

# Southern Nevada Regional Housing Authority

## Section 3 Policy





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## INTRODUCTION

Section 3 is a provision of the Housing and Urban Development Act of 1968, which recognizes that HUD funds are typically one of the largest sources of federal funding expended in communities through the form of grants, loans, entitlement allocations and other forms of financial assistance. Section 3 is intended to ensure that when employment or contracting opportunities are generated because of a Section 3 covered project or activity, preference must be given to Section 3 Residents (see definition) or Section 3 business concerns (see definition).

This Section 3 Policy and the Forms included within intends to do the following:

- Sets forth the policy, goals, and preferences of the Southern Nevada Regional Housing Authority (herein referred to as “SNRHA” or the “HA” or the Housing Authority) in the administration of its Section 3 program, which is intended to ensure that employment and other economic opportunities generated by certain financial assistance provided by the U.S. Department of Housing and Urban Development (“HUD”) 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, and to business concerns which provide economic opportunities to low- and very low-income persons;
- Summarizes the standards and procedures to be followed to ensure that the objectives of Section 3 are met that are set out in 24 CFR Part 135;
- Provides the requirements for contractors, vendors or subcontractors to follow; and
- Contains the forms that contractors, vendors, or subcontractors will require to demonstrate compliance.

For more information visit HUD’s website at:

**<http://www.hud.gov/section3>**

or visit SNRHA’s Vendor Center at:

**<http://www.snrha.org/procurement.htm>**



## GENERAL POLICY STATEMENT AND PURPOSE

The Southern Nevada Regional Housing Authority (SNRHA) is committed to helping the residents move toward self-sufficiency by providing opportunities for training and employment. It is the policy of SNRHA of Las Vegas, NV to require its contractors, vendors and subcontractors to provide equal opportunities to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applications and existing employees are given fair and equal treatment. SNRHA implements this policy through the awarding of contracts to contractors, vendors, and suppliers to create employment and business opportunities for the residents of the Housing Authority (HA) and other qualified low and very-low income persons residing in Clark County Nevada.

The Section 3 Policy shall result in a reasonable level of success in the recruitment, employment, and utilization of SNRHA residents and other eligible persons and businesses by the contractors working on contracts partially or wholly funded with the United States Department of Urban Development (HUD) monies. The HA shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to SNRHA residents prior to acting on any proposed contract award. This is accomplished through the **Contractor's Initial Response** form that is submitted with their bid/proposal.

SNRHA fully embraces its obligations as defined under Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) which requires the SNRHA to guarantee that employment and other economic and business opportunities generated by HUD financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons. The purpose of SNRHA's Section 3 Policy is to set clear expectations of our business partners to ensure compliance and more importantly, that the spirit of this program and this agency's philosophy are communicated and transparent to all those who work with SNRHA.



## CONTRACTING POLICY

### A. General Overview

This section outlines regulatory requirements and minimum standards of compliance this agency has set for recipients of Section 3 covered contracts through its contracting policy.

A Section 3 covered contract is 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" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). Contracts which are solely awarded for the purchase of supplies and materials also are not subject to Section 3 requirements. However, whenever a contract for materials includes the installation of the materials (labor component), the contract establishes a Section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

### B. Applicable Section 3 Funding Sources

Section 3 applies to the following types of Public and Indian Housing assistance:

- Public Housing Operating subsidies
- Public Housing Capital Funds for Development and Modernization;
- Hope VI Revitalization Grants;
- Neighborhood Stabilization Program (NSP);
- Resident Opportunities and Self-Sufficiency (ROSS) Grants;
- Family Self-Sufficiency (FSS) Grants; and
- Economic Stimulus Funding

In situations where multiple funding sources are utilized on a contract, Section 3 regulations in 24 CFR § 135.3 require that Section 3 be applied to the entire contract, notwithstanding the amount of covered assistance used.

24 CFR § 135.3 also stipulates that no thresholds apply to Section 3 covered public and Indian housing assistance. Therefore, these requirements apply to all contractors, vendors and subcontractors performing work in connection with projects and activities funded by public and Indian housing assistance covered by Section 3, regardless of the amount of the contract or the subcontract.



### C. Numerical Goals for Contract Awards

The numerical goals set forth below apply to contracts awarded in connection with all Section 3 covered projects and Section 3 covered activities. SNRHA and each of its contractors and subcontractors must demonstrate compliance with Section 3 requirements in this part by committing to award contracts to Section 3 business concerns or to persons who contract with those firms.

SNRHA'S contracting goals require that Section 3 business concerns receive at least:

- a) 10% of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
- b) 3% of the total dollar amount of all other Section 3 covered contracts.

These numeric goals apply to the entire amount of Section 3 covered assistance awarded to SNRHA in any calendar year; January 1st to December 31st. SNRHA's goals apply to the total dollar amount of each contract, task order, or purchase order where HUD monies are utilized.

SNRHA or its contractors may contract directly with a Section 3 business concern or contract with contractors that subcontract to a Section 3 business concern, in either case, SNRHA's preference is to give priority to the business concerns that employ Section 3 Residents from the property in which the work is being performed (Category 1 Resident) whenever possible.

Efforts shall be directed to award contracts to Section 3 business concerns and to businesses with a successful history of complying with Section 3 requirements.

All recipients of contracts that have a Section 3 Clause in them will be required to attend a mandatory meeting with the Section 3 Coordinator prior to the start of the contract. This meeting will be to discuss Section 3 compliance requirements and will provide the contractor with a thorough understanding of their obligations to Section 3.

### D. Obtaining Section 3 Business Concern Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with SNRHA shall complete the **Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability Form**, which can be obtained from <http://www.snvrha.org/>, this policy, or the SNRHA Section 3 Coordinator. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program.



This form, along with all supporting documentation, must be submitted to the Section 3 Coordinator for review at least 5 business days prior to the submission of bids or proposals. This time is needed for the individual review and processing of each request. If the request for Section 3 business concern preference is approved, the Section 3 Coordinator will award the contractor or vendor a certificate which will be valid for the entire calendar year in which the certification was awarded in. This certificate must be included in the initial bid/proposal package as well as all future bids/proposals submitted during the remainder of the calendar year in which Section 3 preference is being claimed.

SNRHA will accept the Section 3 Business Certificate produced collaboratively by the City of Las Vegas, City of Henderson, City of North Las Vegas and Clark County as proof of Section 3 status for a business claiming the procurement preference. This document must not be expired and must be presented in the bid/proposal package prior to deadline.

#### E. Preference in Awarding Contracts

Efforts shall be directed to award contracts to Section 3 business concerns in the following order of priority:

- a) Business concerns that are 51% or more owned by residents of the housing development or developments for which the Section 3 covered assistance is expended, or whose full-time, permanent workforce includes 30% of these persons as employees (category 1 businesses);
- b) Business concerns that are 51% or more owned by residents of other housing developments or developments managed by the HA that is expending the Section 3 covered assistance, or whose full-time, permanent workforce includes 30% of these persons as employees (category 2 businesses); or
- c) Business concerns that are 51% or more owned by Section 3 Residents, or whose permanent, full-time workforce includes no less than 30% Section 3 Residents (category 3 businesses), or that subcontract in excess of 25% of the total amount of subcontracts to business concerns identified in paragraphs (a) and (b) of this section.

#### F. Bidding Preference in Awarding Contracts

In accordance with 24 CFR 135, SNRHA employs bidding preferences for responsive Section 3 business concerns for each competitive procurement method:

- a) *Small Purchase Price Based Solicitation*: Section 3 business concern shall receive award if quote is no more than 10% higher than the lowest responsive quotation.



- b) *Qualification Based Solicitation (QBS) and Request for Proposals (RFP)*: Section 3 business concern shall receive additional points during evaluation, between 15 and 25% of the total number of available points, as set forth in the solicitation.
- c) *Invitation for Bid Solicitation (IFB)*: Section 3 business concern shall receive award if that bid:

Bid Amount	x = lesser of
When the lowest responsible bid is less than \$100,000	10% of that bid or \$9,000
When the lowest responsible bid is:	
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 \$1,000,000	5% of that bid or \$40,000
At least \$1,000,000, but less than \$2,000,000	4% of that bid or \$60,000
At least \$2,000,000, but less than \$4,000,000	3% of that bid or \$80,000
At least \$4,000,000, but less than \$7,000,000	2% of that bid or \$105,000
\$7,000,000 or more	1.5% of the lowest responsive bid, with no dollar limit





### **Examples of SNRHA Efforts to Award Contracts to Section 3 Business Concerns**

In accordance with 24 CFR 135, SNRHA will utilize the following methods to ensure that effort is made to award contracts to Section 3 business concerns:

1. Utilize procurement procedures that provide contracting preference for Section 3 business concerns for each applicable procurement method authorized in 24 CFR 85.36(d).
2. Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
3. In determining the responsibility of potential contractors, SNRHA considers the bidder's record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
4. Coordinate pre-bid meetings at which the Section 3 business concerns would be informed in detail of contract requirements and contracting opportunities.
5. Conduct workshops on SNRHA's contracting procedures to include bonding, insurance, and other pertinent requirements biannually in an effort to allow Section 3 business concerns the opportunity to take advantage of any upcoming contracting opportunities.
6. Where appropriate, SNRHA will consider breaking out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.
7. Contact area Chambers of Commerce, business assistance agencies, Minority and Women's Business Enterprise (M/WBE) contractor associations and community organizations to inform them of contracting opportunities.
8. Maintain a list of eligible Section 3 business concerns that are certified by SNRHA; review and credential business concerns no less than annually.
9. Participation in opportunities of the Contracting with Resident Owned Businesses Program provided under 24 CFR 963.
10. Utilize SNRHA's Section 3 Job Development Fund to develop resources, fund training and allowable business expenses to assist residents interested in starting their own businesses.



## EMPLOYMENT & TRAINING GOALS

### A. General Overview

This section outlines regulatory requirements and minimum standards of compliance this agency has set for recipients of Section 3 covered contracts and activities through its employment and training goals.

### B. Tier I – Hiring of Section 3 Residents (preferred method of participation)

It is the policy of the SNRHA to utilize Section 3 Residents and Section 3 business concerns in contracts that are partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). SNRHA has established employment and training goals that contractors, vendors and subcontractors ~~must~~ ~~should~~ meet in order to comply with Section 3 requirements.

Contractors, vendors and subcontractors who receive a Section 3 covered contract from SNRHA which includes a labor component are in compliance with Section 3 if they meet the minimum numerical goals set forth at 24 CFR part 135.30. Simply stated, when additional personnel are needed to start or complete the contract, contractors, vendors, and subcontractors must demonstrate compliance by employing Section 3 Residents as 30% of the aggregate number of new hires. New hires are defined as full-time employees hired for permanent, temporary, or seasonal employment. Building trades personnel are considered to be new hires at the start of each construction project.

### C. Priority of Hiring

The Section 3 Regulations, at 24 CFR part 135, require that, in public housing programs compliance efforts shall be directed to provide training and employment opportunities to Section 3 Residents in the following order of priority:

1. Residents of the development or developments where the covered assistance is expended (category 1 residents).
2. Residents of other developments and programs managed by SNRHA (category 2 residents).
3. Participants in DOL's Youthbuild Program in Las Vegas, NV (category 3 residents).
4. Other Section 3 Residents to include all other low- and very low-income persons within Clark County, NV.

If a new hire is needed, the contractor will complete and submit **Form 3 - Intent to Hire** to the Section 3 Coordinator. Upon receipt of this form a number of applicable resumes will be returned to the contractor. In situations where a new hire is needed, a contractor will not be required to hire persons who are not qualified for the job. However, the Section 3 Coordinator must be notified first of ALL new



employment opportunities and subsequently must be given a chance to locate qualified Section 3 Residents to at a minimum, interview for the position.

When hiring, contractors are expected to track and provide detailed notes on their progress in filling a position. These notes must at a minimum track attempts to contact the resident, the results of the contact and stages of hiring, including but not limited to application, interview, offer and employer due diligence. This tracking is required to be submitted when a contractor is requesting certification of their efforts to hire non-Section 3 Residents from Clark County. A contractor must obtain clearance that sufficient effort has been made in each priority before the Section 3 Coordinator will approve the contractor to hire any new employee outside of the Section 3 Job Bank.

It is the responsibility of the contractors, subcontractors and vendors to implement progressive efforts to attain Section 3 compliance. Any contractor, vendor, or subcontractor that does not meet the Section 3 numerical goals must demonstrate why meeting this goal was not feasible.

D. Tier II - Additional Section 3 Opportunities to Consider

If a contractor, vendor, or subcontractor does not have a need to hire full-time employees, it may provide other opportunities with approval from the Section 3 Coordinator, such as:

1. Internships – the vendor may provide youth and/or adult internship or apprenticeship opportunities for SNRHA residents.
2. Part-Time Employment - vendors may provide part-time work for Section 3 Residents.
3. Training – vendors may provide paid training opportunities for Section 3 Residents (especially on-the-job training). Opportunities should fall under one or more of the following categories:
  - (a) Employment skills – Applied training courses that result in certificate, such as forklift operation or truck driving training;
  - (b) Licensing or Certifications – Sponsor cost of training and exams fees for resident employee;
  - (c) Business development – Entrepreneurship and small business training course fees for resident employee.



### **Examples of SNRHA Efforts to Offer Training and Employment Opportunities to Section 3 Residents**

In accordance with 24 CFR 135, SNRHA will utilize the following methods to ensure that effort is made to offer training, employment and other economic opportunities to Section 3 residents:

1. Advertising training and employment opportunities by distributing flyers and posting opportunities where the work is to be performed, in common areas of the Housing Authority and through Resident Program staff.
2. When appropriate, sponsoring job fairs or job information meetings with Housing Authority and/or contractor representatives.
3. Meeting with Resident Councils to educate and enable these representatives to assist fellow residents in applying for Section 3 programs.
4. Maintain a Job Bank of qualified residents to refer to future HA and contractor opportunities.
5. Undertake informational and counseling sessions for residents to assist them in obtaining employment.
6. Employ Section 3 Residents directly on either a permanent or a temporary basis to perform work generated by section 3 assistance.
7. Incorporating specific hiring requirements into contracts funded with section 3 covered assistance.
8. Assigning staff to function as a job coordinator to assist in training and employment placement for Housing Authority and contractor positions.
9. Facilitate a Job Development Fund for qualified residents seeking financial assistance with pre- vocational work needs, training and business expenses.



## PROGRAM MONITORING

### A. Program Monitoring

It is the desire of SNRHA to encourage its contractors, vendors and subcontractors to achieve success with Section 3 in a timely fashion. The SNRHA requires contractors, subcontractors and vendors to implement progressive efforts to comply with Section 3. The Section 3 Coordinator will monitor and evaluate contractor compliance with established employment, training and resident hiring goals. Each contractor will be monitored based on their confirmed **Initial Response Form** which was submitted in the bid or proposal package and reiterated in the mandatory Section 3 Meeting prior to contract execution.



B. HUD Reporting

Contractors, vendors and subcontractors will be required to submit **Employment Summary Reports** at the end of each contract and/or at the end of each calendar year if their contract overlaps calendar years. Failure to comply with reporting requirements will be included in a contractor's record of compliance and will affect future eligibility to receive awards from SNRHA.



## DEFINITIONS

The applicable definitions for SNRHA's Section 3 program are the same as those set out in HUD's regulations at 24 CFR 135. Some of the more relevant terms utilized regularly in SNRHA's administration of the policy are:

*Business concern* means 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.

*Business concern that provides economic opportunities for low- and very low-income persons.* See definition of "section 3 business concern" in this section.

*Contract.* See the definition of "section 3 covered contract" in this section.

*Contractor* means 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* means all employment opportunities generated by the expenditure of section 3 covered public and Indian housing assistance (i.e., operating assistance, development assistance and modernization assistance, as described in §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 §135.3(a)(2)), including management and administrative jobs connected with the section 3 covered project. 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 authority (HA)* means, collectively, public housing agency and Indian housing authority.

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

*Housing development* means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

*HUD Youthbuild programs* mean 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.

*Low-income person.* See the definition of "section 3 resident" in this section.



*New hires* mean full-time employees for permanent, temporary or seasonal employment opportunities.

*Other HUD programs* means HUD programs, other than HUD public and Indian housing programs, that provide housing and community development assistance for “section 3 covered projects,” as defined in this section.

*Public housing resident* has the meaning given this term in 24 CFR part 963.

*Recipient* means 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, PHA, IHA, Indian tribe, 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. 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* means section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

*Section 3 business concern* means a business concern, as defined in this section—

- (1) That is 51 percent or more owned by section 3 residents; or
- (2) Whose permanent, full-time employees include persons, at least 30 percent 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 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of “section 3 business concern.”

*Section 3 clause* means the contract provisions set forth in §135.38.

*Section 3 covered activity* means any activity which is funded by section 3 covered assistance public and Indian housing assistance.

*Section 3 covered assistance* means: (1) Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;  
(2) Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;  
(3) Public and Indian housing modernization assistance provided 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:  
(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);  
(ii) Housing construction; or  
(iii) Other public construction project (which includes other buildings or improvements, regardless of ownership).

*Section 3 covered contract* means 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" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "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. For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by section 3.

*Section 3 covered project* means 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 joint venture.* See §135.40.

*Section 3 resident* means: (1) A public housing resident; or  
(2) An individual who resides in the metropolitan area or nonmetropolitan county in which the section 3 covered assistance is expended, and who is:

(i) *A low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or

(ii) *A very low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

(3) A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

*Section 8 assistance* means assistance provided under section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

*Service area* means the geographical area in which the persons benefitting from the section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the section 3 covered assistance is expended. In HUD's Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe's sovereign power, is limited to the area of tribal jurisdiction.



*Subcontractor* means 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.* See the definition of “section 3 resident” in this section.

*Youthbuild programs.* See the definition of “HUD Youthbuild programs” in this section.  
[59 FR 33880, June 30, 1994, as amended at 61 FR 5206, Feb. 9, 1996]



### SECTION 3 CLAUSE

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 Clause), including those used to encumber subcontractors of SNRHA's prime contractors:

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.



G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).



## SECTION 3 CONTRACTOR FORMS

The first form is optional and to be used if applying for Section 3 business concern preference. The second form should be submitted with your bid/proposal packet. Forms 3 and 4 will be submitted if there is a need to hire during your contract period with SNRHA. Form 5 MUST be submitted at the end of the contract and/or calendar year regardless if there is a need to hire or not.

**Form 1 - CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY.** This form is required ONLY if Section 3 Business Concern Preference is being sought. This completed form and all applicable supporting documentation must be submitted to the Section 3 Coordinator no later than 5 business days prior to the bidding deadline if Section 3 Business Concern preference is being requested.

**Form 2 - SECTION 3 – CONTRACTOR INITIAL RESPONSE.** This form should be fully completed, signed, and turned in with proposal.

**Form 3 – INTENT TO HIRE.** If contractor has a need to hire, this form will be completed and returned to the Section 3 Coordinator to start the Section 3 Resident hiring process.

**Form 4 – EMPLOYEE PLACEMENT REPORT.** If a contractor hires one (or more) Section 3 Resident(s), this form will be completed and returned to the Section 3 Coordinator with information regarding the resident’s employment. This form will also be used when a Section 3 Resident is terminated by the contractor for whatever reason.

**Form 5 – EMPLOYMENT SUMMARY REPORT.** This form is required by all contractors at the end of each contract and at the end of each calendar year if their contract overlaps calendar years. Failure to comply with this HUD reporting requirement will be included in a contractor’s record of compliance and will affect future eligibility to receive awards from SNRHA.



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

NAME OF BUSINESS: \_\_\_\_\_

ADDRESS OF BUSINESS: \_\_\_\_\_

TYPE OF BUSINESS:  Corporation  Partnership  Sole Proprietorship  Joint Venture

Attached is the following documentation as evidence of status:

**FOR BUSINESS CLAIMING STATUS AS A SECTION 3 RESIDENT-OWNED ENTERPRISE**

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

**For the business entity as applicable:**

- Copy of Articles of Incorporation
- Assumed Business Name Certificate
- List of owners/stockholder and % of each
- Latest Board minutes appointing officers
- Organization chart with names and titles and brief functional statement
- Certificate of Good Standing
- Partnership Agreement
- Corporation Annual Report
- Additional documentation

**FOR BUSINESS CLAIMING SECTION 3 STATUS BY SUBCONTRACTING 25% OF THE DOLLAR  
AWARDED TO QUALIFIED SECTION 3 BUSINESS (ES)**

- List of subcontracted Section 3 business and subcontract amount
- Copy of certification from City of Las Vegas or Clark County

**FOR BUSINESS CLAIMING SECTION 3 STATUS BY CLAIMING AT LEAST 30% OF THEIR  
WORKFORCE ARE CURRENTLY SECTION 3 RESIDENTS OR WERE SECTION 3 ELIGIBLE  
RESIDENTS WITHIN 3 YEARS OF DATE OF FIRST EMPLOYMENT WITH THE BUSINESS**

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

**EVIDENCE OF ABILITY TO PERFORM SUCCESSFULLY UNDER THE TERMS AND CONDITIONS OF  
THE PROPOSED CONTRACT**

- Current financial statement
- Statement of ability to comply
- List of owned equipment
- List of all contracts for the past 2 years with public policy

**Corporate Seal**

\_\_\_\_\_  
Authorizing Name and Signature

\_\_\_\_\_  
Notary

\_\_\_\_\_  
Title

My term expires: \_\_\_\_\_



**SECTION 3 – CONTRACTOR INITIAL RESPONSE**

**Contractor Information**

\_\_\_\_\_  
Company Name (Contractor) \_\_\_\_\_  
Contact Person

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State \_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Phone Fax \_\_\_\_\_  
E-mail

**Section 3 Commitment**

To meet the requirements of Section 3 of the Housing Act of 1968 [12 U.S.C. 1701u], as amended, the terms of the contract, and pursuant to Southern Nevada Regional Housing Authority’s (SNRHA’s) Section 3 Policy, please answer the following questions;

- Do you expect to create any new full time employment opportunities during the period while under contract with SNRHA? \_\_\_\_\_
- If **yes**, of the full time employment opportunities that are created, how many will result in the direct hiring of Section 3 eligible SNRHA’s Public Housing residents, Housing Choice Voucher participants and/or low income persons within Clark County (determined by HUD’s criteria for low income)? \_\_\_\_\_
- If **no**, what is your plan to create other employment and training opportunities in order to comply with Section 3 requirements?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Upon award of the contract, the contractor will meet with SNRHA to develop the Section 3 Plan specific to the contract, including scheduled progress and compliance deadlines.**

\_\_\_\_\_  
Signature \_\_\_\_\_  
Date



**Intent to Hire Form**

**Employer Information**

**Company:** \_\_\_\_\_ **Contact:** \_\_\_\_\_

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

*City, State* *Zip*

**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Position Information**

**Job Title of Opening:** \_\_\_\_\_

**How Many Openings:** \_\_\_\_\_

Part Time       Full Time       Permanent       Temporary   
Replacement       New Position       Hourly       Exempt

**Proposed Starting Salary: \$** \_\_\_\_\_

**Job Category:** \_\_\_\_\_

**Proposed Start Date:** \_\_\_\_\_

**Projected End Date:** \_\_\_\_\_

**Special Requirements i.e. Licenses, Certifications, etc.**

\_\_\_\_ OSHA 10      \_\_\_\_ CDL License  
\_\_\_\_ Guard Card      \_\_\_\_ Heavy Equipment Operator  
\_\_\_\_ TAM Card      \_\_\_\_ Other: \_\_\_\_\_

**Job Function / Desired Skills:**

Essential	

Preferred	





**Any Additional Skills Required:**

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**Screening Criteria: (Please note any specific qualifying or disqualifying factors)**

**Education: HS / GED Required? Y / N      Bachelors Required? Y / N**

**Criminal Background OK? Y / N                  NV Driver's License Required? Y / N**

**Other:** \_\_\_\_\_

**Referrals**

Employer Preference:

- All SNRHA Section 3 Participants
- All applicants in category
- Pre-screened applicants

Preferred Delivery Method:

- Fax: \_\_\_\_\_
- Email: \_\_\_\_\_
- Hard Copies Mailed: \_\_\_\_\_

**Verification of Hire**

**Date Offer Extended:** \_\_\_\_\_

**SNRHA Section 3 Participant Hired?                  Y / N**

**Other Section 3 Certified Participant Hired?      Y / N**

**Employee Placement Report Received?      Y / N**

**Section 3 Congratulations Letter Sent?      Y / N**

**Expected Staff Hours to be completed by New Hire:** \_\_\_\_\_



**Employee Placement Report**

**Section 3 Hire Information**

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Section 3 Employee Name: \_\_\_\_\_  
Hire Date: \_\_\_\_\_  
Placement Start Date: \_\_\_\_\_ Placement End Date: \_\_\_\_\_

**Section 1: Employment Information**

Job Title: \_\_\_\_\_ Hourly Wage: \_\_\_\_\_  
Project/Contract Name: \_\_\_\_\_  
Work Location Address: \_\_\_\_\_

**Section 2: Benefit Information- Check all that Apply**

401K  Life Insurance  Uniform Furnished   
Vacation Leave  Sick / Disability Leave  Other  \_\_\_\_\_

**Section 3: Contact Person or Supervisor for Section 3 Employee**

Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_ Fax: \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**Contractor Employment Summary Report:** \_\_\_\_\_

**Contractor Information**

<b>Company Name :</b>	
<b>Please Circle One:    General Contractor    or    Subcontractor</b>	
<b>Company Contact :</b>	<b>Phone :</b>
<b>Email :</b>	<b>Fax :</b>

**Employment Information**

Job Category	New Hires During Reporting Period	New Hires from Section 3 During Reporting Period	Number of Section 3 Residents Trained
<b>Officers/Supervisors</b>			
<b>Professionals</b>			
<b>Technicians</b>			
<b>Office/Clerical</b>			
<b>Trade : Helper</b>			
<b>Trade : Apprentice</b>			
<b>Trade : Journeyman</b>			
<b>Other :</b>			

\*\*Please indicate the number of ANY new hires during the reporting period in the 1<sup>st</sup> column, how many of those were Section 3 in column 2. The 3<sup>rd</sup> column is only to be used if you paid for a Section 3 resident or hire to obtain and receive vocational training.\*\*

Efforts to Hire Section 3 Residents: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_