

## **Section 3 Policy & Action Plan City of Waterbury**

### **I. PURPOSE**

In accordance with Section 3 of the U.S. Housing and Urban Development (“HUD”) Act of 1968, as amended (“Section 3”), it is the policy of the City of Waterbury (“City”) to ensure that the employment, job training, contracting opportunities and other economic opportunities generated by federal financial assistance from HUD for housing and community development programs, which the City receives, shall, to the greatest extent feasible, and consistent with Federal, State and City laws and regulations, be directed toward low- and very low-income persons, particularly those who are recipients of governmental assistance for housing. 12 U.S.C. §1701u.

The City has developed this Section 3 Policy & Action Plan (“Plan”) to identify the applicability of the provisions of Section 3, to set forth the actions that will be implemented to ensure compliance by the City, Contractors and Subcontractors with the requirements of Section 3 and to aid in compliance efforts. The Plan applies all Section 3 Covered Contracts (as defined below) where labor and/or professional services are provided. It does not apply to Contractors who only furnish materials or supplies but do not undertake any work (e.g., the installation of the material or equipment). The Plan shall result in a reasonable level of success in the opportunities, recruitment and employment of Section 3 eligible persons and businesses.

All Section 3 Covered Contracts executed after the adoption of this Plan that meet the required thresholds shall comply with this Plan.

### **II. DEFINITIONS**

*“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.

*“Greatest Extent Feasible”* means that every effort within one’s disposal must be made to comply with the requirements of Section 3 and this Plan. It does not mean that federal, state or local laws or bargaining agreements are to be disregarded.

*“HUD”* means the United States Department of Housing and Urban Development and any successor agency thereto.

*“Low-income person”* means families (including a single person) whose incomes do not exceed eighty percent (80%) of the median income for the area. (Income limits are set annually by HUD.)

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

*"Recipient"* means any entity that receives Section 3 Covered Assistance, including the City, directly from HUD or from another Recipient. Recipient does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include Contractors. In this Plan, the City and Recipient are interchangeable.

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

*"Section 3 Business"* means a business that: (i) is at least 51% owned by Section 3 Residents; (ii) has at least thirty percent (30%) permanent, full-time employees who are currently Section 3 Residents (or were such residents within the first three years of employment); or (iii) provides evidence of a commitment to subcontract in excess of twenty five percent (25%) of the dollar award of all subcontracts to be awarded to businesses that meet the qualifications set forth in requirements (i) and (ii), above.

*"Section 3 Clause"* means the mandatory clause to be included in all Section 3 Covered Contracts and procurement documents. (Attached hereto as Exhibit 1)

*"Section 3 Covered Assistance"* means housing and/or community development financial assistance received from HUD including, but not limited to, the following programs\*:

- Community Development Block Grants (CDBG)
- HOME Investment Partnership Assistance
- Neighborhood Stabilization Program (NSP)
- Economic Development Initiatives (EDI)
- Brownfields Economic Development Initiative (BEDI)
- Homeless Assistance
- Emergency Shelter Grants (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Section 202 Supportive Housing for the Elderly
- Section 811 Supportive Housing for Persons with Disabilities
- Lead Hazard Control Grants
- Healthy Homes and Lead Technical Studies
- Healthy Homes Demonstration Programs

\*The requirements of Section 3 only apply to the portions of the covered funding that are used for projects/activities involving housing construction, rehabilitation, demolition or other public construction.

*"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. This does not include contracts awarded under HUD's procurement program or contracts for solely the purchase of supplies and materials.

*"Section 3 Covered Project"* means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards) and

other public construction (including infrastructure work), which includes buildings and improvements (regardless of ownership) assisted with Section 3 Covered Assistance (housing or community development assistance). The requirements of Section 3 only apply to the portion(s) of Section 3 Covered Assistance that are used for the project/activities involving housing construction, rehabilitation, demolition or other public construction.

*"Section 3 Regulations"* means those regulations contained in 24 C.F.R. §135.

*"Section 3 Resident"* means either (1) a public housing resident; or (2) a low- or very low-income person residing in the metropolitan area or the City.

*"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"* means families (including a single person) whose incomes do not fifty percent (50%) of the median family income for the area. (Income limits are set annually by HUD.)

### **III. THRESHOLDS**

This Plan and Section 3 shall apply to the Recipient, the City, if the assistance received from HUD for housing and/or community development in any one year exceeds Two Hundred Thousand (\$200,000) Dollars.

When the Recipient, the City, has received in excess of Two Hundred Thousand (\$200,000) Dollars of Section 3 Covered Assistance, any Contractor and/or Subcontractor whose contract for work on a Section 3 Covered Project exceeds One Hundred Thousand (\$100,000) Dollars shall comply with this Plan.

If the Recipient, the City, meets the threshold, but no individual contract exceeds One Hundred Thousand (\$100,000) Dollars, the Recipient, the City, must attempt to meet the Section 3 numerical goals (set forth below) by awarding ten (10%) percent of the total dollar amount of all Section 3 Covered Contracts to Section 3 Businesses.

### **IV. PROOF OF ELIGIBILITY**

Persons or businesses who believe they are Section 3 eligible shall obtain certification, through the manner proscribed by the City, in order to be considered eligible for training, employment or contracting opportunities available pursuant to this Plan and Section 3. (Throughout this Plan, references to Section 3 Residents or Section 3 Business assume certification.)

A person seeking Section 3 training and employment preferences bears the responsibility of obtaining certification and providing the required evidence that he or she is eligible for the preference in the manner proscribed by the City.

Any Contractors and/or Subcontractors submitting bids or proposals to the City in connection with a Section 3 Covered Project or who are seeking Section 3 opportunities bear the responsibility of obtaining certification and providing the required evidence that they are eligible for the preference in the manner proscribed by the City. The City, from time to time, may require Section 3 Businesses to become recertified.

## **V. TRAINING & EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS**

This Plan requires that when employment opportunities are generated because a Section 3 Covered Project or the expenditure of Section 3 Covered Assistance undertaken by the City necessitates the employment or addition of personnel through individual hiring or the award of contracts, the City and Contractors and Subcontractors meeting the threshold must give preference in hiring to low- and very low-income persons. This Plan and Section 3 do not, however, require the bypassing of the City's hiring or civil service processes.

Neither this Plan nor Section 3 should be construed to mean that the City or any Contractor or Subcontractor are required to hire other than what is needed to complete the covered projects/activities. It is not intended that Contractors or Subcontractors terminate employees but to make every effort feasible to comply as to new hires. If the expenditure of covered funding does not result in new employment or contracting, the requirements of this Plan or Section 3 are not triggered.

### **A. Numerical Goals**

If the City, Contractors and/or Subcontractors have the need to hire new persons to complete the Section 3 Covered Project, they are required to direct their newly created employment opportunities to Section 3 Residents to the greatest extent feasible.

The goals of this Plan and of Section 3 are minimum targets, not set-asides. They do not guarantee employment. The City is committed to make its best efforts to the greatest extent feasible to achieve these goals. **The minimum numerical goal for employment is as follows:**

**thirty (30%) percent of the aggregate number of new hires shall be Section 3 Residents, annually for the duration of the Section 3 Covered Project.**

For example, three (3) out of every ten (10) new employees needed to complete a Section 3 Covered Project shall be Section 3 Residents.

If the City, Contractors and/or Subcontractors fail to reach the numerical goals, they shall adequately document the efforts taken to meet the numerical goals in the manner proscribed by the City.

### **B. Priorities**

Priority consideration for training and employment opportunities shall be given, where feasible, to:

1. Section 3 Residents residing in the service area or neighborhood in which the Section 3 Covered Project is located (category 1 residents);
2. participants in HUD Youthbuild programs (category 2 residents)\*\*;
3. where the Section 3 Covered Project is assisted under the Stewart B. McKinney Homeless Assistance Act\*\*\*, homeless persons residing in the service area or neighborhood in which the Section 3 Covered Project is located (category 3 residents); and
4. other Section 3 Residents.

\*\*At the time of the adoption of this Plan, no HUD Youthbuild programs operate in the City; thus, there are no category 2 residents.

\*\*\*Emergency Shelter Grants Program; Supportive Housing Program; Section 8 Moderate Rehabilitation for Single-Room Occupancy Dwellings; Shelter Plus Care; Supplemental Assistance for Facilities to Assist the Homeless; Single Family Property Disposition Initiative.

Nothing in this Plan shall be construed to require the employment of a Section 3 Resident who does not meet the qualifications of the position to be filled.

## **VI. CONTRACTING OPPORTUNITIES FOR BUSINESSES**

This Plan requires that when contracting opportunities are generated because a Section 3 Covered Project or the expenditure of Section 3 Covered Assistance undertaken by the City necessitates the employment or addition of personnel through individual hiring or the award of contracts, the City and Contractors and Subcontractors meeting the threshold must give preference to Section 3 Businesses. This Plan and Section 3 do not, however, require the retention of a Section 3 Business which cannot sufficiently demonstrate that it is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract.

This Plan or Section 3 should not be construed to mean that the City or any Contractor or Subcontractor are required to subcontract other than what is needed to complete the covered projects/activities. If the expenditure of covered funding does not result in new employment or contracting, the requirements of this Plan or Section 3 are not triggered.

### **A. Numerical Goals**

If the City, Contractors and/or Subcontractors have the need to contract or subcontract portions of the work on a Section 3 Covered Project to another business, they are required to direct their new contracting or subcontracting opportunities to Section 3 Businesses to the greatest extent feasible. The City shall maintain a list of certified Section 3 Businesses.

The goals of this Plan and of Section 3 are minimum targets, not set-asides. They do not guarantee contracts or any percentage of business. The City is committed to make its best efforts to the greatest

extent feasible to achieve these goals. **The minimum numerical goal for businesses is as follows:**

- 1. at least ten (10%) percent 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**
- 2. at least three (3%) percent of the total dollar amount of all other Section 3 Covered Contracts.**

If the City, Contractors and/or Subcontractors fail to reach the numerical goals, they shall adequately document the efforts taken to meet the numerical goals in the manner proscribed by the City.

## **B. Priorities**

Priority consideration for contracting opportunities shall be given, where feasible, to:

1. Section 3 Businesses that provide economic opportunities for Section 3 Residents in the service area or neighborhood in which the Section 3 Covered Project is located (category 1 businesses);
2. applicants selected to carry out HUD Youthbuild programs (category 2 businesses)\*\*; and
3. other Section 3 Businesses.

\*\*At the time of the adoption of this Plan, no HUD Youthbuild programs operate in the City; thus, there are no category 2 businesses.

## **VII. PROCUREMENT PROCEDURES**

The procurement procedures set forth in this Plan include methods of providing preferences to Section 3 Businesses. Recipients, Contractors and Subcontractors should solicit bids from all applicable businesses, including Section 3 Businesses, and should comply with the following guidelines in awarding Section 3 Covered Contracts. The City shall examine and consider a contractor's potential for success by providing employment and business opportunities to low- and very low-income City residents prior to acting on any proposed contract award.

Notice of this Plan shall be included in all RFP's, bid packages and contracts.

Nothing in this Plan or Section 3 is intended to supersede the City's procurement procedures or applicable state or local laws and regulations. 24 C.F.R. §85.36

## **A. Assurance of Compliance**

The City shall incorporate Section 3 in all procurements generated for use with HUD funding. Each Applicant, Recipient, Contractor and Subcontractor seeking a contract on a Section 3 Covered Project shall submit a Section 3 Assurance of Compliance with all bid submissions. (Attached hereto as Exhibit 4)

## **B. Economic Opportunity Plan**

Each Recipient, Contractor and Subcontractor preparing to undertake work pursuant to a Section 3 Covered Contract (meeting the threshold set forth in section III, above) shall develop and submit an Economic Opportunity Plan describing its proposed strategies for achieving Section 3 training and employment numerical goals and subcontracting numerical goals. This shall:

1. Identify individual(s) responsible for planning, implementing and tracking the projects' Section 3 training and employment goals. Describe their prior experience in this area.
2. Describe efforts (contractor and subcontractor) to be taken to recruit, solicit, encourage, facilitate and hire public housing and other low- and very low-income City residents. Identify any private or public resources that will be used.
3. Describe contractor's activities to be taken recruiting, soliciting, encouraging, facilitating and selecting Section 3 Businesses as subcontractors.
4. Describe plans to structure project activities in ways that create opportunities for Section 3 Businesses participation, where applicable.

Responses to the above questions (1) – (4), along with company name, phone number and bid number and name, may constitute the Economic Opportunity Plan for a Contractor or Subcontractor. (Attached hereto as Exhibit 5) The Economic Opportunity Plan must be included with all bid submissions.

## **C. Procurement by Sealed Bids (Invitation to Bid)**

For contracts awarded under a sealed bid process, the City should solicit bids from all businesses (both Section 3 and non-Section 3 Businesses). The City shall advise that the contract is a Section 3 Covered Contract and, as such, additional documentation relative to Section 3 will have to be submitted.

The contract should be awarded to the qualified Section 3 Business with the highest priority ranking and with the lowest responsive bid if it is reasonable and complies with the City's procurement rules.

## **D. Procurement under the Competitive Proposals Method (RFP)**

For contracts awarded under a RFP process, the City shall advise that the contract is a Section 3 Covered Contract. The RFP shall identify all evaluation factors to be used, including preference for Section 3 Businesses. The RFP shall require the disclosure of the contractor's

Section 3 strategy to comply with the Section 3 training and employment preference, or contracting preference, or both, through the submission of the Economic Opportunity Plan.

The contract should be awarded to the responsible firm (either Section 3 or non-Section 3 Business) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP and in accordance with the City's procurement rules.

## **VIII. SECTION 3 CLAUSE**

All Section 3 Covered Contracts, regardless of whether the Contractor or Subcontractor is itself a Section 3 Business, shall include the Section 3 Clause. The Section 3 Clause specifies the requirements for all Contractors and Subcontractors hired to perform work for Section 3 Covered Projects.

## **IX. REPORTING AND MONITORING**

For contracts meeting the threshold amount, Contractors and Subcontractors shall report their compliance with Section 3 in the manner proscribed by the City.

For contracts which do not meet the threshold amount for compliance (as stated in III, above), Contractors and Subcontractors shall report hiring and employment information in the manner proscribed by the City.

Contractors and Subcontractors who are deficient in compliance will be advised of such and of the means by which the deficiencies may be corrected. A continuing failure or refusal to comply with Section 3 and this Plan may result in the application of sanctions, including debarment, pursuant to 24 C.F.R. §135.74.

## **X. EFFORTS TO TRAIN & EMPLOY RESIDENTS**

The City, Contractors and Subcontractors may use any or all of the following examples of methods to train, employ and notify Section 3 Residents and eligible residents:

1. Seek referrals from the first-source referral program or other appropriate source;
2. Establish training programs for public housing residents and other Section 3 Residents;
3. Advertise the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments;
4. Contact resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to

- be filled;
5. Contact local business and trade associations, recruitment sources, community organizations and Department of Labor to inform them of employment opportunities and to request their assistance in identifying Section 3 Residents;
  6. Seek referral sources to ensure job readiness for Section 3 eligible residents;
  7. In the event that a HUD Youthbuild program is established in the City, request the assistance of agencies administering HUD Youthbuild programs in recruiting HUD Youthbuild programs and participants;
  8. Sponsor (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by a housing authority or contractor representative(s) at a location in the housing development;
  9. Arrange assistance in conducting job interviews and completing job applications for residents of the housing developments or developments and in the neighborhood or service area in which a Section 3 project is located;
  10. Arrange for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project where job applications may be delivered to and collected by a recipient or contractor representative or representatives.

Contractors must certify that any vacant employment positions, including training positions, filled (i) after the contractor is selected but before the contract is executed **and** (ii) with persons other than those to whom Section 3 requires employment opportunities be directed were not filled to circumvent the obligations under Section 3.

## **XI. EFFORTS TO AWARD CONTRACTING OPPORTUNITIES**

The City, Contractors and Subcontractors may use any or all of the following examples of methods to notify and contract with Section 3 Businesses when contracting opportunities arise:

1. Advertise contract opportunities via newspaper, mailings, trade association papers and newsletters and posting notices that provide general information about the work to be contracted and where to obtain additional information;
2. Provide written notice of contracting opportunities to all known Section 3 Businesses. (The City shall maintain an accessible list of Section 3 Businesses.) The written notice will be provided in sufficient time to enable businesses the opportunity to respond to the invitation to bid;
3. Coordinate pre-bid meetings at which Section 3 Businesses would be informed of upcoming contracting opportunities in advance;
4. Conduct workshops on City contracting procedures to include bonding, insurance

- and other pertinent requirements in a timely manner so as to allow Section 3 Businesses to take advantage of upcoming opportunities;
5. Contact local business and trade associations, recruitment sources, community organizations and Department of Labor to inform them of contracting opportunities and to request their assistance in identifying Section 3 eligible businesses;
  6. Establish relationships with business and community organizations and other sources as necessary to assist with educating and mentoring residents wishing to start their own businesses;
  7. Develop resources and training to assist residents interested in starting their own businesses;
  8. Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance;
  9. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns;
  10. Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 Business concerns;
  11. Supporting businesses that provide economic opportunities to low-income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the state and local levels.

## **XII. GENERAL RESPONSIBILITIES**

### **A. The City**

1. The City shall ensure its own compliance with this Plan and Section 3. The City will take an active role in ensuring its own compliance, as well as the compliance of residents, businesses, contractors and subcontractors who are or seek to be involved in Section 3 Covered Projects or projects involving the expenditure of Section 3 Covered Financial Assistance.
2. The City shall facilitate the training and employment of Section 3 Residents and use reasonable efforts to notify all City residents of opportunities and procedures under this Plan and Section 3 and to notify Section 3 Residents of training and employment opportunities.
3. The City shall use reasonable efforts to notify businesses of opportunities and

procedures under this Plan and Section 3 and to notify Section 3 Businesses of contracting opportunities. The City shall facilitate the compliance of contractors and subcontractors.

4. The City shall notify all potential contractors and subcontractors of this Plan and Section 3 by including the Notice of this Plan and the Section 3 Clause in all RFP's, bid packages, and/or contracts associated with all Section 3 Covered Projects or projects involving the expenditure of Section 3 Covered Financial Assistance.
5. The City shall direct Contractors and Subcontractors to the first-source referral program or other appropriate source to locate interested and qualified Section 3 Residents for construction projects.
6. The City shall direct Contractors and Subcontractor to the list of Section 3 Businesses interested and qualified for construction projects.
7. The City shall refrain from entering into any contract with any contractor where the City has notice or knowledge that the contractor has been found in violation of the Section 3.
8. The City shall comply with all compliance, including monitoring, and reporting requirements in accordance with Section 3. The City shall report to HUD annually accomplishments regarding employment and other economic opportunities provided low- and very-low income residents of the City.

## **B. Contractors & Subcontractors**

1. Contractors and Subcontractors working on a Section 3 Covered Project shall comply with this Plan in their own internal operations, as well as in the selection of Subcontractors.
2. Contractors and Subcontractors shall comply with the reporting requirements of this Plan in the manner proscribed by the City, including notifying the City of efforts to comply with Section 3.
3. Contractors shall ensure compliance of Subcontractors through the notification of all potential Subcontractors of this Plan by including the Notice of this Plan and the Section 3 Clause in all RFPs, bid packages, and/or contracts associated with all Section 3 Covered Projects or projects involving the expenditure of Section 3 Covered Financial Assistance.
4. Contractors must immediately report any potential violation of this Plan to the City.
5. Contractors shall ensure that Subcontractors claiming Section 3 eligibility are in fact Section 3 Businesses in accordance with the procedure proscribed by the City.
6. Contractors shall monitor their subcontractors' compliance with this Plan and

- Section 3. Contractors shall maintain accurate records relating to their efforts and success, and as well as those of all Subcontractors, in implementing this Plan and Section 3 to the fullest extent possible. These records shall be maintained for three (3) years and made available for inspection by the City or HUD.
7. Subcontractors working on a Section 3 Covered Project are responsible for complying with this Plan in their own internal operations, as well as in the performance of Section 3 Contracts.

8. Subcontractor shall maintain accurate records relating to their efforts and success in implementing this Plan and Section 3 to the fullest extent possible. These records shall be maintained for three years and made available for inspection by the Contractor, the City or HUD.

### **XIII. COMPLAINT PROCEDURES**

In an effort to resolve complaints generated due to non-compliance through an internal process, the City encourages submittal of such complaints to its Purchasing Department as follows:

1. Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 C.F.R. §135.
2. Complaints must be filed within thirty (30) days after the complainant becomes aware of the alleged violation.
3. An investigation will be conducted if the complaint is found to be valid. The City will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.

If the complainant wishes to have his or her concerns considered outside the City, a complaint may be filed with:

U.S. Department of Housing and Urban Development  
New England Office  
10 Causeway Street, Suite 308  
Boston, MA 02222  
or  
Assistant Secretary for Fair Housing and Equal Opportunity  
U.S. Department of Housing and Urban Development  
451 Seventh Street, SW  
Washington, DC 20410

The complaint must be received no later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown. 24 C.F.R. §135.76 A copy of HUD Form 958 (complaint) can be found on the HUD website, [www.HUD.gov](http://www.HUD.gov).

## **EXHIBIT 1**

### **Section 3 Clause**

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 C.F.R. 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 of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. 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 C.F.R. 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 C.F.R. 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 C.F.R. part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 C.F.R. part 135.

F. Noncompliance with HUD's regulations in 24 C.F.R. 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)

## EXHIBIT 2

### **CERTIFICATION FOR RESIDENTS SEEKING SECTION 3 PREFERENCE IN TRAINING & EMPLOYMENT AND DEMONSTRATION OF CAPABILITY**

A City resident seeking the preference in training and employment opportunities provided under Section 3 shall certify, or submit evidence, if requested, to the City, Contractor or Subcontractor, that he/she is a Section 3 Resident, as defined in the Section 3 Policy & Action Plan of the City of Waterbury. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance or evidence of participation in a public assistance program.)

I, \_\_\_\_\_, am a legal resident of the City of Waterbury and meet the eligibility guidelines for a low- or very low-income person as shown in chart below.

My permanent address is: \_\_\_\_\_  
\_\_\_\_\_

I have attached the following documentation as proof of my status: (A picture identification card and proof of residency are also required.)

- |   |   |
|---|---|
| <input type="checkbox"/> Copy of lease                        | <input type="checkbox"/> Copy of evidence of participation in a public assistance program |
| <input type="checkbox"/> Copy of receipt of public assistance |   |
| <input type="checkbox"/> Other evidence: _____                |   |

#### **Section 3 Income Limits**

All residents of public housing developments of the Waterbury Housing Authority qualify as Section 3 Residents. Additionally, residents of the City of Waterbury who meet the income limits set forth below can also qualify as Section 3 residents.

Eligibility Guideline		
Number in Household	Very Low Income	Low Income
1 individual		
2 individuals		
3 individuals		
4 individuals		
5 individuals		
6 individuals		
7 individuals		
8 individuals		

**Under penalty of perjury, I hereby declare that I have examined the information contained herein and accompanying documents and, to the best of my knowledge and belief, they are true, correct and complete.**

---

Signature

---

Date

---

Print name

## EXHIBIT 3

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

Name of Business \_\_\_\_\_

Address of Business \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Contact \_\_\_\_\_

Type of Business:       Corporation       Partnership  
                           Sole Proprietorship     Joint Venture

Attached is the following documentation as evidence of status:

**For a business claiming status as a Section 3 resident-owned enterprise:**

- |  |   |
|--|---|
| <input type="checkbox"/> Copy of resident lease  | <input type="checkbox"/> Copy of receipt of public assistance |
| <input type="checkbox"/> Copy of evidence of participation<br>in a public assistance program | <input type="checkbox"/> Other evidence                       |

**For a business entity, as applicable:**

- |   |   |
|---|---|
| <input type="checkbox"/> Copy of Articles of Incorporation  | <input type="checkbox"/> Certificate of Good Standing             |
| <input type="checkbox"/> Assumed Business Name Certificate  | <input type="checkbox"/> Partnership Agreement                    |
| <input type="checkbox"/> List of owners/stockholders and<br>% ownership of each                   | <input type="checkbox"/> Corporation Annual Report                |
| <input type="checkbox"/> Organization chart with names and titles<br>and brief function statement | <input type="checkbox"/> Latest Board minutes appointing officers |
|   | <input type="checkbox"/> Additional documentation                 |

**For a business claiming status as Section 3 by subcontracting twenty-five (25%) percent of the  
dollar awarded to qualified Section 3 Businesses:**

- List of subcontracted Section 3 business (es) and subcontract amount

**For a business claiming status as Section 3 by claiming at least 30 percent 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:**

- |  |  |
|--|--|
| <input type="checkbox"/> List of all current full-time employees                               | <input type="checkbox"/> List of employees claiming Section 3 status                                     |
| <input type="checkbox"/> PHA/IHA Residential lease less than 3<br>years from day of employment | <input type="checkbox"/> Other evidence of Section 3 status less than 3<br>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 with public policy
- List of owned equipment
- List of all contracts for the past two years

**Under penalty of perjury, I hereby declare that I have examined the information contained herein and accompanying documents and, to the best of my knowledge and belief, they are true, correct and complete.**

(Corporate Seal)

Authorizing Name and Signature

Date \_\_\_\_\_

Attested by \_\_\_\_\_

**ALL CERTIFIED SECTION 3 BUSINESSES SHALL RECEIVE NOTICE OF OPPORTUNITIES ARISING FROM SECTION 3 EXPENDITURES.**

## **EXHIBIT 4**

### **ASSURANCE OF COMPLIANCE Section 3, Housing and Urban Development Act of 1968**

#### **TRAINING, EMPLOYMENT AND CONTRACTING OPPORTUNITIES FOR BUSINESS AND LOW- AND VERY LOW-INCOME PERSONS**

- A. The project assisted 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 requires that, to the greatest extent feasible, opportunities for training and employment be given to low- and very low-income residents in the City particularly those who are recipients of governmental assistance in housing and contracts for work in connection with the project be awarded towards businesses that are committed to providing opportunities to low and very low income Waterbury residents.
- B. Notwithstanding any other provision of this contract, the undersigned shall carry out the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary set forth in 24 C.F.R. §135 and all applicable rules and orders of the Secretary issued there under prior to the execution of this contract. The requirements of said regulations include but are not limited to development and implementation of an economic opportunity plan for utilizing businesses that are committed to providing opportunities to low and very low income Waterbury residents; the making of a good faith effort, as defined by the regulations, to provide training, employment and business opportunities required by Section 3; and incorporation of the Section 3 Clause specified by 24 C.F.R. §135.38 in all contracts for work in connection with the project. The undersigned certifies and agrees that it is under no contractual or other obligations which would prevent it from complying with these requirements.
- C. Compliance with the provisions of Section 3, the regulations set forth in 24 C.F.R. §135, and all applicable rules shall be a condition of the federal financial assistance provided to the project, binding upon the undersigned, its successors and assigns. Failure to fulfill these requirements shall subject the undersigned, its contractors and subcontractors, its successors and assigns to sanctions specified by the contract and to such sanctions as are specified by 24 C.F.R. §135.

APPLICANT: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

DATE: \_\_\_\_\_

PROJECT NAME & NUMBER: \_\_\_\_\_

## **EXHIBIT 5**

### **ECONOMIC OPPORTUNITY PLAN QUESTIONS**

Each Recipient, Contractor and Subcontractor preparing to undertake work pursuant to a Section 3 Covered Contract shall develop and submit an Economic Opportunity Plan describing its proposed strategies for achieving Section 3 training and employment numerical goals and subcontracting numerical goals. Responses to questions (i) – (iv), below, along with date, company name, phone number and bid number and name, may constitute the Economic Opportunity Plan for a Contractor or Subcontractor.

The Plan shall:

5. Identify individual(s) responsible for planning, implementing and tracking the projects' Section 3 training and employment goals. Describe their prior experience in this area.
6. Describe efforts (contractor and subcontractor) to be taken to recruit, solicit, encourage, facilitate and hire public housing and other low- and very low-income City residents. Identify any private or public resources that will be used.
7. Describe contractor's activities to be taken recruiting, soliciting, encouraging, facilitating and selecting Section 3 Businesses as subcontractors. (only applicable to firms that subcontract)
8. Describe plans to structure project activities in ways that create opportunities for Section 3 Businesses participation, where applicable. (only applicable to firms that subcontract)

The Economic Opportunity Plan must be included with all bid submissions.

## **EXHIBIT 6**

### **Monthly Compliance Form**

This form is to be provided to all Contractors in all Section 3 Covered Contracts in which the contract amount exceeds One-hundred Thousand (\$100,000) Dollars. Contractors shall provide this form to all Subcontractors. Contractors and Subcontractors shall file this form on a monthly basis. Compliance with the City of Waterbury Section 3 Policy & Action Plan is required.

**Company Name:** \_\_\_\_\_

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

Project Address: \_\_\_\_\_

Month: \_\_\_\_\_

**Check all that apply (during the month stated above):**

I have not hired any new employee(s) as a result of this project.

I have hired \_\_\_\_ Section 3 resident(s) and/or \_\_\_\_ non-Section 3 Residents.

Name(s) of hired person(s):  
\_\_\_\_\_  
\_\_\_\_\_

I have take one or more of the following recruitment steps to hire a Section 3 Resident in connection with this Section 3 Covered Project (check all that apply):

I have advertised, including in a local newspaper with daily circulation, a community paper or other, the training or employment positions identifying the positions to be filled, the qualifications required and where to obtain additional information about the applications process.

I have placed signs or posters identifying the training or employment positions identifying the positions to be filled, the qualifications required and where to obtain additional information about the application process in prominent places in the housing development, in the neighborhood or service area in which a Section 3 Project is located.

I have distributed employment flyers identifying the training or employment positions identifying the positions to be filled, the qualifications required and where to obtain additional information about the application process to residents of public housing or posted flyers at these locations or at the Waterbury Housing Authority.

I have contacted Northwest Regional Workforce Investment Board (NRWIB) requesting assistance to identify qualified Section 3 Residents or to notify Section 3 Residents of the training or employment opportunities.

I have established training programs for public housing residents and other Section 3 Residents.

I have contacted resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

I have sponsored (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by a housing authority or contractor representative(s) at a location in the housing development, in the neighborhood or service area in which a Section 3 Project is located or in the City.

I have arranged assistance in conducting job interviews and completing job applications for residents of the housing developments or developments and in the neighborhood or service area in which a Section 3 Project is located.

other efforts: \_\_\_\_\_

**CONTRACTORS MUST 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 SECTION 3 REQUIRE EMPLOYMENT OPPORTUNITIES TO BE DIRECTED WERE NOT FILLED TO CIRCUMVENT THE CONTRACTOR'S OBLIGATION UNDER SECTION 3.**

This form, along with supporting documentation, shall be submitted

**Under penalty of perjury, I hereby declare that I have examined the information contained herein and accompanying documents and, to the best of my knowledge and belief, they are true, correct and complete.**

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date

**EXHIBIT 7**  
**Monthly Reporting Form**

This form is to be provided to all Contractors on all Section 3 Covered Projects in which the contract amount does not exceed One-hundred Thousand (\$100,000) Dollars. Contractors shall provide this form to all Subcontractors. Contractors and Subcontractors shall file this form on a monthly basis.

**Company Name:** \_\_\_\_\_

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

Project Address: \_\_\_\_\_

Pay period/Month: \_\_\_\_\_

**Check all that apply (during the month stated above):**

I have not hired any new employee(s) as a result of this project.

I have hired \_\_\_\_ Section 3 resident(s) and/or \_\_\_\_ non-Section 3 Residents.

Name(s) of hired person(s):  
\_\_\_\_\_  
\_\_\_\_\_

I have taken one or more of the following recruitment steps to hire a Section 3 Resident in connection with this Section 3 Covered Project (check all that apply):

I have advertised, including in a local newspaper with daily circulation, a community paper or other, the training or employment positions identifying the positions to be filled, the qualifications required and where to obtain additional information about the applications process.

I have placed signs or posters identifying the training or employment positions identifying the positions to be filled, the qualifications required and where to obtain additional information about the application process in prominent places in the housing development, in the neighborhood or service area in which a Section 3 Project is located.

I have distributed employment flyers identifying the training or employment positions identifying the positions to be filled, the qualifications required and where to obtain additional information about the application process to residents of public housing or posted flyers at these locations or at the Waterbury Housing Authority.

I have contacted Northwest Regional Workforce Investment Board (NRWIB) requesting assistance to identify qualified Section 3 Residents or to notify Section 3 Residents of the training or employment opportunities.

I have established training programs for public housing residents and other Section 3 Residents.

I have contacted resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments and community

organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

I have sponsored (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by a housing authority or contractor representative(s) at a location in the housing development, in the neighborhood or service area in which a Section 3 Project is located or in the City.

I have arranged assistance in conducting job interviews and completing job applications for residents of the housing developments or developments and in the neighborhood or service area in which a Section 3 Project is located.

other efforts: \_\_\_\_\_

This form, along with supporting documentation, shall be submitted

**Under penalty of perjury, I hereby declare that I have examined the information contained herein and accompanying documents and, to the best of my knowledge and belief, they are true, correct and complete.**

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Title

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Name:

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Date