



SECTION 3 PROGRAM MANUAL

January 2009

Table of Contents

| | <u>Page</u> |
|--|--------------------|
| <u>Part 1 – Policy, Purpose, Goals</u> | |
| A. HACP Section 3 Policy Statement _____ | 3 |
| B. Purpose _____ | 3 |
| C. Employment and Training Goals _____ | 5 |
| D. Resident Hiring Requirements _____ | 5 |
| | |
| <u>Part 2 – Contractor Requirements and Procedures</u> | |
| A. Section 3 Opportunities Plan _____ | 7 |
| B. Certification Procedure for Section 3 Program Participants _____ | 7 |
| C. Certification Procedure for Section 3 Business Concerns _____ | 7 |
| D. Contractor Requirements in Employing Section 3 Participants _____ | 8 |
| | |
| <u>Part 3 – HACP Section 3 Program Assistance to Businesses and Residents</u> | |
| A. Assisting Contractors to Achieve Section 3 Goals _____ | 10 |
| B. Efforts to Award Contract Opportunities to Section 3 Business Concerns _____ | 10 |
| C. Recruitment, Training, and Employment of Section 3 Residents _____ | 11 |
| D. Requirements for Section 3 Program Participants _____ | 12 |
| E. Internal Complaint Procedure _____ | 13 |
| | |
| Part 4 - Definitions | |
| Definitions _____ | 14 |
| | |
| Part 5 – Exhibits and Forms | |
| Exhibit 1: Certification of Residents Seeking Preference in Training and Employment | 17 |
| Exhibit 2: Certification of Business Seeking Preference in Training and Employment | 18 |
| Exhibit 3: Section 3 Income Limits _____ | 19 |
| Exhibit 4: Section 3 Special Conditions _____ | 20 |
| | |
| Section 3 Opportunities Plan _____ | 21 |
| Section 3 New Hire Compliance Report _____ | 26 |
| Certification Of Receipt of the HACP Section 3 Program Policy And Manual _____ | 30 |

PART 1 – POLICY, PURPOSE, GOALS

A. HACP Section 3 Policy

HACP’s Section 3 Policy is designed to maximize the hiring of HACP residents and other Section 3 eligible persons and/or businesses by contractors engaged by the HACP. The HACP Board of Commissioners adopted the Section 3 Policy Statement on October 24, 2008. It is as follows:

Section 3 Policy Statement

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701, et seq.) (the “Act”) requires the Housing Authority of the City of Pittsburgh to ensure that employment and other economic and business opportunities generated by financial assistance from the Department of Housing and Urban Development (“HUD”), 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.

To comply with the Act HACP requires its contractors to provide equal employment opportunity 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 applicants and existing employees are given fair and equal treatment.

The goal of this policy is to obtain a reasonable level of success in the recruitment, employment, and utilization of HACP residents and other eligible persons and/or businesses by contractors working on contracts partially or wholly funded with HUD monies.

HACP shall examine and consider a contractor’s potential for success in providing employment and business opportunities to those covered under Section 3 prior to acting on any proposed contract award. In response to any RFP, RFQ or IFB HACP will require submission of the

Section 3 Opportunities Plan and roster of current employees, and certification that the bidder will comply with the requirements of Section 3.

HACP, in accordance with applicable laws and regulations, has established employment and training goals that contractors and subcontractors are expected to meet in order to comply with Section 3 requirements. The goal is that thirty percent (30%) of the aggregate number of new hires in any fiscal year shall be Section 3 eligible. It is the contractor's responsibility to implement progressive efforts to attain Section 3 compliance.

HACP, in accordance with applicable laws and regulations, has established a hiring and/or training requirement for contractors. This requirement establishes a sliding scale threshold based upon contract size for the value of Section 3 hiring and/or training to be achieved by the contractor. In the event that the threshold level can not be achieved through hiring by the contractor and/or subcontractors, the contractor may either a) incur the cost of employment and related skill training provided to residents in amounts commensurate with the sliding scale amount, or b) make a cash contribution to the HACP's non-profit Education Fund in an amount commensurate with the sliding scale amount.

HACP will provide assistance to contractors and bidders in identifying qualified and eligible Section 3 residents and businesses, and has established procedures for monitoring contractor compliance.

The Section 3 Program Manual, as may be revised from time to time, contains information on this policy, and the requirements, procedures, forms, and assistance opportunities that have been established to implement this policy.

B. Purpose of this Section 3 Procedure Document

This document serves to fulfill two (2) main objectives: 1) it outlines the Section 3 policy and program compliance measures of the Housing Authority of the City of Pittsburgh (“HACP”) [Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701, et seq)]; and 2) it contains program definitions, employment and training goals, forms, information on program assistance provided by HACP, and other information related to HACP’s Section 3 program.

C. Section 3 Employment & Training Goals

It is the policy of HACP to utilize residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). HACP has established employment and training goals that contractors and subcontractors are expected to meet in order to comply with Section 3 requirements. The numerical goal is:

- **Thirty percent (30%) of the aggregate number of new hires in any fiscal year.**

It is the contractor’s responsibility to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals was not feasible. All contractors submitting bids or proposals to HACP are required to certify that they will comply with the requirements of Section 3.

D. Resident Hiring Requirements

HACP has adopted the following scale for resident hiring that is to be used on all construction contracts that contain a labor component. It is expected that an appropriate number of residents with particular qualifications or a willingness to begin as an unskilled laborer will be able to participate in covered contracted labor efforts. A prime contractor may satisfy all resident hiring requirements through its subcontractor(s).

RESIDENT HIRING SCALE

| TOTAL LABOR DOLLARS USE TOTAL CONTRACT AMOUNT FOR SERVICE CONTRACTS | RESIDENT LABOR AS A % OF TOTAL LABOR DOLLARS |
|--|---|
| Labor dollars \$25,000 but less than \$100,000 | 10% of the labor dollars |
| \$100,000, but less than \$200,000 | 9% of the labor dollars |
| At least \$200,000, but less than \$300,000 | 8% of the labor dollars |
| At least \$300,000, but less than \$400,000 | 7% of the labor dollars |
| At least \$400,000, but less than \$500,000 | 6% of the labor dollars |
| At least \$500,000, but less than \$1 million | 5% of the labor dollars |
| At least \$1 million, but less than \$2 million | 4% of the labor dollars |
| At least \$2 million, but less than \$4 million | 3% of the labor dollars |
| At least \$4 million, but less than \$7 million | 2% of the labor dollars |
| \$7 million or more | ½ to 1 % of the labor dollars |

With this sliding formula, it is expected that an appropriate number of eligible and qualified HACP public housing residents, as well as, eligible City of Pittsburgh residents with particular qualifications or the willingness to begin unskilled labor will be able to participate in contracted labor efforts.

A prime contractor or its subcontractor(s) may meet resident hiring requirements through:

1. Direct hiring of Section 3 Residents including HACP public housing residents, Section 8 residents, and/or low and very low income neighborhood residents, or
2. A subcontract or joint venture with a Section 3 Business or a resident owned business. The business must be 51% or more owned by low income public housing residents, or subcontract/joint venture with a business that employs full-time, 30% or more low income public housing residents, Section 8 residents or low and very low income individuals who reside in the City of Pittsburgh, or
3. Contractor incurs the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth in the Resident Hiring Scale, or
4. Contractor makes a contribution to the HACP Education Fund to provide assistance to residents to obtain training. The level of contribution would be commensurate with the sliding scale set forth in the Resident Hiring Scale.

PART 2 – CONTRACTOR REQUIREMENTS AND PROCEDURES

A. Section 3 Opportunities Plan

As part of the response to an IFB, RFP, RFQ, or other solicitation, firms are required to submit a draft Section 3 Opportunities Plan to identify the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3. (See page 19 for forms and format of the Section 3 Opportunities Plan Submission).

Upon selection, HACP will work with the selected firm to finalize the Section 3 Opportunities Plan, including identification of HACP assistance to be provided, timelines for action, and review of reporting and compliance requirements. The Section 3 Opportunities Plan is separate and apart from the Minority/Women’s Business Enterprise Plan and must be completed in addition to the M/WBE Plan.

B. Section 3 Program Participant Certification Procedure

HACP will certify Section 3 program participants who reside in the City of Pittsburgh and who are seeking preference in training and employment by completing and attaching adequate proof of Section 3 eligibility, as required (**see Exhibit 1 on Page 17 – Certification for Resident Seeking Section 3 Training and Employment Preference**).

- All persons living in the City of Pittsburgh who meet the Section 3 eligibility guidelines can, by appointment, visit with a representative of the HACP Resident Employment Program to enroll in the HACP Resident Employment Program. Once enrolled, the individual must successfully complete a pre-interview, a pre-orientation session, and a drug screen.
- Once this process is completed, the Resident Employment Program will determine if the individual meets the eligibility requirements and is “recommendation” ready. If so, the resident’s name will be added to the HACP Resident Employment Program employer referral database.
- If the individual is deemed eligible for Section 3 participation, but deemed not ready for employment, a referral will be made to other agencies that are better equipped to address the individual’s needs, i.e., drug and alcohol counseling, job-readiness training, etc.

- The Section 3 component of the Resident Employment Program is a commitment of the HACP to provide economic opportunities and training to residents and other eligible participants to become gainfully employed.

C. Section 3 Business Concern Certification Procedure

HACP will also certify Section 3 Businesses. Business seeking certification as a Section 3 Business must complete and submit the required form to the Resident Employment Program, and attach adequate proof of Section 3 eligibility, as required (see Exhibit 2 on Page 18 – Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstrating Capability).

D. Contractor’s Requirements in Employing Section 3 participants:

Under the HACP Section 3 Program, contractors and subcontractors are required to provide employment opportunities to Section 3 residents/participants in the following order of priority

a) Category 1 – Section 3 Resident

Residents of the HACP housing development or developments for which the contract shall be expended.

b) Category 2 – Section 3 Resident

Residents of the next closest housing developments managed by the HACP.

c) Category 3 – Section 3 Resident

Residents of the community at-large in which the contract shall be expended.

d) Category 4: Participants in HUD Youthbuild programs being carried out in the City of Pittsburgh in which Section 3 covered assistance is expended.

e) Category 5 – Section 3 Resident

All other residents residing in the City of Pittsburgh who meet the income guidelines for Section 3 preference (**refer to Section 3 Income Limits, page 17**).

After the award of contracts and before the notice to proceed will be issued by the HACP authorizing work to begin, the contractor (together with the Resident Employment Program representative, as needed) must complete and provide a final Section 3 Opportunities plan, including the following:

- Names of the Section 3 business concerns to be engaged as sub-contractors, if any, with accompanying certifications as required,
- Estimates of the number of employees to be utilized for contract,

- Projected number of available positions (new hires), to include job descriptions and wage rates (construction wages must be consistent with Davis Bacon requirements as appropriate).
- Efforts that will be utilized to seek Section 3 participants. (See **Recruitment, Training, and Employment of Section 3 Residents, page 11**)
- Contractors must notify the Contract Administrator (who will notify the Resident Employment Program) of their intention to employ Section 3 participants prior to hiring. Contractors are encouraged to utilize the Resident Employment Program to identify potential hires to meet their Section 3 obligations. The Resident Employment Program staff will ensure that anyone referred to the contractor by the Resident Employment Program is Section 3 eligible, pre-screened, and job-ready. If the contractor chooses not to utilize the Resident Employment Program, the contractor must provide the Section 3 eligibility certification for any proposed Section 3 hires. Additionally, the legal department of HACP will be contacted to ascertain whether the individuals are involved in any legal proceedings against/with HACP.
- A list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award.
- Once the Section 3 Opportunities Plan and related documentation has been completed satisfactorily, the Resident Employment Program will notify the Director of Resident Self Sufficiency (RSS). The RSS Director will notify the Contract Administrator that the “Notice to Proceed” can be issued. **The Housing Authority of the City of Pittsburgh will not issue a “Notice to Proceed” to any contractor, subcontractor, or vendor until a satisfactory Section 3 Opportunities Plan has been completed and accepted by the contractor and the HACP.**

After the notice to proceed is issued, contractors must do the following:

- Document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc., and provide this information to the HACP Contract Administrator. The contractor or the Contract Administrator must forward a copy of this information to the Resident Employment Program.
- Immediately notify the Contract Administrator (with a copy to the Resident Employment Program by the contractor or the Contract Administrator) of any problems experienced due to the employment of Section 3 participants.
- Immediately notify the Contract Administrator (with a copy to the Resident Employment Program by the contractor or the Contract Administrator) if a participant quits, walks off, or is terminated for any reason. The Contractor must provide written documentation of all such incidents to support such decisions
- Complete and submit the Section 3 New Hire Compliance Report at least annually.

PART 3 – HACP SECTION 3 PROGRAM ASSISTANCE TO BUSINESSES AND RESIDENTS

A. Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals

HACP will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by:

1. Requiring the contractor to present or create a list of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract. **(See Section 3 Opportunities Plan, page 19)**
2. HACP will provide the contractor with a list of pre-screened Section 3 residents and Section 3 Businesses meeting the position or contract requirements from the Resident Employment Program database for construction projects.
3. The HACP Resident Employment Program representative will inform contractor of known issues that might adversely affect Section 3 residents from performing job related duties.
4. The HACP Resident Employment Program representative will review the new hire clause with contractors and subcontractors to ensure that the requirement is understood. The purpose of the new hire clause is to require the Contractor to make every effort to employ Section 3 program participants before any other person, when additional employees are needed to complete the proposed work and is funded with federal (HUD) funds.

B. Efforts to Award Contract Opportunities to Section 3 Business Concerns

HACP will use the following methods to assist with creating opportunities for contracting with Section 3 business concerns:

- HACP will provide lists of certified Section 3 Business Concerns, if any, to prime contractors seeking such information.
- HACP will conduct workshops on HACP's contracting procedures to include bonding, insurance, and other pertinent requirements to afford Section 3 business concerns the opportunity to take advantage of future contracting opportunities.
- HACP will establish relationships with the Small Business Administration (SBA), Minority and Women's Business Enterprise M/WBE association, Community Development Corporations, and other sources as necessary to assist HACP with educating and mentoring residents with a desire to start their own businesses.
- HACP will develop resources and/or seek out training to assist residents who are interested in starting their own businesses in order to prepare contracts, prepare taxes, obtain licenses, bonding, and insurance, etc.

C. Recruitment, Training, and Employment of Section 3 Residents

HACP will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Training opportunities will be advertised by distributing flyers via mass mailings and posting in common areas of HACP housing developments, as well as all HACP public housing management offices.
- The resident councils, resident management corporations, and neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.
- Employment opportunities will be advertised by posting job vacancies in common areas of all HACP housing developments, as well as, contacting resident councils, resident management corporations, and neighborhood community organizations.
- A database will be developed of certified Section 3 residents of public housing and other Section 3 residents.
- The database will maintain a skill assessment of all certified Section 3 residents of public housing and other certified Section 3 residents.
- A database will be developed of eligible, qualified Section 3 Business concerns to contact with respect to the availability of contract opportunities.
- A provision for a specific number of public housing or Section 3 program participants to be trained or employed by the contractor will be incorporated into all contracts.
- Once the Notice of Award has been approved by the HACP Board of Commissioners, the Contract Administrator will be responsible for notifying the Resident Employment Program about the award, for forwarding the submitted copy of the contractor's Section 3 Opportunities Plan, and for providing contact information for the contractor so the Resident Employment Program can communicate with the contractor to complete the process for finalizing the Section 3 Opportunities plan.

D. Requirements for Section 3 Program Participants

- To become eligible for Section 3 employment preference through the HACP Resident Employment Program, a Section 3 resident must successfully complete a pre-interview, pre-orientation session, and drug screen.
- Only residents successfully completing all 3 parts of the process and meeting the minimum qualifications of the contractor or subcontractor will be referred to the contractor for interview and hiring (following the priority guidelines on page 8). The pre-interview will assess job readiness (i.e., childcare, transportation, work maturity, job retention skills). Pre-screened residents not deemed job ready will be referred elsewhere, i.e., alcohol/drug treatment, employment readiness training, etc. If a resident is referred to a contractor and does not perform satisfactorily due to poor work habits (i.e., tardiness, absenteeism, alcohol/drugs, abusive language, fighting, etc.) the employer must alert the HACP of the unsatisfactory performance. The employee must then meet with Resident Employment Program representative to discuss the situation. At the discretion of the Resident Employment Program and the employer: 1) the resident may continue employment or; 2) the resident may be removed from employment and required to attend and complete a job readiness class, alcohol/drug treatment center, or some other program. After successful completion, the resident will be given the opportunity to be reinstated on the list of residents available for work. If a resident is removed from a position, the employer must first seek to again fill the job with a Section 3 Resident.
- Residents experiencing problems with contractors should first communicate the problem to the employer and the Resident Employment Program representative. If the problem cannot be solved between the employee and employer, the Resident Employment Program representative will meet with the parties to assist in trying to resolve the problem
- Residents terminated for cause from a construction project will not be referred for employment until they have completed a training, treatment, or other program as agreed to by the resident and the Resident Employment Program Supervisor, or for a minimum of six months. It will be up to the discretion of the Resident Employment Program Supervisor if the resident can be reinstated and referred to an employment opportunity.
- In order to qualify for employment with contractors, public housing residents must have their name(s) on a HACP lease, be current on rent or rent repayment agreement (if applicable), be at least eighteen years of age, and not be involved in any legal action with the Authority for current documented eviction, criminal and drug activity or trespassing.
- Residents not interested in construction employment opportunities will be assessed for other skills (clerical, administrative, etc.) and will have the opportunity to receive help with interviewing techniques, mock interviews, resume preparation, application assistance, employment leads, and how to dress for success when conducting a job search.
- Residents interested in pursuing a General Equivalency Diploma (GED) and/or continued training and education will be referred to those resources by the Resident Employment Program Representative, who will maintain regular contact with residents to monitor progress.

E. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to alleged non-compliance through an internal process, HACP encourages submittal of such complaints as follows:

- Complaints of non-compliance should be filed in writing with the Resident Employment Program Supervisor and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135 or the HACP Section 3 Policy.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- The HACP will conduct an informal investigation of all complaints.

Alternately, if complainants wish to have their concerns considered outside of HACP, a complaint may be filed with:

**Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410**

The complaint must be received not 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 of the U. S. Department of Housing and Urban Development for good cause shown.

Part 4 - Definitions

Business Concern – 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.

Contractor – any entity which contracts for the performance of work generated by the expenditure of Section 3 covered assistance, or performing work in connection with a Section 3 covered project.

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in 24 CFR Section 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 Section 135.3 (a) (2)), including management and administrative jobs. 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) – Public Housing Agency.

Housing Development – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD’s public housing program regulations codified in 24 CFR Chapter IX.

HUD Youthbuild Programs – 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 – 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.

Metropolitan Area – a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

Definitions – (continued)

New Hires – full-time employees for permanent, temporary or seasonal employment opportunities.

Recipient – 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, 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 – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Business Concern – a business concern,

- 1) That is 51 percent or more owned by Section 3 resident: 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 subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

Section 3 Covered Assistance –

- 1) Public housing development assistance provided pursuant to Section 5 of the 1937 Act;
- 2) Public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- 3) Public 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 housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Clause – the contract provisions set forth in 24 CFR Section 135.38.

Definitions – (continued)

Section 3 Covered Contracts – 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 (FAR). 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.

Section 3 Covered Project - 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 Resident – a public housing resident or an individual who resides in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low to very low income person.

Subcontractor – 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 – families (including single persons) whose income 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.

Exhibit 1



Certification for Resident Seeking Section 3 Training and Employment Preference

Eligibility Preference

A Section 3 resident seeking the preference in training and employment provided by this part shall certify or submit evidence to the Resident Employment Program and/or recipient contractor or subcontractor, if requested, that the person is a Section 3 resident.

I, _____, am a legal resident of the City of Pittsburgh
(print name)
and meet the income eligibility guidelines for a low- or very-low-income person for this area.
My permanent address is:

I have attached the following documentation as evidence of my status:

- Copy of lease
- Copy of receipt of public assistance
- Copy of Evidence of participation in a public assistance program.
- Other evidence _____

Signature _____

Print Name _____

Date _____



Exhibit 2

Certification for Business Concern Seeking Section 3 Preference in Contracting and Demonstration of Capacity

Name of Business _____

Address of Business _____

Type of Business: Corporation Partnership Sole Proprietorship Other_____

Type of Business Activity: _____

Attached is the following documentation as evidence of status:

For all business entities (as applicable):

- | | |
|---|--|
| Copy of Articles of Incorporation | Certificate of Good Standing |
| Assumed Business Name Certificate | Partnership Agreement |
| List of owners/stockholders and % ownership of each | Corporation Annual Report/ Financial Statement |
| Organization chart with names and titles and brief function statement | Latest Board Minutes appointing officers |
| | Additional Documentation |

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

Certification for Section 3 Residents (at least 51% of the business owners)

For Business claiming Section 3 status by subcontracting 25% of the dollar award to qualified Section 3 business:

- List of subcontracted Section 3 business(es) and subcontract amount
- This certification & all supporting documentation for each subcontracted Section 3 Business

For business claiming Section 3 status, 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:

List of all current full time employees List of employees claiming Section 3 status
 Certification for Section 3 Residents (at least 30% of all current full-time employees) with supporting documentation showing Section 3 status immediately prior to the date of first hire

Evidence of ability to perform successfully under terms & conditions of the contract:

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

Authorized Name, Title and Signature (Corporate Seal)

Attested By: _____ Date _____

Exhibit 3



SECTION 3 INCOME LIMITS

(FY 2008 Income Limits from www.huduser.org)

All residents of public housing developments of the Housing Authority of the City of Pittsburgh qualify as Section 3 residents. Additionally, individuals residing in the City of Pittsburgh who meet the income limits set forth below can also qualify for Section 3 status.

A picture identification card and proof of current residency is required.

Eligibility Guidelines

| Number in Household | Very Low Income* | Low Income* |
|----------------------------|-------------------------|--------------------|
| 1 individual | \$ 21,000 | \$ 33,600 |
| 2 individuals | \$ 24,000 | \$ 38,400 |
| 3 individuals | \$ 27,000 | \$ 43,200 |
| 4 individuals | \$ 30,000 | \$ 48,000 |
| 5 individuals | \$ 32,400 | \$ 51,850 |
| 6 individuals | \$ 34,800 | \$ 55,700 |
| 7 individuals | \$ 37,200 | \$ 59,500 |
| 8 individuals | \$ 39,600 | \$ 63,350 |



Exhibit 4

SECTION 3 SPECIAL CONDITIONS

HACP has initiated efforts to enhance resident hiring on construction related contracts. These initiatives are designed to set the requirements for resident hiring and developing and/or strengthening administrative procedures for facilitating contractors' hiring of HACP residents and other low income and/or very low-income residents residing in the City of Pittsburgh.

1. Procurement Documents

- Each bidder/proposer must include a Section 3 Opportunities Plan which indicates its commitment to meet HACP resident hiring requirements.
- If a bidder/proposer fails to submit a Section 3 Opportunities Plan and the related data along with the bid/proposal, such bid/proposal will be declared as “non-responsive”.
- For invitations for Bids (“IFB”) where awards are made to the lowest, responsive and responsible bidder, the bidder’s commitment to satisfy HACP resident hiring requirements will be a factor used in determining whether the bidder is “responsive”.
- For RFQ’s, RFP’s and IFB’s, contractors shall be required to detail the cost of the bid or proposal by separately categorizing contract cost by labor (person hours and dollar amounts).

2. Enforcement

- To enforce the decision-making process pertaining to determining applicable percentages for resident hiring, enforcement strategies are set forth below.
- During the post award or pre-construction meeting, the objective shall be to impart critical Section 3 information to the contractor prior to commencement of the work/project. The following contract requirements shall be discussed in detail (Non-construction contracts do not require Davis-Bacon compliance):
 - Davis-Bacon Wage Requirements
 - Minority and Women Owned Business Participation requirements
 - Section 3 Program requirements

HACP representatives will require the contractor to certify its understanding of the terms and conditions of the contract as they pertain to Davis-Bacon, Section 3 hiring and Minority and Women Owned Business participation.

3. Monitoring and Enforcement Authority and Responsibility

The function of monitoring and enforcing Section 3 Compliance and hiring will be carried out by the Contract Administrator in coordination with the Resident Employment Program.



SECTION 3 OPPORTUNITIES PLAN

Page 1 of 4

Business Opportunities and Employment Training for Housing Authority of the City of Pittsburgh Low Income Public Housing Residents (LIPH) and Low and Very Low Income City of Pittsburgh Neighborhood Area Residents (LIAR)

PRIME CONTRACTOR'S NAME: _____
SPECIFICATION OR RFP/IFB/RFQ NUMBER: _____
SPECIFICATION OR RFP/IFB/RFQ TITLE: _____

The Contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135.1 et seq. and the HACP Section 3 Policy and Program requirements. The Contractor hereby submits this document to identify employment opportunities for HACP residents (LIPH) and low and very low income City of Pittsburgh neighborhood area residents (LIAR) during the term of the contract between the Contractor and the HACP.

The preference of HACP is to ensure that as many HACP residents as possible are employed. In an effort to further that requirement, HACP has created a preference tier structure as outlined in the attached Section 3 Policy and Program Manual. Contractors are required to comply with Section 3 by first considering Tier I – Hiring. If the Contractor cannot meet its Section 3 requirement in Tier I and needs to move to Tier II or Tier III, that Contractor must document this inability to comply with the preference and the need to move to a lower tier. (Such inability **must** be documented for moves within tiers). The Contractor agrees to meet its Section 3 requirement following the Preferential Tier Structure as indicated by the selection below (check one or more tiers below):

Tier I – HIRING

The Contractor affirms that the jobs identified shall be for meaningful employment that may or may not be related to the scope of services covered under Contract/Purchase Order # _____. The Contractor has committed to employ _____ resident(s) in order to comply with its Section 3 requirements. A prime contractor may satisfy the HACP Resident Hiring Requirements through his/her subcontractors. **Contact the HACP Resident Employment Program for resident referrals at 412-395-3950, Ext 1048.**

When Tier I is selected, the Contractor shall complete the following table as instructed below:

- (1) Indicate each job title for all phases of this contract
- (2) The number of positions that will be needed in each category
- (3) How many of those positions are currently filled
- (4) The number currently filled by low and very low-income HACP residents
- (5) The number currently filled by City of Pittsburgh neighborhood area residents
- (6) How many positions need to be filled

Indicate your requirement for the number of positions you intend to fill with:

- (7) Low income HACP Residents (LIPH) and/or
- (8) Low and very low income City of Pittsburgh Neighborhood Area Residents (LIAR)



SECTION 3 OPPORTUNITIES PLAN

| Section 3 Labor Utilization Assessment and Plan | | | | | | | |
|---|---------------------|------------------|-------------|---------------------|------------------------|--------------------|-------------|
| SPEC or RFP TITLE: | | | | SPEC or RFP NUMBER: | | | |
| JOB TITLE (1) | NUMBER OF POSITIONS | | | | | HIRING REQUIREMENT | |
| | # NEEDED (2) | CURRENTLY FILLED | | | TO BE FILLED (6) | LIPH (7) | LIAR (8) |
| | | TOTAL (3) | LIPH (4) | LIAR (5) | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

LIPH – HACP low income public housing resident
LIAR – Low or very low income City of Pittsburgh neighborhood area resident

In the event the value of Section 3 resident hiring is less than the amount identified in the Resident Hiring Scale, vendors must contribute to the HACP Education Fund an amount not less than the difference between the value of Section 3 hiring and the amount identified in the Resident Hiring Scale, which funds shall be used to provide other economic opportunities.

Therefore, if it is anticipated that any position listed above shall be for less than the full term of the contract period, you must indicate on the lines below, the anticipated term for each position:



SECTION 3 OPPORTUNITIES PLAN

Page 3 of 4

Tier II – CONTRACTING

The contractor has identified _____ HACP resident-owned business(es) or _____ Section 3 business(es) which is/are 51 percent or more owned by Section 3 residents or 30 percent or more of their permanent full-time workforce are Section 3 residents. This will satisfy the contractor's Section 3 requirement covered under Contract/Purchase Order # _____.

In a one (1) page letter on your firm's letterhead:

- 1) Indicate the requirements, expressed in terms of percentage, of planned contracting dollars for the use of Section 3 business concerns as subcontractors.
- 2) A statement of the total dollar amount to be contracted, total dollar amount to be contracted to Section 3 business concerns for building trades, and total dollar amount to be contracted to Section 3 business concerns for other than building trades work (maintenance, repair, modernization, and development).
- 3) A description of the method used to develop the requirements above and the efforts to be undertaken by the contractor to meet those requirements.

Tier III - OTHER ECONOMIC OPPORTUNITIES

Firms may provide other economic opportunities to train and employ Section 3 residents or make a direct cash contribution to the HACP Education Fund. HACP has established the following minimum threshold requirements for contribution to the HACP fund that provides other economic opportunities:

- a) Contractor incurs the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth in the Resident Hiring Scale; or,
- b) Contractor makes a contribution to the HACP Education Fund to provide assistance to residents to obtain training. The level of contribution would be commensurate with the sliding scale set forth in the Resident Hiring Scale. Part of this contribution may be used for daycare/transportation.i.e. used to pay day care providers or provide Port Authority Transit fares through bus tickets or passes exclusively for HACP residents who are participants in the REAL FSS program.



SECTION 3 OPPORTUNITIES PLAN

Page 4 of 4

By signing below, the Contractor hereby agrees to comply with the selected Section 3 requirements indicated above. To the extent that the completion of this form is contingent upon future information, for example price negotiations, request for specific services, etc., the undersigned hereby affirms and agrees to fully adhere to the spirit and intent of the HACP Section 3 Policy.

Furthermore, the undersigned acknowledges and affirms responsibility for completion and submission of this form PRIOR to the AWARD of a contract from HACP. Failure to submit this form may jeopardize the responsiveness of your submission.

Attest/Witness

_____ Company Name: _____

By: _____

_____ Name: _____

_____ Title: _____

_____ Date: _____



SECTION 3 NEW HIRE COMPLIANCE REPORT

The US Department of Housing & Urban Development (“HUD”) requires the Housing Authority of the City of Pittsburgh to collect information on every person hired in connection with Section 3 projects to ensure HACP’s compliance with Federal regulations.

As part of HACP’s Section 3 program your firm is required to report the number of employees hired in connection with a Section 3 Project who are Section 3 Eligible. Complete this form by entering the names and addresses of all new hires and by indicating whether they are Section 3 eligible. For purposes of HACP, a Section 3 resident is:

1. A public housing resident;
2. An individual who lives within the City of Pittsburgh and whose income falls within the guidelines for low or very low income. See the table on page 19.

This form must be completed by all firms working on a Section 3 project, defined as a contract that exceeds \$100,000, even if the firm is not a “Section 3 Business.”

INSTRUCTIONS FOR EMPLOYERS:

1. Enter the name and address of every new employee hired in connection with the Section 3 Project on the following list. (Add additional sheets if necessary).
2. For Employees **NOT HIRED** through the HACP Resident Employment Program, determine whether each new hire is Section 3 eligible by asking the employee the following questions upon hiring:

a. Are you a resident of HACP public housing? YES NO

If the answer is “YES,” please skip question “b” and proceed directly to question “c”.

If the answer is “NO,” please follow up by asking question “b”.

b. Are you a resident of the City of Pittsburgh? YES NO

If the answer is “NO,” this person is not a Section 3-eligible resident.

Therefore, there is not a need to ask question “c”.

c. In the last 12 months, was your household income (meaning the total for everyone in your family earning income) NOT GREATER THAN the amount listed based on your household size? YES NO

If yes, have the employee complete the certification form (Exhibit 1) and attach this to your submission.

3. For employees **HIRED** through the HACP Resident Employment Program, check the “hired through HACP” box next to their name.



SECTION 3 NEW HIRE COMPLIANCE REPORT

4. Indicate whether each new hire is Section 3 eligible by checking the appropriate box next to their name and address on Section 3 New Hire Report.

5. Indicate the Job Category using the following codes:

| | |
|---------------------|-------|
| Professionals | P |
| Technicians | T |
| Office and Clerical | OC |
| Sales | S |
| Trades | T |
| Labor | L |
| Service Workers | SW |
| Other | Other |

6. An authorized representative of the firm must certify the accuracy and completeness of the information provided by signing this form where indicated.

7. Developers and contractors – who have direct agreements with HACP regarding a Section 3 covered project – are responsible for collecting the Section 3 New Hire Report from all applicable contractors and sub-contractors performing on a Section 3 covered project. By December 31 of each year that the project is under construction, completed forms must be submitted to the HACP Resident Employment Program. If a project finishes construction before the end of the year, Section 3 New Hire Compliance Reports must be submitted within 30 days of completion.

8. If there were NO new hires for the report period, please document by checking the box and providing an authorized signature for your company.



SECTION 3 NEW HIRE COMPLIANCE REPORT

Project Name: _____

Project Address: _____

Developer Name (if applicable): _____

General Contractor Name: _____

Name of Firm Completing This Form: _____

This Firm is a (check one):

- Developer
Contract Amount: \$ _____
- General Contractor
Contract Amount: \$ _____
- Subcontractor
Contract Amount: \$ _____
- Professional Services Consultant
Contract Amount: \$ _____

Contracts and subcontracts made with vendors to solely provide supplies and/or materials are not subject to the HUD Section 3 requirements. However, where such vendors also install such supplies and materials, said contracts and subcontracts above \$100,000 shall be subject to the HUD Section 3 requirements.



SECTION 3 NEW HIRE COMPLIANCE REPORT

| | Name of New Hire | Address (include Suite/Apartment #) | Section 3 Eligible? | | Labor Category |
|-----------|------------------|--|---------------------|------------------|------------------|
| | | | YES or NO | Provided by HACP | See Instructions |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |

If there were NO new hires for the report period, please document by checking the box and providing an authorized signature for your company.

I certify that there were no new hires during the reporting period / / to / /
mm / dd / yyyy mm / dd / yyyy

Name: _____
(please print)

Date: _____

Title: _____
(please print)

Signature: _____

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief.

**CERTIFICATION OF RECEIPT AND UNDERSTANDING OF THE HACP SECTION 3
PROGRAM POLICY AND MANUAL:**

I _____, the _____
(Print Name) (Title)

of _____ hereby acknowledge receipt and
(Company)

understanding of, and pledge to adhere to, the Section 3 Program Manual.

Signature of Contractor _____ Date _____