% Benchmark Goal for Targeted Section 3 Worker Hours? \*

☐ Yes

☐ No

31. If the Project did NOT meet the 5% Targeted Section 3 Benchmark Goal, explain why this was not possible. (Below, you will be asked about efforts taken to hire and contract to meet this benchmark goal).

32. Did the Project meet BOTH Section 3 Benchmarks, above (#26 and #30)? If so, Project can take advantage of the Safe Harbor and this form will skip the sections regarding Greatest Extent Feasible efforts taken by Awardee and Subs, and will take respondent to the final Certification Section). \*

☐ Yes

☐ No

☐

Other

## MANDATORY MINIMUM SECTION 3 REQUIREMENTS FOR PROJECTS THAT DID NOT MEET BENCHMARK GOALS

IF THE PROJECT DID NOT MEET THE BENCHMARK GOALS IN #26 & #30, ABOVE, YOU MUST COMPLETE THIS SECTION TO DEMONSTRATE GREATEST EXTENT FEASIBLE EFFORTS TO MEET SECTION 3 GOALS .

**Documentation in support of each of these efforts MUST be emailed to**

**Section3MWBE@nyshcr.org (mailto:Section3MWBE@nyshcr.org)**. Projects that met the Benchmark

Goals can skip this section.

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33. Confirmation that the Mandatory Minimum Section 3 Requirements were completed on the Project for both Recipient, GC and all Subs. Check all that apply (Provide supporting documentation to Dinorah Santiago at [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org). (mailto:Section3MWBE@nyshcr.org). (required)):

- ☐ A. Designated Section 3 Coordinator.
- ☐ B. All Hiring and contracting for the Project (including by Subs) included prioritization for Section 3 Workers and Section 3 Businesses, consistent with other state and federal laws.
- ☐ C. Used Section 3 Contract Clause included on ALL contracts for this project.
- ☐ D. All Subs on Project completed Section 3 Sub-Reporting and Greatest Extent Feasible Checklist form.
- ☐ E. The Section 3 Hiring Form to verify workers' Section 3 status was utilized
- ☐ F. Business Certification forms for Section 3 Businesses were collected at contract signing for all Section 3 Businesses that worked on the Project
- ☐ G. Included this language on all solicitations/requests for contactors and subcontractors: "This is a HUD Section 3 project with contracting priorities for businesses that hire or are owned by low-income persons".
- ☐ H. Included this language on all job descriptions and job postings: "This is a HUD Section 3 project with hiring priorities for businesses that hire or are owned by low-income persons".
- ☐ I. Posted job opportunities on the New York State Job Bank.
- ☐ J. Notified NYS Career Centers about job opportunities at the Project..
- ☐ K. Notified closest YouthBuild programs about job opportunities at the Project..
- ☐ L. Contacted local Public Housing Authorities and/or Section 8 programs located in project area to post work opportunities on community bulletin boards and newsletters.
- ☐ M. Posted Section 3 signage at project site.
- ☐ N. Staff at the Awardee, the General Contractor and their Subs that are in charge in hiring and contracting for the Project reviewed the HCR Section 3 Policy Manual, attended a training by HCR or HUD on Section 3 prior to the commencement of construction, and attended periodic additional trainings provided by HCR.
- ☐ O. Awardee and Subs have policy to retain records related to Section 3 performance and greatest extent feasible efforts, including the Section 3 Hiring Forms for itself and its subs, for at least 5 years

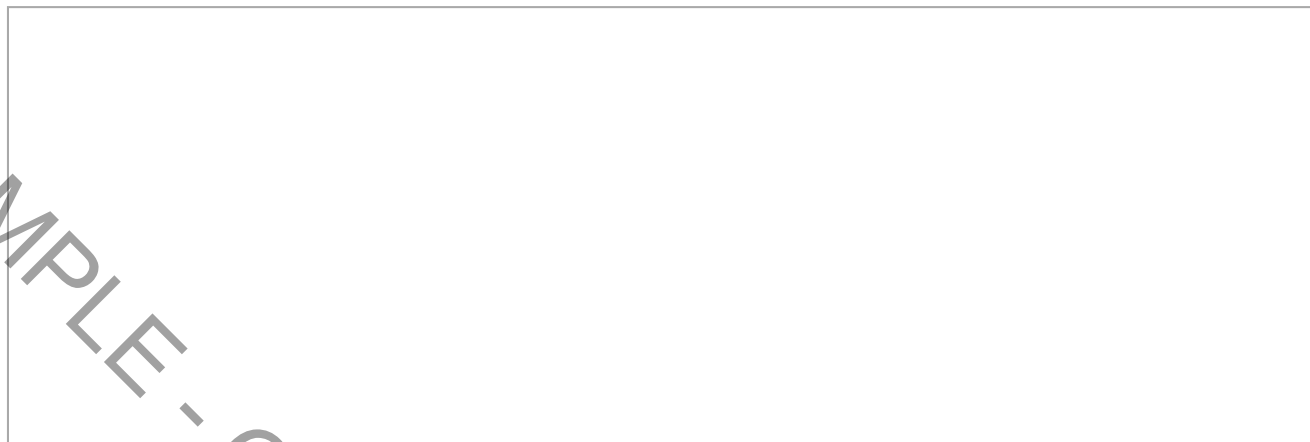


Other

34. List the date(s) that job postings were posted on the New York State Job Bank, the entity/Sub that posted them and the job titles posted. Retain screenshots or email confirmations on file for HUD/NYSHCR inspection. \*

35. List which YouthBuild, Public Housing Authorities and NYS Career Centers were notified, the date on which they were notified, the entity that notified them and the contents of the notifications (this is the "one-stop system referenced in Section 3 regulations). \*

36. Space for Explanation (if necessary) if Project did not complete all the Mandatory Minimum Requirements:

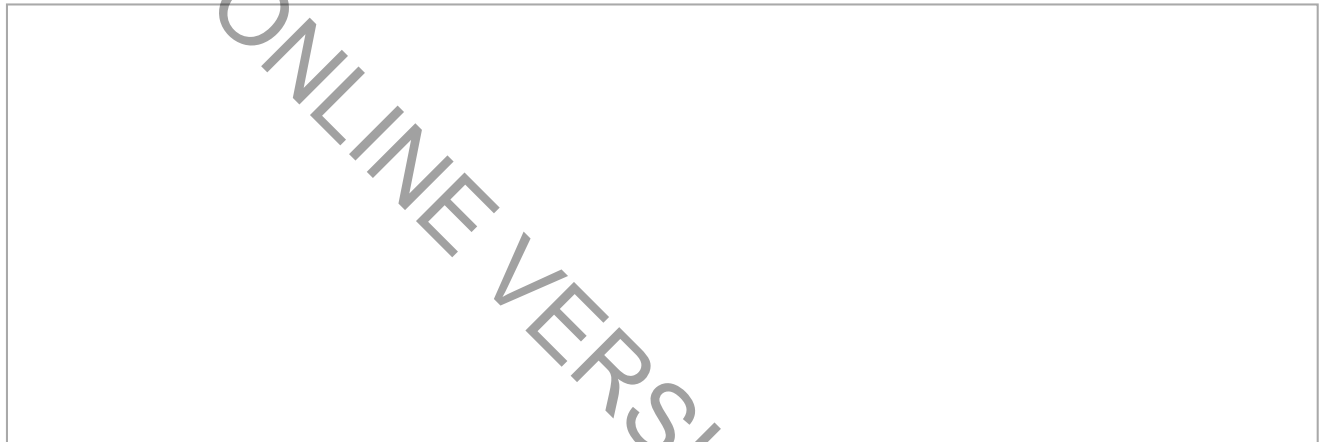


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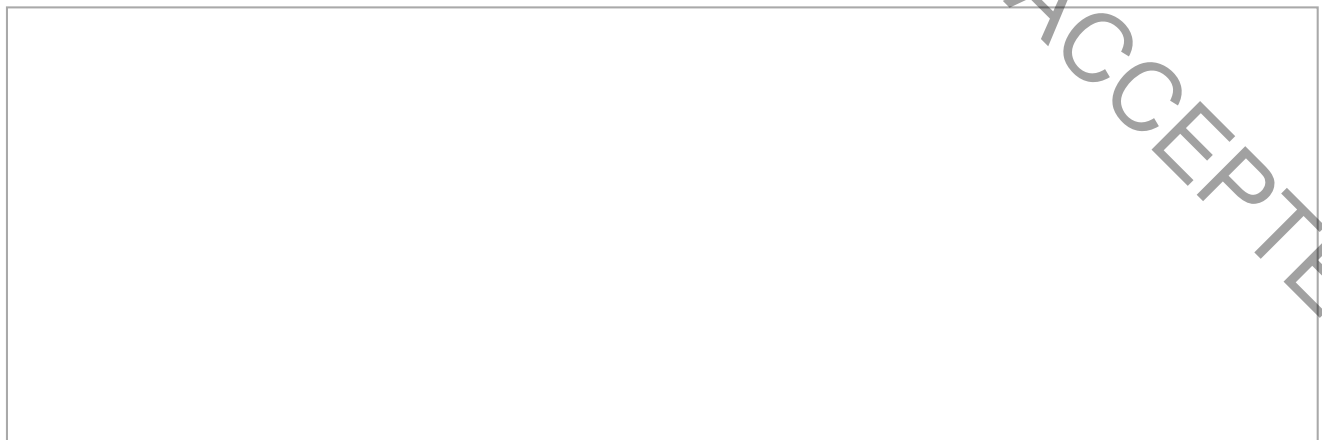
## HIRING - GREATEST EXTENT FEASIBLE EFFORTS

REQUIRED FOR PROJECTS THAT DIDN'T MEET THE BENCHMARK GOALS. Consolidate the activities completed by the Awardee and its Subs with respect to hiring and training and describe below. The information should be consolidated from the Sub Reporting & Greatest Extent Feasible Efforts Forms completed by the GC and Subs on the Project. Email supporting documentation/proof to Dinorah Santiago at [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org) (<mailto:Section3MWBE@nyshcr.org>).

37. (Consolidate answers in Section 4:A in the SubReporting Forms) Engaged in outreach efforts to generate job applicants who are Section 3 and Targeted Section 3 Workers. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.



38. (Consolidate answers in Section 4:B in the SubReporting Forms) Provided direct on-the-job training (such as apprenticeships) for low-income individuals. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.



39. (Consolidate answers in Section 4:C in the SubReporting Forms) Provided indirect training opportunities for low-income workers, such as arranging for, contracting for or paying tuition for offsite training for low-income workers. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

40. (Consolidate answers in Section 4:D in the SubReporting Forms) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching). Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

41. (Consolidate answers in Section 4:E in the SubReporting Forms) Provided or connected low-income individuals with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting individuals to job placement services. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

42. (Consolidate answers in Section 4:F in the SubReporting Forms) Held/attended as an employer one or more job fairs. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.



43. (Consolidate answers in Section 4:G in the SubReporting Forms) Provided or connected potential Section 3 Workers to supportive services that can provide direct services or referrals. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

44. (Consolidate answers in Section 4:H in the SubReporting Forms) Provided or connected low-income individuals to services supporting work readiness and retention (for example, work readiness health screening, interview clothing, uniforms, test fees, transportation). Describe, including which entity carried these activities out, the dates, location and format. Provide documentation. \*

45. (Consolidate answers in Section 4:I in the SubReporting Forms) Assisted low-income workers in finding/paying for childcare. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation. \*

46. (Consolidate answers in Section 4:J in the SubReporting Forms) Provided assistance for low-income individuals to apply for/or attend community college or a four-year educational institution. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

47. (Consolidate answers in Section 4:K in the SubReporting Forms) Provided assistance for low-income individuals to apply for/or attend vocational or technical training. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

48. (Consolidate answers in Section 4:L in the SubReporting Forms) Assisted Section 3 workers to obtain financial literacy training and/or coaching. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

49. (Consolidate answers in Section 4:M in the SubReporting Forms) Provided or connected residents with training on computer or online technologies. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

50. (Consolidate answers in Section 4:N in the SubReporting Forms) OTHER GREATEST EXTENT FEASIBLE HIRING EFFORTS (describe which entity engaged in this activity, that nature of the activity and include dates and locations. Email supporting documentation to [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org) (<mailto:Section3MWBE@nyshcr.org>)).

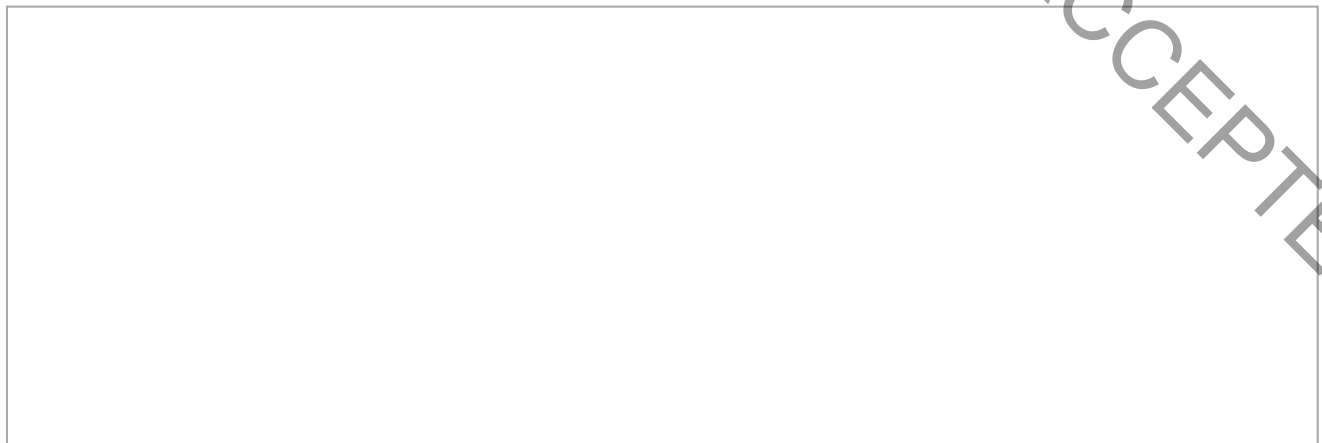
## CONTRACTING - GREATEST EXTENT FEASIBLE EFFORTS

REQUIRED FOR PROJECTS THAT DIDN'T MEET THE BENCHMARK GOALS. Consolidate the activities completed by the Awardee and its Subs with respect to hiring and training and describe below. The information should be consolidated from the Sub Reporting & Greatest Extent Feasible Efforts Forms completed by the GC and Subs on the Project. Email supporting documentation/proof to Dinorah Santiago at [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org) (mailto:Section3MWBE@nyshcr.org). (use a dropbox or other file sharing platform for large files).

51. (Consolidate answers in Section 5:A in the SubReporting Forms) Engaged in outreach efforts to identify and secure bids from Section 3 Businesses. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.



52. (Consolidate answers in Section 5:B in the SubReporting Forms) Provided technical assistance to help Section 3 Businesses understand and bid on contracts. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.




53. (Consolidate answers in Section 5:C in the SubReporting Forms) Provided bonding assistance, guaranties, training and technical assistance on contracting procedures or other efforts to support viable bids from Section 3 Businesses. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

SAMPLE - ONLINE VERSION ONLY ACCEPTED

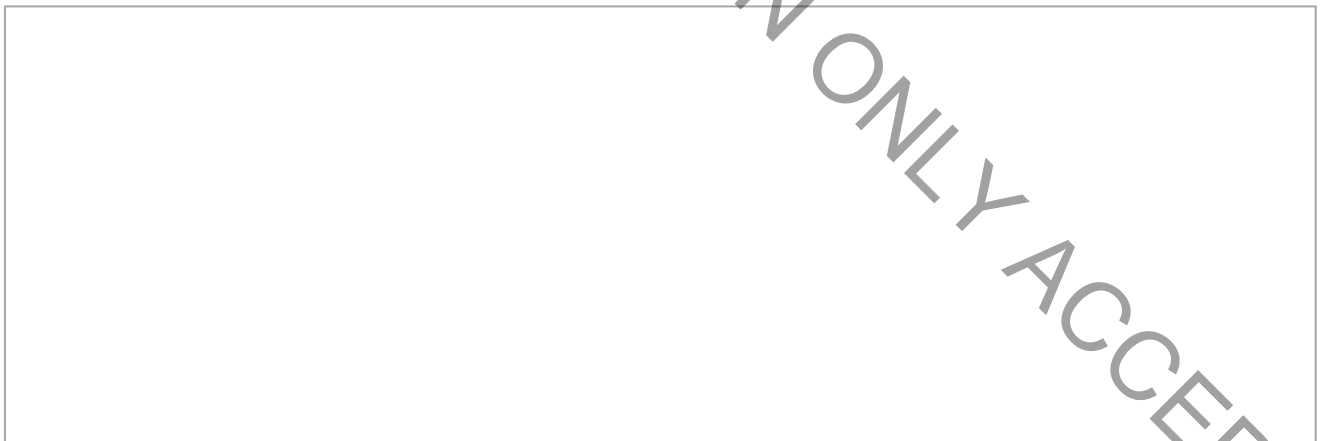
54. (Consolidate answers in Section 5:D in the SubReporting Forms) Divided contracts into smaller jobs to facilitate participation by Section 3 Businesses. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.

SAMPLE - ONLINE VERSION ONLY ACCEPTED

55. (Consolidate answers in Section 5:E in the SubReporting Forms) Promoted use of and/or utilized business registries designed to create opportunities for disadvantaged and small businesses. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.



56. (Consolidate answers in Section 5:F in the SubReporting Forms) Developed resources or sought out training to assist low-income/Section 3 Workers such as public/Section 8 housing residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, and obtain licenses, bonding, and insurance. Describe, including which entity carried these activities out, the dates, location and format. Provide documentation.



57. (Consolidate answers in Section 5:G in the SubReporting Forms) OTHER CONTRACTING GREATEST EXTENT FEASIBLE EFFORTS (describe which entity engaged in this activity, that nature of the activity and include dates and locations. Email supporting documentation to [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org). (<mailto:Section3MWBE@nyshcr.org>).

SAMPLE - ONLINE VERSION ONLY

58. I certify that the information contained in this Reporting Form includes the Greatest Extent Feasible Efforts undertaken for the Project by Awardee, as well as all the General Contractor and all other contractors and subcontractors . \*

☐ Yes

☐ No

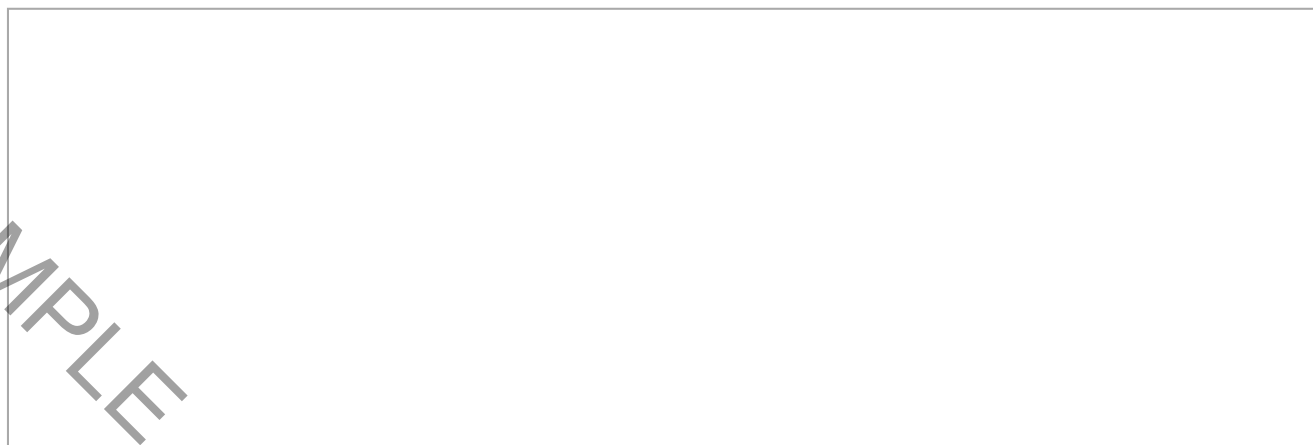
59. I certify that all supporting documentation regarding the Greatest Extent Feasible efforts listed above and undertaken by Awardee and its Subs were emailed to Dinorah Santiago at [Section3MWBE@nyshcr.org](mailto:Section3MWBE@nyshcr.org). (<mailto:Section3MWBE@nyshcr.org>). \*

☐ Yes

☐ No



60. ADDITIONAL SPACE FOR EXPLANATION (if necessary):



SAMPLE - ONLINE VERSION ONLY ACCEPTED

## FINAL SECTION - CERTIFICATION

61. I certify that Awardee and its Subs have taken the greatest extent feasible efforts to hire low-income individuals and contract with companies that hire or are owned by low-income individuals, particularly in the area/neighborhood surrounding the Project. \*

☐ Yes

☐ NO

☐

Other

62. I certify that I am duly authorized by Awardee, listed above, to make certifications as to Section 3 compliance by Awardee, and that the information on this form and appended to is true and accurate.

Non-compliance with requirements of Section 3 may result in sanctions, penalties, termination of this contract for default and debarment or suspension from future HUD-assisted contracts.

Type name below as signature. \*

63. Date of Signature \*

64. Telephone Number and Email of Person Completing the Certification \*