



SECTION 3 POLICY

INTERNAL PROCEDURES, INSTRUCTIONS, AND FORMS

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Community Development Division
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OVERVIEW

This packet is designed to comply with the New HUD Section 3 Final Rule issued September 29, 2020, and became effective November 30, 2020. All awards and contracts issued as of July 1, 2021 are all governed under this new rule. Therefore, these documents and instructions are related to the “Hours Worked Benchmarks” as called for in the 24 CFR Part 75 regulation. Every contractor and sub-contractor (with the exception of professional services) are required to work toward meeting the prescribed benchmarks as indicated on the bottom of page 13 of this packet. There are no specific hiring or contracting goals under this new rule.

Most importantly, the rule does not require the hiring or contracting of any person or business that is not fully qualified to perform the work as would be charged. However, the rule makes clear that HUD is intent on ensuring Section 3 persons employed under the new rule receive measurable and sustainable employment. Therefore, Section 3 employees can be counted for up to five full years from the date of certification or hire respectively when employment is sustained. HUD is expected to issue continued guidance on the new rule in the future so these documents may change in accordance with the rule.

If you should have any questions on this packet, please contact our Compliance Consultant:

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PARTS OF THE SECTION 3 FINAL RULE SPECIFIC TO COUNTY OF WILL

The Final Rule is at 24 CFR Part 75

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SECTION 3 BACKGROUND

Applicable to all contracts in Excess of \$200,000 in HUD Housing & Development Assistance

Applicable to all contracts in Excess of \$100,000 Lead Abatement and Healthy Homes

Background - Section 3 of the Housing and Urban Development Act of 1968 (Public Law 90-448, approved August 1, 1968) (Section 3) was enacted to bring economic opportunities generated by certain HUD financial assistance expenditures, to the greatest extent feasible, to low- and very low-income persons residing in communities where the financial assistance is expended. Section 3 recognizes that HUD funds are often one of the largest sources of Federal funds expended in low- and very low-income communities and, where such funds are spent on activities such as construction and rehabilitation of housing and other public facilities, the expenditure results in economic opportunities. By directing HUD-funded economic opportunities to residents and businesses in the community where the funds are expended, the expenditure can have the dual benefit of creating new or rehabilitated housing and other facilities while providing opportunities for employment and training for the residents of these communities.

The Section 3 statute establishes priorities for employment and contracting for public housing programs and for other programs that provide housing and community development assistance. For example, the prioritization as it relates to public housing assistance places an emphasis on public housing residents, in contrast to the prioritization as it relates to housing and community development assistance, which places more emphasis on residents of the neighborhood or service area in which the investment is being made.

INTERNAL PROCEDURES FOR IMPLEMENTATION OF THE RULE

Will County Land Use Department - Community Development Division Internal Hiring Procedure

This Section 3 Rule fully exempts all hiring and employment conducted by the Housing and Community Development Recipients. The hours worked by these recipients and their staffs are not recorded or calculated in any way. Just the contracting hours worked are counted and reported to HUD.

Will County Land Use Department - Community Development Division Contractor Hiring Notice

Due to the state of Illinois Public Act 101-0177, HB0834 Enrolled LRB101 06799 TAE 51826 b, AN ACT Concerning Employment (<https://www.ilga.gov/legislation/publicacts/101/PDF/101-0177.pdf>), all contractors and sub-contractors are not permitted to ask about an applicants past employment salary when considering them for employment, training, or contracting on any County contract. Where a general contractor (GC) or Prime contractor has sub-contractors, they must ensure the subs are fully aware of this notice and follow it just as the GC or Prime contractor is required. The use of the Section 3 Individual Person Self Certification form is merely for the contractor to identify County residents or YouthBuild participants for the County to confirm residency and income. The contractor is to confirm if the person is involved currently with the YouthBuild program (Where such program is operational) by way of some written confirmation, letter or email. That confirmation must be provided to the County with that corresponding months Hour Worked Report (See the last form in this package).

Any contractor violating these requirements may face remedial action including termination of contract for repeated violation. Will County Land Use Department - Community Development Division assumes no responsibility for any violation committed by a contractor or sub-contractor. The violating company/individual is fully liable for any penalties and costs related to the violation(s). All advertisements for contracts with the County will carry this wording:

Every advertisement, flyer, posting, etc., must contain the following language:

"This opportunity is covered under Section 3 of the HUD Act of 1968"

WILL COUNTY LAND USE DEPARTMENT - COMMUNITY DEVELOPMENT DIVISION CONTRACTING PROCEDURE

For all advertised and non-advertised contracts let by the County, the responsible staff will include the Section 3 Business Self Certification form and the Section 3 Individual Low-Income Self Certification form (with no income limit area) with the solicitation/bid package (virtually and paper) allowing each respondent to identify themselves and their business accordingly. The completion of the forms will remain voluntary at the respondent's discretion.

Once all responses have been received and reviewed, the most desirous and qualified business will be progressed through the contracting process. The Section 3 status of the respondent will be considered only after the "Most Qualified and Advantageous" respondent has been determined. Please note that due to that conflict with the state of Illinois Public Act 101-0177,

HB0834 Enrolled LRB101 06799 TAE 51826 b, AN ACT Concerning Employment (<https://www.ilga.gov/legislation/publicacts/101/PDF/101-0177.pdf>), there will be no area for contractors to confirm they meet any HUD income limit for Section 3 business owners or for the persons working for Section 3 business owners. So again, meeting the Section 3 Business Concern definition will be difficult to impossible. Though we still encourage contractors to recruit, train, and hire as many Will County area residents as possible. At a minimum contractors are required to provide an opportunity notice the Section 3 coordinator so some outreach can be executed for any created or available employment opportunities.

If there are multiple and equally qualified businesses, the Section 3 status and category of the business will be considered. The business with the highest Section 3 priority, based on the 24CFR Part 75.9 (b)(2) will be awarded the contract. All other applicable procurement laws will be adhered to relative to contracting amounts. All advertisements for contracts with the county or its contractors, and sub-contractors will carry this wording:

"This opportunity is covered under Section 3 of the HUD Act of 1968"

KEY RULE COMPONENTS

Note: Where a portion of a Section specifically spoke to areas not related to Housing and Community Development Assistance, those pieces were intentionally removed. So there is no need to feel something important is not included.

§ 75.1 Purpose

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

§ 75.3 Applicability

(a) Section 3 projects.

(i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.); and the Residential Lead- Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

(ii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

(b) Contracts for materials. Section 3 requirements do not apply to material supply contracts.

(c) Other HUD assistance and other Federal assistance. Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

§ 75.5 Definitions

The terms HUD, Public housing, Public Housing Agency (PHA), and are defined in 24 CFR part 5. The also apply to this part: 1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq. Contractor means any entity entering into a contract with:

- (1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or
- (2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in § 75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

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:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

- (i) It is at least 51 percent owned and controlled by low- or very low-income persons;
- (ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
- (iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 project means a project defined in § 75.3(a)(2).

Section 3 worker means:

- (1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - (i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
 - (ii) The worker is employed by a Section 3 business concern.
 - (iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

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

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in §§ 75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

§ 75.19 Requirements

(a) Employment and Training.

(1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

(i) Section 3 workers residing within the service area or the neighborhood of the project,

and

(ii) Participants in YouthBuild programs.

(b) Contracting.

(1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

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

§ 75.21 Targeted Section 3 worker for housing and community development financial assistance

(a) Targeted Section 3 worker. A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

(1) A worker employed by a Section 3 business concern; or

(2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

(i) Living within the service area or the neighborhood of the project, as defined in § 75.5; or

(ii) A YouthBuild participant.

§ 75.23 Section 3 Safe Harbor *(See Benchmarks on page 13)*

(a) General. Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:

(1) Certify that they have followed the prioritization of effort in § 75.19; and

- (2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.

§ 75.25 Reporting *(See Benchmarks on page 13)*

(a) Reporting of labor hours.

- (1) For Section 3 projects, recipients must report in a manner prescribed by HUD:

- (i) The total number of labor hours worked;
- (ii) The total number of labor hours worked by Section 3 workers; and
- (iii) The total number of labor hours worked by Targeted Section 3 workers.

- (2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to § 75.31.

- (3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.

- (4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.

(5) Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) Additional reporting if Section 3 benchmarks are not met. If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in § 75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

(1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.

(2) Provided training or apprenticeship opportunities.

(3) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).

(4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.

(5) Held one or more job fairs.

(6) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).

- (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- (8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- (9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- (10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- (11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- (13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- (14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

(c) Reporting frequency. Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

§ 75.27 Contract Provisions

(a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.

(b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of § 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

§ 75.29 Multiple Funding Sources

(a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to § 75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:

(1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and

(2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:

(i) The total number of labor hours worked on the project;

(ii) The total number of labor hours worked by Section 3 workers on the project; and

(iii) The total number of labor hours worked by Targeted Section 3 workers on the project.

(b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in § 75.3(a)(2), the recipient or recipients must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§ 75.31 Recordkeeping

(a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.

(b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

(1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:

(i) A worker's self-certification that their income is below the income limit from the prior calendar year;

(ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;

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

(iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

(v) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

(i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:

(A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;

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

(C) An employer's certification that the worker is employed by a Section 3 business concern; or

(D) A worker's certification that the worker is a YouthBuild participant.

(ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:

(A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(B) An employer's certification that the worker is employed by a Section 3 business concern; or

(C) A worker's self-certification that the worker is a YouthBuild participant.

(c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200. (d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

BENCHMARKS

For Section 3 projects, the proposed benchmark notification set the same benchmarks but with regards to the project itself rather than the recipient's fiscal year. The proposed benchmark notification provided that recipients would meet the safe harbor in the new § 75.23 by certifying to the prioritization of effort in the new § 75.19 and meeting or exceeding Section 3 benchmarks for total number of labor hours worked by Section 3 workers and by Targeted Section 3 workers. The benchmark for Section 3 workers was set at 25 percent (*The 5% Targeted is baked into the 25%*) or more of the total number of labor hours worked by all workers on a Section 3 project. The benchmark for Targeted Section 3 workers was set at 5 percent or more of the total number of labor hours worked by all workers on a Section 3 project.

Simply stated, the recipient needs to meet these two benchmarks annually in order to achieve Safe Harbor.

Section 3 Workers Labor Hours = 20%

Total Labor Hours for the Recipient

Section 3 Targeted Workers Labor Hours = 5%

Total Labor Hours for the Recipient

Forms Package Follows on the Next Page

Will County Land Use Department Community Development Division

-COMPLIANCE FORMS PACKAGE-

SECTION 3 NEW RULE 24 CFR Part 75

On November 30, 2020, HUD put into effect a New and Final Section 3 Rule for all recipients. This rule is drastically different from the old rule and therefore, we want everyone to know these requirements and plan accordingly.

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Note: Page numbers are a continuation of the full Policy Package. If you are receiving just this Compliance Forms Package with or in relationship to your contract work, do not be alarmed if the full Policy is not included. As a part of the full document, it is important to maintain the alignment.

The full Policy can be located by visiting our [website](#).

Will County Land Use Department - Community Development Division

Annual "Section 3 Benchmarks" Requirement Summary

- * Twenty (20) percent or more of the total number of labor hours worked by all workers employed with Housing & Community. Development financial assistance projects are Section 3 workers; and
- * Five (5) percent or more of the total number of labor hours worked by all workers employed with Housing & Community. Development financial assistance projects are Section 3 workers;
- * There are No specific hiring or contracting goals or requirements under this new rule.
- * There is No Section 3 Business Preference under the new rule and no points awarded for being a Section 3 Business.
- * All persons or businesses hired or contracted must be fully qualified to perform the work.

The two new categories of Section 3 are now referred to as:

- * Section 3 Worker - Any low or very low-income persons residing in the service area or within one-mile radius of the project
- * Targeted Section 3 Worker - YouthBuild current participants only.

Contractors will provide these three (3) data sets to the Will County Land Use Department - Community Development Division within 45 days of the month after the hours have been worked by EVERY person that worked directly on the contract. No back-office staff hours are counted:

- * Total Hours Worked by all workers
- * Total Hours Worked by Section 3 Workers (Individual Self-Certification Form Required)
- * Total Hours worked by Targeted Section 3 Workers (Individual Self-Certification Form Required)

There are new definitions of how to be a Section 3 Business Concern:

- * It is at least 51 percent owned by low- or very low-income persons; with businesses at least 6 months old
- * Over 75 percent of the labor hours performed for the business are performed by low- or very low-income persons; or (Based on the prior 90 days of full business payrolls)
- * It is a business at least 51 percent owned by current public housing residents or residents who currently live in Section 8-assisted housing, with businesses at least 6 months old

MONTHLY REPORTING INSTRUCTIONS

STEP ONE

Enter your company name and the name of the contract or task you are performing in the appropriate lines at the top of the form.

STEP TWO

Determine which workers qualify as Section 3 by having each complete a Section 3 Individual Low-Income Person Self-Certification Form. This form is submitted once per Section 3 employee or those that believe they meet the definition of a Section 3 employee.

The form is to be completed by the individual and stress to the employee that the form is Voluntary:

1. Complete contact info section
2. Check the box that describes your situation
3. Sign and date the form
4. Complete the employer information
5. Return to your employer

STEP THREE

After determining which workers are Section 3, determine their classification based on what they check in the box on the form as **Non-Targeted** or **Targeted**:

Non-Targeted are those Section 3 qualified workers who are low-income and reside in the MSA.

Targeted are those Section 3 qualified workers who are current YouthBuild participants

STEP FOUR

Enter the monthly dates of reporting on the first line, then proceed as follows:

1. Enter total hours worked by ALL contract or project level staff with exceptions as noted above*
2. Enter total hours worked by all Section 3 staff **Non-Targeted**
3. Enter total hours worked by all Section 3 staff **Targeted**

List ONLY the individual names of the workers who have self-certified as Section 3 (**Non-Targeted** and **Targeted**) along with their total hours for this months report only.

STEP FIVE

Submit the Section 3 Hours Worked Reporting Form on a monthly basis to the contact person noted on your reporting form above.

SECTION 3 BUSINESS

Voluntary Self-Certification Form

IN COMPLIANCE WITH SECTION 3 OF THE HUD ACT OF 1968 UPDATED 24 CFR PART 75 11/30/2020

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 Business Certification requirements. To count as a Section 3 Business your company/firm must meet one of the listed categories below. Each category will require additional documentation to support the election. You must provide that supporting documentation with this form properly completed to be confirmed as a Section 3 business. If this form is submitted without the required supplemental data, your certification will not be processed.

CATEGORY	DOCUMENTATION REQUIRED	ELECTION
A business at least 51 percent owned by low- or very low-income persons;	Proof of ownership showing all owners and their percentages and a completed Section 3 Individual Self-Certification form for all low- and very low-income owners	I N I T I A L H E R E 
Over 75 percent of the labor hours performed for the business are performed by low- or very low-income persons; or	Provide the last 90 days full payrolls for the entire company, make a list of the names from the payrolls of the Section 3 workers, and provide a completed Section 3 Individual Self-Certification for all low- and very low-income workers you list	
It is a business at least 51 percent owned by current public housing residents or residents who currently live in Section 8-assisted housing.	Proof of ownership showing all owners and their percentages and a Section 3 Individual Self-Certification form for all public housing and/or Section 8 owners	

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my business meets the elected definition and understand proof of this information may be requested. If found to be inaccurate, I understand that I may be disqualified as a certified Section 3 business.

Full Name: _____

Company Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Signature: _____ Date: _____

SECTION 3 INDIVIDUAL LOW-INCOME PERSON

Voluntary Self-Certification Form

IN COMPLIANCE WITH SECTION 3 OF THE HUD ACT OF 1968 UPDATED 24 CFR PART 75 11/30/2020

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 self-certification income requirements. To count as a Section 3 individual, any legal resident of the United States annual income must not exceed the HUD income limits for the year before they were hired, or, the individual's current year income annualized for the year they are being confirmed as low-income.

Print Name

Phone	Email
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Address

City	State	Zip
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To qualify as a Section 3 Person, you must meet one of the standards in the brackets below and your individual annual income must not exceed the number in the box below.

Check only one box below that describes your situation:

I am a low or very low-income person residing in the service area of the project within one mile of the project site

My employer will certify that I am employed by a Section 3 business

I am a current YouthBuild participant

NOTE: The service area starts with a one-mile circle around the project site and must capture a population of 5,000 people. If not, the circle continues to grow in one-mile increments until the population can be achieved.

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my total income is as shown above, and that proof of this information may be requested. If found to be inaccurate, I understand that I may be disqualified as an applicant and/or a certified Section 3 individual. Finally, I authorize including my name on a list of Section 3 Residents seeking employment and to include my contact information so that contractors may contact me directly for any employment opportunities.

Signature: _____ Date: _____

Income Limits website: <https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn>

SECTION 3

Required Hours Worked Reporting Form

IN COMPLIANCE WITH SECTION 3 OF THE HUD ACT OF 1968 UPDATED 24 CFR PART 75 11/30/2020

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 tracking of hours worked by all person's employed by _____ (company name) on the _____ contract including those meeting the Section 3 income requirements as low- or very low-income.

Section 3 Employees are now defined to as:

Section 3 Workers - Any low or very low-income persons residing within the project area, defined as a one-mile radius from the project center where a 5,000 person population is achieved.

Targeted Section 3 Workers - Current YouthBuild participants (If a program is active in the area)

If your company employs any person you believe is low income now or was when they were hired within the past five years, please have them complete the SECTION 3 INDIVIDUAL LOW-INCOME PERSON SELF-CERTIFICATION FORM" and return it immediately.

All hours worked by everyone on the project must be reported monthly to:

Erin Bertocchi, Program Manager
 Will County Land Use Department - Community Development Division
 (O) 815-774-3322 ebertocchi@willcountylanduse.com

Total Hours Worked by non-Section 3 staff

Total hours worked by all **Non-targeted** Section 3 employees

Total hours worked by all **Targeted** Section 3 employee

Please list the names and hours worked by each Section 3 Worker individually below or on a separate sheet.

First Name

Last Name

Total Hours This Period

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Are You Attaching any New Contractor or Resident Self-Certification Forms to this month's report? Yes or No

Section 3 New Rule Contractor Acknowledgement and Affidavit

(Return this form with your Bid/Quote/Response/Contract)

Company Name: _____ Solicitation# or Contract: _____

I hereby certify to the US Department of Housing and Urban Development (HUD) and Will County Land Use Department - Community Development Division that I have read all of the information in this policy package and agree to follow the requirements for complying with the order of prioritization in 75.19 and reporting of all labor hours associated with my contract as required. I further understand that failure to comply with these requirements will cause my payments to be held and not processed or not released until I come into full compliance with this policy.

Monthly, I will be required to provide these data points for all contract staff working directly on the contract not including any back-office staff:

- Total Hours Worked by all employees (Section 3 and regular employees)
- Total Hours Worked by All Targeted Section 3 employees (Current YouthBuild participants)
- Total Hours Worked by All Non-Targeted Section 3 employees (Low Income persons residing in the service area within a one-mile radius of the project)

You are required to enter the names and hours worked by each Section 3 employee individually.

Signature: _____ Print: _____ Date: _____

STATE OF _____ in _____ COUNTY)

I, the undersigned , a Notary Public in and for said County and in said State, hereby certify that, _____, whose name as _____ of _____ is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as _____(Title), and with full , executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the _____ day of _____, 20_____.

Notary Public

My Commission Expires _____