



1869

Grant Street | Seward Street | Henry Street

Street Reconstruction Project

Section 3 Requirements,
Acknowledgement and Certification



Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u and 24 CFR Part 75) requires that employment and economic opportunities generated by certain HUD Financial Assistance shall be directed to low- very low-income persons, particularly those who receive government assistance for housing and those residing in the community in which the federal assistance is spent. The benefits and dollars spent are staying local to help foster economic development, neighborhood economic development, and individual self-sufficiency. Improving the lives of the target recipients, low- and very low-income persons, and creating opportunities for jobs, for training, and possible business ownership helps people work their way out of poverty.

This project is partially funded using HUD Housing and Community Development Financial Assistance and is therefore subject to Section 3. The selected bidder, respondents, or funding applicant will be responsible for ensuring compliance with all applicable Section 3 requirements.

The City of Watertown's complete Section 3 Plan, Forms and Information can be found on our website at: <https://www.watertown-ny.gov/CommunityDevelopmentBlockGrant>

Respondents must submit the following form as part of your proposal or qualifications submission. All contractors, and subcontractors on Section 3 projects must submit this form. The entity receiving a contract from the City of Watertown must submit all required documentation, including subcontractors Section 3 Plans, prior to contract award. General questions about Section 3 requirements and forms can be directed to our Section 3 Coordinator, Sharlice Bonello at sbonello@watertown-ny.gov.

Section 3 Plan Acknowledgement and Certification

(Pages 2-8 to be completed and returned by contractor as part of bid submittal)

Project	Grant Street Seward Street Henry Street - Street Reconstruction Project
Business Name	
Address	
Authorized Representative	
Representative Title	
Phone Number	
Email	
Trade/Service Provided	
Your Contract Amount	

1. Section 3 Requirements

Prioritization of Effort in Employment, Training, and Contracting

Employment and Training

To the greatest extent feasible, employment and training opportunities arising in connection with Section 3 projects shall be provided to Section 3 workers within the Watertown-Fort Drum Metropolitan area. **Please refer to our Section 3 Policy and Procedures document under Section 3, Part C to meet this requirement.** Where feasible, priority of employment and training should be given to:

- i. Section 3 workers residing within the service area or neighborhood of the project, and
- ii. Participants in YouthBuild programs.

Contracting

To the greatest extent feasible, employment and training opportunities arising in connection with Section 3 projects shall be provided to Section 3 workers within the Watertown-Fort Drum Metropolitan area. Where feasible, priority of employment and training should be given to:

- i. Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or neighborhood of the project, and
- ii. Participants in YouthBuild programs.

2. Compliance Benchmarks

Safe Harbor Benchmarks

To demonstrate compliance with Section 3, contractors are required to follow the prioritization of effort, as stated above, and meet or exceed the following benchmarks:

- i. **25 %** or more of the total number of labor hours worked by all workers on the project shall be performed by **Section 3 workers**, and
- ii. **5 %** or more of the total number of labor hours worked by all workers on the project shall be performed by **Targeted Section 3 workers**.

Safe Harbor Compliance

If safer harbor benchmarks and prioritization of efforts are not met, safer harbor compliance, also known as qualitative efforts, can be met to stay in compliance. In accordance with 24 CFR 75.25, subrecipients and contractors must engage in qualitative efforts to satisfy the Section 3 benchmarks and provide economic opportunities to Section 3 workers and business concerns. Proof of qualitative efforts will need to be submitted to our Section 3 Coordinator. Examples of such efforts may include, but not limited to the following:

Applicant Outreach:

- i. Engage in outreach efforts to generate job applicants that are Section 3 and Targeted Section 3 workers, including posting job openings at the job site, HUD Opportunity Portal, social media pages, WorkPlace, and other platforms.
- ii. Clearly indicate Section 3 eligibility on all postings, notifications, and advertisements with the following statement: “This is a Section 3 eligible job opportunity. We encourage applications from individuals that are low-income, live in public housing, a YouthBuild participant, live within 1 mile of the worksite, and/or receive Section 8 voucher.”
- iii. Include the Section 3 Worker Self-Certification form in all job postings.

On-Stop / YouthBuild Outreach:

- iv. Engage in outreach or referrals with local YouthBuild programs and other community organizations to assist with training and recruiting Section 3 and Targeted Section 3 workers.

Training and Apprenticeships:

- i. Provide training or apprenticeship opportunities.

Job Fairs:

- i. Hold or participate in one or more job fairs.
- ii. Sponsor a job informational meeting in the Service Area / Neighborhood of the Project.

Business Concern Outreach:

- i. Engage in outreach effort to identify and secure bids from Section 3 businesses by advertising notices of contracting opportunities and related information on the HUD Opportunity Portal and local community papers/newspaper posting.
- ii. Provide written notice to all known Section 3 business concerns, with sufficient time for interested business to respond to bid invitations.
- iii. Send notice of contracting opportunities to local community development organizations, business development organizations, minority contracting associations, and/or veteran owned businesses that might also be a Section 3 businesses.
- iv. State clearly in all notices that the contracting opportunity is Section 3 eligible and include a copy of the Section 3 Business Concern Certification form. The following statement can be added to the advertisement: “This is a Section 3 eligible job opportunity. We encourage applications from Section 3 businesses concerns.”

Competition Assistance:

- i. Provide technical assistance to help Section 3 business concerns understand and bid on contracts.

Contract Sizing:

- i. Divide contracts into smaller jobs to facilitate participation by Section 3 business concerns, particularly where economies of scale or efficiency of delivery are not factors. [2 CFR 200.321(b)(3)]

Bidder Viability Support:

- i. Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

Business Registries:

- i. Promote use of the HUD Opportunity Portal or other business registries designed to create opportunities for disadvantaged and small businesses.

Employment Assistance:

- i. Provide technical assistance to help Section 3 workers compete for jobs, or connect them with assistance in seeking employment, including:
 - a. Resume assistance
 - b. Interview preparation
 - c. Coaching
 - d. Job placement services

Work Readiness and Retention:

- i. Provide or refer Section 3 workers to services supporting work readiness and retention, such as:
 - a. Interview clothing
 - b. Licensing or testing fees
 - c. Transportation
 - d. Childcare

Financial Literacy:

- i. Help Section 3 workers obtain financial literacy training or coaching.

Education Assistance:

3. Provide assistance to Section 3 workers to apply for or attend:
 - a. Community college
 - b. Four-year educational institution
 - c. Vocational or technical training

Definitions

Section 3 worker: Any worker who currently fits or when hired within the past 5 years, fit at least one of the following categories (if hired before November 30, 2020, the employee needs to currently meet one of the following):

- i. The worker's income for the previous or annualized calendar year is below the income limit established by HUD; or
- ii. The worker is employed by a Section 3 business concern; or
- iii. The worker is a YouthBuild participant.

Targeted Section 3 worker: A Section 3 worker who is:

- i. A worker employed by a Section 3 business concern; or

- ii. A worker who currently fit or when hired within the past 5 years, fit at least one of the following categories (if hired before November 30, 2020, the employee needs to currently meet one of the following):
 - a. Living within the service area or the neighborhood of the project; or
 - b. A YouthBuild participant.

Service area or neighborhood of the project: An area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent census.

Section 3 business concern: A business that satisfies at least one of the following criteria within the last six-month period:

- i. The business is **at least 51%** owned and controlled by low- or very low-income persons; or
- ii. The business is **at least 51%** owned and controlled by residents who currently live in public housing or Section 8-assisted housing; or
- iii. **Over 75%** of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers – i.e., workers who currently are, or when hired within the past 5 years were: 1) low- or very low-income persons or 2) YouthBuild participants.

HUD Income Limits

The table below shows the income limits set by HUD that determines eligibility for certain programs, including Section 3. HUD develops income limits based on Fair Market Rent (FMR). For more information, please see the HUD Income Limits Documentation System online at <https://www.huduser.gov/portal/datasets/il.html>

Watertown-Fort Drum MSA

Fiscal Year	2022	2021	2020
Low-income (80% AMI)	\$42,950	\$38,850	\$37,650

The Watertown-Fort Drum MSA contains the following areas: Jefferson County, NY

Section 3 Plan Acknowledgement and Certification

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1. Do you commit to prioritization of efforts in hiring, training, and contracting as required by Section 3 regulations?

Circle YES or NO. Initial _____

2. Do you commit to engage in Safe Harbor Benchmarks, listed above, required by Section 3 regulations?

Circle YES or NO. Initial _____

3. Do you commit to engage in qualitative efforts to meet or exceed the Section 3 Benchmarks listed above?

Circle YES or NO. Initial _____

4. Do you commit to keep record of all documentation submitted to the City along with awarded contracts/subcontracts for 5 years?

Circle YES or NO. Initial _____

5. If you are the lowest responsible bidder for this project, do you agree to submit a Section 3 Plan for your company, include a Section 3 Clause in every contract, and have any subcontractors that you plan to hire also submit a Section 3 Plan that is consistent with the requirements identified above prior to bid award?

Circle YES or NO. Initial _____

Certification

The business entity _____, commits to comply with Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 75). If awarded a contract subject to Section 3, the business agrees to adhere to all such requirements, including meeting the benchmarks set forth by the regulations, maintaining records of Section 3 activity, providing evidence of qualitative efforts, and submitting compliance reports to the City of Watertown periodically and at the end of a project. The business will submit any additional documentation as necessary, including updates or revisions to this Section 3 Plan, documentation of labor hours, and certification forms for Section 3 workers and business concerns.

Noncompliance with Section 3 by any business may be used to determine contractor responsibility and bid responsiveness on future contracting opportunities with the City. In addition, noncompliance may result in sanctions, debarment, suspension, or limited denial of future participation in HUD programs pursuant to 24 CFR Part 75.

Authorized Representative Signature

Date