

## Comparison of Section 3 Old Rule and New Rule – HUD Act of 1968

| Old Rule – 24 CFR Part 135   | New Rule - 24 CFR Part 75   |
|--|---|
| Focusing on sustained employment of low and very low income populations  |   |
| A new hire for a temporary, one-month job and a new hire for a permanent, year-round job counted the same, instead of placing more value on long-term employment.  | Recognizes the greater value of the permanent job by focusing on labor hours instead of new hires, creating an incentive for employees to invest in and retain their newly hired low-income workers.  |
| Crediting successful sustained employment in reporting benchmarks  |   |
| Former Benchmarks: <ul style="list-style-type: none"> <li>• 30% of persons hired by Section 3 funding must be Section 3 residents</li> <li>• 10% of total funds for construction contracts</li> <li>• 3% of total funds for non-construction contracts awarded to Section 3 businesses</li> <li>• No updates to these benchmarks</li> </ul>                    | Final rule benchmark notice: <ul style="list-style-type: none"> <li>• 25% of all labor hours must be performed by a Section 3 worker</li> <li>• 5% of all labor hours must be performed by Targeted Section 3 workers</li> <li>• Benchmark notice should be updated by the Secretary every three years</li> </ul>   |
| Allowing varied outcomes for different geographies and activities  |   |
| Section 3 residents are: <ul style="list-style-type: none"> <li>• Public housing residents</li> <li>• Low and very low-income persons who live in the metropolitan county where a HUD assisted project for housing or community development is located</li> </ul>  | Section 3 workers are: <ul style="list-style-type: none"> <li>• Workers whose incomes for the previous or annualized calendar year are below the income limit established by HUD</li> <li>• Employed by a Section 3 business concern</li> <li>• YouthBuild participants</li> </ul>  |
| Under the old rule, there is no distinction or prioritization of hiring Targeted Section 3 workers   | New rule emphasizes the priority hiring of Targeted Section 3 workers living in public or Section 8-assisted housing.   |
| Section 3 business concerns are: <ul style="list-style-type: none"> <li>• At least 51% owned by Section 3 residents</li> <li>• At least 30% of employees are currently Section 3 residents, or were within first three years of employment</li> <li>• Businesses that subcontract more than 25% of all subcontracts to a Section 3 business concern</li> </ul> | Section 3 business concerns are: <ul style="list-style-type: none"> <li>• At least 51% owned and controlled by low or very low-income persons</li> <li>• Businesses where Section 3 workers perform over 75% of the labor hours over a three month period</li> <li>• At least 51% owned and controlled by current public housing or Section 8 assisted housing residents</li> </ul> |
| Integrating Section 3 into the program offices   |   |
| Enforcement and compliance was performed by the Office of Fair Housing and Equal Opportunity   | Enforcement and compliance will be integrated into regular program office work  |
| Reducing reporting requirements for grantees who are meeting benchmarks  |   |

# **IMPORTANT NOTICE**

## **CHANGES TO SECTION 3 REGULATIONS**

**Section 3 rules have been modified to concentrate solely on total worker hours worked with 25% of those hours being worked by Section 3 and Targeted Section 3 Workers to achieve compliance (see definitions within this section);**

### **HOWEVER,**

**It is understood that not all contracted vendors will be able to meet this benchmark. With that understanding, HUD has provided for “Qualitative Efforts” to meet the spirit of the regulations and to provide meaningful assistance to those persons for which Section 3 is intended. It is important that all vendors make every effort to maximize the hiring of Section 3 workers, but if those documented efforts cannot achieve compliance, Qualitative Efforts may be factored into the overall Section 3 proposed plan and will be strongly considered in the resultant scoring when recommending proposals for award. If you determine that your organization might not achieve the 25% Section 3 labor hour compliance benchmark, please include Qualitative Efforts in your submission to clarify your intent and qualify your plan.**

---



# **PHILADELPHIA HOUSING AUTHORITY**

## **SECTION K**

### **SECTION 3 COMPLIANCE**

---

# TABLE OF CONTENTS

|   | Page      |
|---|-----------|
| <b>I. INTRODUCTION TO SECTION 3</b>   | <b>4</b>  |
| <b>A. SECTION 3 OVERVIEW</b>  |           |
| <b>B. APPLICABILITY</b>   |           |
| <b>II. BIDDER/PROPOSER INSTRUCTIONS ON COMPLETING SECTION 3 FORMS</b>   | <b>4</b>  |
| <b>III. PHA SECTION 3 POLICY (FROM PHA CONTROL POLICY AND PROCEDURE #10, XVII, AS APPROVED BY THE BOARD OF COMMISSIONERS ON SEPTEMBER 18, 2021)</b> | <b>4</b>  |
| <b>IV. APPENDICES</b>   | <b>17</b> |
| <b>A. SECTION 3 COMPLIANCE FORMS 1 - 7</b>  |           |
| <b>B. SECTION 3 ONLINE COMPLIANCE REPORTING REQUIREMENTS</b>  |           |
| <b>EXAMPLES OF EFFORTS TO DEMONSTRATE SECTION 3 COMPLIANCE</b>  |           |

---

# **PHILADELPHIA HOUSING AUTHORITY**

## **SECTION 3 PROGRAM**

### **I. INTRODUCTION TO SECTION 3**

#### **A. SECTION 3 OVERVIEW**

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (“Section 3”) and 24 CFR Part 75 requires that, to the greatest extent feasible, employment and other economic opportunities generated by certain financial assistance from the U.S. Department of Housing and Urban Development (HUD) be directed to low- and very low-income residents, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low income persons, as defined in 24 CFR 75.

#### **B. APPLICABILITY**

This Policy shall cover all contracts, including memoranda of understanding, for the provision of services to PHA funded through Section 3 Public Housing financial Assistance (defined at 24 CFR § 75.3(a)(1)), which includes cooperative purchasing agreements and contracts for professional services (such as audit and accounting, brokerage, architecture, and legal), maintenance, repairs, labor, landscaping, modernization projects, employee training, PHA resident education and services, or construction. This Policy does not apply to contractors who only furnish materials or supplies.

### **II. BIDDER/PROPOSER INSTRUCTIONS ON COMPLETING SECTION 3 FORMS**

All Bidders/Proposers should review the Section 3 Policy, contained herein, and complete Form 1, located in Appendix A of this section. Depending on the answers given on Form 1, the Bidder/Proposer may be directed to complete additional forms for the bid/proposal, which should be included in the bid response/proposal.

---

### III. SECTION 3 POLICY

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (“Section 3”) and 24 CFR Part 75 requires that, to the greatest extent feasible, employment and other economic opportunities generated by certain financial assistance from the U.S. Department of Housing and Urban Development (HUD) be directed to low- and very low-income residents, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low income persons, as defined in 24 CFR 75.

#### A. Statement Of Purpose

1. This Section 3 portion of the Procurement Policy shall provide direction to the Philadelphia Housing Authority (PHA) for maximizing employment and other economic opportunities (aka Qualitative Efforts) for low- and very low-income individuals and business concerns through certain HUD-funded contracts, pursuant to 24 CFR Part 75. PHA will establish appropriate procedures and processes to implement this Section 3 portion of the Policy. This Policy does not require employing a Section 3 Worker that does not meet the qualifications of the position to be filled or cannot fulfill the contract requirements.

#### B. Applicability

1. This Policy shall cover all contracts, including memoranda of understanding, for the provision of services to PHA funded through Section 3 Public Housing financial assistance (defined at 24 CFR § 75.3(a)(1)), which includes cooperative purchasing agreements and contracts for professional services (such as audit and accounting, brokerage, architecture, and legal), maintenance, repairs, labor, landscaping, modernization projects, employee training, PHA resident education and services, and construction. This Policy does not apply to contractors who only furnish materials or supplies.

#### C. Definitions

1. PHA incorporates into this Policy all of the definitions contained in 24 CFR 75; definitions most applicable to PHA’s Policy are listed below.
    - a. *Contractor*: Any entity that enters into a contract or agreement to perform work generated by the expenditure of Section 3 Covered Assistance, or for work in connection with a Section 3 Covered Project.
    - b. *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.

- c. *Qualitative Efforts*: Where an entity fails to meet the quantitative numerical benchmark(s) set forth by HUD, certain qualitative efforts may be accepted to demonstrate compliance with the Section 3 requirements. Qualitative Efforts can include, but are not limited to: contributing to PHA's Section 3 Fund; outreach efforts to generate job applicants who are Targeted Section 3 workers; direct on-the-job training (including apprenticeships); indirect training such as arranging for, contracting for, or paying tuition for, off-site training technical assistance to help Section 3 workers; and outreach efforts to identify and secure bids from Section 3 business concerns. Proposed Qualitative Efforts must be reviewed, negotiated and approved by PHA's Resident Programs and Partnerships Department.
  - d. *Section 3 Business Concern*: A business concern is defined as a business entity formed in accordance with State law, and which is licensed to the extent required under any State, county or municipal law to engage in the type of business activity for which it was formed, and which meets 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.
  - e. *Section 3 Clause*: The contract provisions set forth in 24 CFR 75. The Section 3 Clause is set forth in Section III of this Policy.
  - f. *Section 3 Covered Assistance*:
    - i. Public and Indian housing development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);
    - ii. Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;
    - iii. Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act; or
    - iv. Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
-

- A. Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
  - B. Housing construction; or
  - C. Other public construction project (which includes other buildings or improvements, regardless of ownership).
- g. *Section 3 Covered Contract*: 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 that are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). Section 3 Covered Contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 Covered Contract.
- h. *Section 3 Covered Project*: The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards); other public construction that includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.
- i. *Section 3 Fund*: A fund held and administered by or under the direction of PHA to be expended for the purpose of supporting training programs for Section 3 Residents to develop skills necessary or useful to: 1) fulfill all or a portion of the requirements of any of PHA's Section 3 Covered Contracts; 2) support or create Section 3 Business Concerns; or 3) sell to PHA, directly or through Section 3 Business Concerns, supplies and materials commonly procured by public housing authorities. Such training programs shall include, without limitation, apprentice or pre-apprenticeship programs developing skills involved in building trades, maintenance, landscaping and security and scholarships, including to pay the cost of participation of Section 3 Residents in any available apprenticeship programs for the building trades, such as plumbing, carpentry, electrical, etc., or continuing education. The financial assistance may be used for the payment of tuition, union initiation fees, dues, tools, equipment and work clothing, or any other related expense.
- h. *A Section 3 worker*: is any worker who currently fits, or when hired within the past five years fit<sup>1</sup>, at least one of the following categories, as documented:

---

<sup>1</sup> Per HUD's new Section 3 rule, the five year period began on 11/30/2020 and is the earliest date that can be used for a new hire.

---



1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD (see Question 6 of this part I of these FAQs, below);
  2. The worker is employed by a Section 3 business concern (see Question 5 of part I, below); or
  3. The worker is a YouthBuild participant.
- j. *A Section 3 targeted worker*: for Public Housing Financial Assistance projects is a Section 3 worker who:
1. Is employed by a Section 3 business concern; or
  2. Currently fits, or when hired fit<sup>2</sup>, at least one of the following categories, as documented within the past five years:
    - (i) A resident of public housing or Section 8-assisted housing;
    - (ii) A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
    - (iii) A YouthBuild participant.
- k. *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.
- l. *Safe Harbor*: A safe harbor is a provision of a statute or a regulation that specifies that certain conduct will be deemed not to violate a given rule.
- m. *Labor Hour*: Hours worked by all workers employed with public housing financial assistance in a PHA fiscal year.

#### D. PHA Responsibilities

1. PHA will comply with Section 3 in its operations. This responsibility includes:
  - a. Notifying Section 3 Residents and Section 3 Business Concerns about jobs and contracts generated by Section 3 Covered Assistance so that residents may seek jobs and businesses may submit bids/proposals for available contracts;

---

<sup>2</sup> Id.

---

- b. Notifying potential contractors of the objectives of Section 3 and ways in which each contractor can assist PHA in meeting its goal;
  - c. Facilitating the training and employment of Section 3 Residents and the award of contracts to Section 3 Business Concerns; and
  - d. Documenting the action that the PHA takes to comply with the Section 3 requirements, the results of the actions, and impediments, if any.
2. PHA also has a responsibility to ensure compliance of contractors and subcontractors. PHA will:
- a. Notify contractors of their responsibilities under Section 3 including, but not limited to, incorporating the Section 3 Clause in contract documents;
  - b. Refrain from entering into contracts with contractors that are in violation of the regulations at 24 CFR Part 75;
  - c. Respond to complaints made to PHA by Section 3 worker or targeted worker or Section 3 Business Concerns that PHA, a contractor or subcontractor, is not in compliance with 24 CFR Part 75; and
  - d. Cooperate with HUD in obtaining the compliance of contractors and subcontractors when allegations are made that PHA's contractors and subcontractors are not in compliance with the regulations at 24 CFR Part 75.

#### E. Goals

1. Goals for Employment for all contractors under Section 3 covered contracts:
    - i. The Section 3 goals require that Section 3 workers comprise no less than 25% of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's or other recipient's fiscal year. Of that 25%, no less than 5% of the total number of labor hours worked must be worked by Targeted Section 3 Workers. The above benchmark notice will be updated by the Secretary every three (3) years.
  2. Preferences Regarding Small Purchases: For contracts that do not exceed \$20,600, procured in accordance with the Small Purchase Procedures found in this Procurement Policy, and where the Section 3 Covered Contract is to be awarded based on price, the contract will be awarded to the responsible source with the lowest responsive quotation.
    - a. Where the Section 3 Covered Contract in an amount not to exceed \$20,600 is to be awarded based on factors other than price, a request for quotations will be prepared in accordance with PHA's Procurement Policy, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation will
-

identify all factors to be considered, including price or cost. The rating system will provide for a range of 10 to 15 percent of the total number of available rating points to be set aside for the provision of preference for Section 3 Business Concerns. The percent of the preference points shall be determined by the head of PHA's Supply Chain Management Department or his or her designee upon due consideration of the effect of any preference upon the ability to obtain responsive quotations. The contract or purchase order will be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

3. Preferences Regarding Procurement By Request For Proposals (RFP): For Section 3 Covered Contracts awarded through an RFP process, the RFP shall identify all evaluation factors (and their relative importance) to be used to rate proposals. One of the evaluation factors shall address both the preference for Section 3 Business Concerns and the acceptability of the proposing contractor's strategy for meeting the Section 3 greatest extent feasible requirement. This factor shall provide for a range of 10 to 15 percent of the total number of available points to be set aside for the evaluation of these two components. The percent of the preference points shall be determined by the head of PHA's Supply Chain Management Department or his designee upon due consideration of the effect of any preference upon the ability to obtain responsive proposals.
    - a. The component of this evaluation factor designed to address the preference for Section 3 Business Concerns must establish a preference for these business concerns in the order of priority ranking as set forth in this policy.
    - b. With respect to the second component (the acceptability of the strategy for meeting the greatest extent feasible requirement), the RFP shall require disclosure of the contractor's strategy for meeting the greatest extent feasible requirement to comply with the Section 3 employment. A determination of the contractor's responsibility will include the submission of an acceptable strategy for meeting the greatest extent feasible requirement. The contract award shall be made to the responsible firm whose proposal is determined most advantageous considering price and all other factors specified in the RFP.
  4. Preferences Regarding Contracts to be Awarded Under a Sealed Bid Process: Where the Section 3 Covered Contract is to be awarded under a sealed bid process, PHA will utilize the procedure and the method for providing preference for Section 3 Business Concerns described in 24 CFR Part 75.
  5. Safe Harbor Benchmarks: The Section 3 Covered Contract is in compliance with safe harbor if the vendor "met or exceeded the Section 3 benchmarks AND followed the required prioritization of effort. If the vendor can't meet, or hasn't met, the quantitative benchmarks prioritization of effort, they must provide acceptable evidence that they have made qualitative efforts to assist low and very low income persons with
-

employment and training opportunities. The evidence must be approved by a PHA representative prior to execution.

#### F. Safe Harbor Compliance

Contractor will be considered to have complied with the Section 3 requirements and met the safe harbor benchmarks, if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence of the contrary. Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the required prioritization of effort for Section 3 workers, Targeted Section 3 workers, and Section 3 business concerns as outlined below in section G. After completion of the project, on the Section 3 Cumulative Report, contractors and subcontractors will be required to certify that they followed the prioritization of effort requirements. **If the contractor and subcontractor does not meet the safe harbor requirements, they must provide acceptable evidence that they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities.**

1. HUD holds PHA accountable for compliance with Section 3 requirements: Therefore, contractor reporting requirements will be incorporated into all Section 3 Covered Contracts and contractors shall be contractually required to respond to requests for information from PHA for compliance verification throughout the life of the contract. PHA's Section 3 Program and/or PHA's Office of Audit and Compliance may also conduct random compliance inspections at the site of a Section 3 Covered Project.
  2. Achievement of Numerical Goals: In the absence of evidence to the contrary, if a contractor meets the minimum numerical goals listed in Section III.E of this Policy, above, the contractor is considered to have complied with its Section 3 requirements under this Policy.
  3. Burden of Proof: Section 3 requires compliance with its minimum numerical requirements unless PHA and its contractors demonstrate that such compliance was not feasible following reasonable efforts. Contractors must demonstrate, through compliance reports and forms established by PHA, that they have met the numerical goals stated in Section III.E of this Policy. When a contractor is unable to meet the objectives stated in Section III.E of this Policy, the contractor has the burden of satisfactorily demonstrating why it was not feasible to meet the numerical goals. Such justification may include impediments encountered despite actions taken. In the event a contractor does not meet the numerical goals for Section 3 worker hours, PHA requires that a contractor demonstrate that it has provided other sufficient qualitative efforts as further evidence of its attempt to provide Section 3 related qualitative benefits. See Section III F.4 Policy.
  4. Qualitative PHA Options: Except in the case of Section 3 Covered Contracts under \$20,600, PHA requires each contractor pursuant to any Section 3 Covered Contract to perform qualitative efforts in each of the following circumstances:
-

- a. The Section 3 worker labor hours, including Targeted Section 3 Workers, on the project failed to achieve 25 percent of the total labor hours performed on the project;
  - b. The Targeted Section 3 worker labor hours on the project failed to achieve 5 percent of the total labor hours performed on the project.
5. Cooperation: Vendor will cooperate fully with Section 3 compliance reviews by PHA. Vendor will promptly correct or work with subcontractors to correct any deficiencies identified by PHA during such reviews.
6. Safe Harbor Benchmarks:
- i. 25% or more of all labor hours worked by all workers employed with public housing financial assistance in the PHA's or other recipient's fiscal year must be Section 3 workers (including Targeted Section 3 Workers).
  - ii. 5 % or more of all labor hours worked by all workers employed in PH financial assistance in the PHA's or other recipient's fiscal year must be Targeted Section 3 workers.

Section 3 labor Hours / Total labor hours = 25% AND Targeted Section 3 labor hours / Total labor hours = 5%.

The 5% for Target Section 3 labor hours may be included in the 25% total for Section 3 labor hours.

#### G. Qualitative Efforts

Under the PHA's Section 3 Program, contractors and subcontractors should make best efforts to provide employment and training opportunities to Section 3 workers in the priority order listed below. Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

- 1) To residents of the public housing projects for which the public housing financial assistance is expended;
  - 2) To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;
  - 3) To participants in Youth Build programs; and
  - 4) To low and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended
1. The following qualify as qualitative efforts to fulfill the requirements of Section III F.4 of this policy:
-

- a. Contribute to a Section 3 Fund created by PHA in the amount of three percent (3%) of the Section 3 Contract amount (see Definitions, Section III, C.i).
- b. Provide training or apprenticeship opportunities to the greatest extent feasible per the prioritization of efforts above.
- c. Provide services to Section 3 workers supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare).
- d. Provide assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- e. Provide technical training (workshops or one-on-one support) to help Section 3 business concerns understand and bid on contracts.
- f. Divide subcontracts into smaller jobs to facilitate participation by Section 3 business concerns.
- g. Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- h. Provide Contracting Opportunities, to the greatest extent feasible, to Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project and participants in Youth Build programs.

All proposed potential qualitative efforts must be reviewed and approved by PHA prior to execution of any agreement. Each contractor shall fill out the Section 3 forms that are part of the solicitation which shall be reviewed by PHA to ensure the proposed plan is substantive and meaningful for the Section 3 workers and targeted workers. The Section 3 forms shall provide a framework for contractors to provide proposed plans for qualitative efforts in a manner that may be evaluated and graded by PHA's review committee. If the contractor cannot meet the labor hour requirements and does not provide a Qualitative Efforts plan that is acceptable to PHA, or if the vendor's plan fails to achieve its proposed results (to be determined at PHA's sole discretion), the contractor shall at a minimum contribute to a Section 3 Fund created by PHA in the amount of three percent (3%) of the expended contract amount.

## 2. Data Collection and Reporting

- a. Monthly Reporting
    - i. Contractors are required to submit monthly activity reports to PHA's Section 3 Vendor Portal, or by any other tracking software system utilized by PHA, by the 1st day of each month.
-

b. Annual Reporting

1. Once a project is completed, contractors must submit a final Section 3 cumulative report for the program year in PHA's Section 3 Vendor Portal.
2. Upon the completion of a project, PHA's Office of Audit and Compliance will conduct a final review of the project's overall performance and compliance.
3. PHA will submit an annual report to HUD documenting the compliance with Section 3 in such form and with such information as HUD may request. The report will be submitted in compliance with HUD required deadlines. HUD will be provided access to all records, reports and other documents or items PHA maintains to demonstrate compliance with Section 3 requirements.

H. Section 3 Complaint Process

1. Complaint Right

- a. Any Section 3 Resident and any representative who is not a Section 3 Resident, but who represents one or more Section 3 Residents, and any Section 3 Business Concern or any individual representative of one or more Section 3 Business Concerns, may bring concerns of noncompliance with Section 3 to HUD in conformity with complaint procedures detailed in 24 CFR 75. Complaints are to be filed with the Assistant Secretary for Fair Housing and Equal Opportunity.

2. Resolution of Complaints

- a. If the Assistant Secretary sends a complaint to PHA for resolution, PHA will review the complaint promptly. If PHA believes that the complaint lacks merit, PHA will notify the Assistant Secretary, in writing, of this recommendation with supporting reasons, within thirty (30) days of the date of receipt of the complaint. The determination that a complaint lacks merit is reserved to the Assistant Secretary.
  - b. If PHA determines that there is merit to the complaint, PHA will have sixty (60) days from the date of receipt of the complaint to resolve the matter with the complainant. At the expiration of the sixty (60) day period, PHA must notify the Assistant Secretary in writing whether a resolution of the complaint has been reached. If resolution has been reached, the notification must be signed by both PHA and the complainant and must summarize the terms of the resolution reached between the two parties
  - c. Any request for an extension of the sixty (60) day period by PHA must be submitted in writing to the Assistant Secretary, and must include a statement explaining the need for the extension.
-

- d. If PHA is unable to resolve the complaint within the sixty (60) day period (or more if extended by the Assistant Secretary), the complaint shall be referred to the Assistant Secretary for handling in accordance with 24 CFR 75.

### 3. Intimidatory or Retaliatory Acts Prohibited

- a. PHA will not intimidate, threaten, coerce, or discriminate against any person or business because the person or business has made a complaint, testified, assisted or participated in any manner with an investigation, proceeding, or hearing regarding a complaint.

### 4. Judicial Relief

- a. Nothing in this policy precludes a Section 3 Resident or Section 3 Business Concern from exercising the right to seek redress directly through judicial procedures.

### I. Section 3 Clause

All Section 3 Covered Contracts shall include the following clauses (A-G, below), referred to as the 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, 12U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD Assistance or HUD- assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD Assistance for housing.
  - B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 75, 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 75 regulations.
  - C. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 75.
  - D. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part
-



75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.

- E. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
  
  - F. 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 performed under this contract. Section 7(b) requires that the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7 (b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).
-

**APPENDIX A:**

**SECTION 3 COMPLIANCE FORMS 1 – 7**

---

PHILADELPHIA HOUSING AUTHORITY

SECTION 3 VENDOR COMMITMENT

**(FORM 1)**

**INSTRUCTIONS:** All vendors MUST complete this Section 3 commitment form as part of their bid/proposal, or to amend a commitment after a contract has been successfully awarded. Please answer the questions, **AS PROMPTED**. This form must be signed when completed. If additional forms are required, it will be noted in the appropriate section of this Form 1.

**1. IS YOUR BUSINESS A QUALIFIED SECTION 3 BUSINESS CONCERN?**

YES  NO

If the answer is “Yes,” check at least one reason below, sign this form, and complete Form 2.

If the answer is “No”, then proceed to number 2.

\_\_\_\_\_ It is at least 51 percent owned and controlled by low- or very low-income persons;

\_\_\_\_\_ Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or,

\_\_\_\_\_ 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. YOUR BUSINESS IS EXPECTED TO MEET PHA’S SAFE HARBOR BENCHMARKS BELOW.**

1) The Section 3 worker labor hours on the project must equal at least 25 percent of the total labor hours performed on the project in the PHA’s fiscal year are Section 3 workers;

Section 3 Labor Hours/Total Labor Hours = 25%

AND

2) The Targeted Section 3 worker labor hours on the project must equal at least 5 percent of the total labor hours performed on the project.

Targeted Section 3 Labor Hours/Total Labor Hours = 5%

\_\_\_\_\_ **I ACKNOWLEDGE AND UNDERSTAND ABOVE SAFE HARBOR BENCHMARKS.**

**IF PHA’S SAFE HARBOR BENCHMARKS OUTLINED IN SECTION 2 ARE NOT MET, PHA WILL CONSIDER YOUR QUALITATIVE EFFORTS TO ACHIEVE THE SAFE HARBOR BENCHMARKS. . PLEASE OUTLINE YOUR PLAN TO ACHIEVE THE SAFE HARBOR BENCHMARKS IN SECTION 3 BELOW.**

**3. PHA QUALITATIVE EFFORTS AND OTHER ECONOMIC OPPORTUNITIES – THIS SECTION MUST BE COMPLETED BY ALL BIDDERS/PROPOSERS WHO ARE NOT A SECTION 3 BUSINESS OR A SECTION 3 BUSINESS CONCERN**

Vendors who are successfully awarded a contract with PHA are expected to make best efforts to achieve the Safe Harbor Benchmarks. If vendors are unable to meet the Section 3 Safe Harbor Benchmarks, PHA may consider vendors best attempt to meet Qualitative Efforts. They are required to plan for and conduct Qualitative Efforts to provide Other Economic Opportunities to Section 3 and Targeted Section 3 workers in the priority order listed below.

- 1) To residents of the public housing projects for which the public housing financial assistance is expended;
- 2) To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;
- 3) To participants in YouthBuild programs; and
- 4) To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

The following qualify as qualitative efforts to fulfill the requirements of not meeting PHA’s Safe Harbor Benchmarks. At least one option must be selected.

**\* Please note that the value of all Qualitative Efforts must be equal to a minimum of 3% of the contract spend amount.**

A. Will your business contribute to the Section 3 Fund that PHA will use for job training and development, continuing education, Section 3 business development?

YES  NO

If your answer is “Yes,” your business must contribute a minimum of 3% of the total contract invoice value. Please state the percent you will contribute \_\_\_\_\_%

B. Will your business provide training or apprenticeship opportunities?

YES  NO

If “Yes”, please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Will your business connect Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare)

YES  NO

If “Yes”, please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Will your business provide assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.

YES  NO

If "Yes", please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E. Provide technical training (workshops or one on one support) to help Section 3 business concerns understand and bid on contracts.

YES  NO

If "Yes", please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

F. Divide subcontracts into smaller jobs to facilitate participation by Section 3 business concerns.

YES  NO

If "Yes", please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

YES  NO

If "Yes", please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

H. Does your business plan to develop, stabilize or expand a Section 3 Business (es)?

YES  NO

**If your answer is "Yes," please provide a detailed plan for review and approval by the PHA Section 3 Program for one of the following prior to execution of any agreement:**

|                          |  |
|--------------------------|--|
| <input type="checkbox"/> | Assist with the formation of Section 3 Joint Business Venture  |
| <input type="checkbox"/> | Hire or subcontract with a Section 3 Businesses for work unrelated to this contract, if successfully awarded |
| <input type="checkbox"/> | Provide mentorship, continuing education, and training opportunities that benefit Section 3 Businesses       |

By signing below, the vendor acknowledges and understands that it has reviewed PHA's Section 3 compliance requirements and agrees to comply with the selected commitments indicated above. Vendor attests that the proof supplied and representations made for Section 3 status are accurate, to the best of its knowledge and belief and understands that any intentional submission of false information shall be a material breach of the contract. 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 in good faith to the PHA Section 3 compliance goals. The undersigned acknowledges and affirms responsibility for completion and submission of this form PRIOR TO AWARD of a contract and acknowledges that failure to submit this form may jeopardize the responsiveness of its submission.

Attested to by:

---

Authorized Officer Signature

Date

---

Print Name and Title

Company/Business Name

---

Address  
Number

Phone

Email:

---

Proposal or Contract Number

---

**FOR ADMINISTRATIVE USE ONLY**

Form reviewed and approved by an RPP Section 3 Program Representative:  YES  NO

Name of RPP Representative: \_\_\_\_\_

Signature of RPP Representative: \_\_\_\_\_ Date form reviewed: \_\_\_\_\_

**EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE**

## SECTION 3 BUSINESS APPLICATION

Your business may qualify as a Section 3 business if it meets the criteria listed on Form 2 and you provide the required documentation. The benefits to qualifying as a Section 3 business are:

1. **Automatic Section 3 Compliance for your PHA Contract:** Qualifying as a Section 3 business satisfies all compliance obligations with Section 3 for any current contract it has with PHA.
2. **Potential Business Opportunities:** Section 3 businesses are listed on a PHA directory that is shared with businesses looking to work with Section 3 businesses for their Section 3 compliance obligations. You don't need to have a contract with PHA to be listed on this directory.

Please review Form 2 and see if you qualify!

**SECTION 3 BUSINESS CERTIFICATION FORM**

**(FORM-2)**

**Instructions:** Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

**Business Information**

Name of Business (the "Company") \_\_\_\_\_

Address \_\_\_\_\_

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

Phone Number of Business Owner \_\_\_\_\_

Email Address of Business Owner \_\_\_\_\_

**Preferred Contact Information**

Name of Preferred Contact \_\_\_\_\_

Phone Number of Preferred Contact \_\_\_\_\_

Business Type:  Corporation  Partnership  Sole Proprietorship

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

**1. SELECT THE REASON(S) YOUR BUSINESS QUALIFIES AS A SECTION 3 BUSINESS**

**You are a Section 3 Business because at least 51% of the business ownership is owned by Section 3 Residents. Section 3 residents are individuals who are low or very-low income who live in Philadelphia.**



- You are claiming a Section 3 Business because over 75 percent of the labor hours performed for the business over the prior three month period are performed by Section 3 Residents;**
- You are a Section 3 Business because at least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.**

## **2. ATTACH DOCUMENTATION NECESSARY TO QUALIFY AS A SECTION 3 BUSINESS**

- Section 3 Business because at least 51% of the business ownership is held by Section 3 Residents: Complete Forms 4 and 6. Note that Form 6 should only be completed by the Section 3 resident listed on Form 4. Valid photo identification is required with each Form 6.**
- Section 3 business because over 75 percent of the labor hours performed for the business over the prior three month period are performed by Section 3 Residents; Complete Forms 3 and 6. Note that Form 6 should only be completed by the Section 3 resident listed on Form 3. Photo identification is required with each Form 6.**
- Section 3 Business because at least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing. You must provide: Complete Forms 4 and 6. Valid photo identification is required with each Form 6. A list of subcontracted business(es), including Section 3 businesses, total anticipated spend for the contract, and subcontract amounts to be spent on each subcontractor (Proof of Section 3 qualification will be required for all claimed Section 3 subcontracted business(es) after the contract has been awarded).**

I affirm that the above statements (on the front side of this form) are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to [insert name of recipient/grantee] may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

\_\_\_\_\_  
**Authorized Officer Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name, Title, and Company Name**

\_\_\_\_\_  
**Proposal or Contract Number**

\*Certification expires within six months of the date of signature  
Information regarding Section 3 Business Concerns can be found at 24 CFR 75.5

---

**FOR ADMINISTRATIVE USE ONLY**

Form reviewed and approved by an Office of Audit and Compliance (OAC) Section 3 Compliance Representative:  YES  
 NO

Name of OAC Representative: \_\_\_\_\_

Signature of OAC Representative: \_\_\_\_\_ Date form reviewed: \_\_\_\_\_

**EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILELIST OF ALL EXISTING FULL TIME EMPLOYEES (FORM 3)**

**Instructions:** Please provide the following information for **all** full time employees employed by the contractor/vendor, **regardless of whether the employee is or is not a PHA or Section 3 Resident.** (Add additional sheets if necessary)

DEVELOPER/CONTRACTOR : \_\_\_\_\_ PROPOSAL/CONTRACT #: \_\_\_\_\_

PROJECT NAME AND LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

| EMPLOYEE<br>NAME/ADDRESS | SOCIAL<br>SECURITY #<br><br>(LAST 4 DIGITS) | DATE OF<br>HIRE | JOB POSITION/<br>CATEGORY/TRADE | NUMBER OF<br>HOURS<br>WORKED OVER<br>THE PAST 3<br>MONTHS | SECTION 3<br>RESIDENT (Y/N) |
|--------------------------|---|-----------------|---------------------------------|---|-----------------------------|
|                          |   |                 |                                 |   |                             |
|                          |   |                 |                                 |   |                             |
|                          |   |                 |                                 |   |                             |
|                          |   |                 |                                 |   |                             |
|                          |   |                 |                                 |   |                             |

**SECTION 3 RESIDENT OWNED BUSINESS OWNERSHIP PROFILE**

**(FORM 4)**

Instructions: Please provide ownership information to establish 51% or more ownership is owned by Section 3 Residents. All owners, partners, proprietors, and the like, must be listed, **regardless of whether the individual is a Section 3 Resident.**

DEVELOPER/CONTRACTOR : \_\_\_\_\_ PROPOSAL/CONTRACT #: \_\_\_\_\_

PROJECT NAME AND LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

| OWNER NAME/ADDRESS | SOCIAL SECURITY #<br>(LAST 4 DIGITS) | DATE OF BIRTH | JOB TITLE | % OWNERSHIP INTEREST | SECTION 3 RESIDENT (Y/N) |
|--------------------|--------------------------------------|---------------|-----------|----------------------|--------------------------|
|                    |                                      |               |           |                      |                          |
|                    |                                      |               |           |                      |                          |
|                    |                                      |               |           |                      |                          |
|                    |                                      |               |           |                      |                          |

## SECTION 3 JOB BANK JOB DESCRIPTION FORM (FORM 5)

### Philadelphia Housing Authority's Section 3 Job Bank:

#### Vendor Participation Requirements

The Philadelphia Housing Authority (PHA) has created a Section 3 Job Bank on its website that lists all available Section 3 positions with PHA vendors. In addition to conducting independent Section 3 job recruitment, you are required to participate in the Section 3 Job Bank as part of your Section 3 compliance commitment. Participation in the Section 3 Job Bank requires the following:

- 1) Timely submission of job description(s);
- 2) Status updates on whether the position(s) has been filled;
- 3) Interviewing Section 3 Residents referred to the vendor by PHA; and
- 4) Timely submission of post-interview survey form or monthly referral reports for referred Section 3 Residents

Please complete the attached Section 3 Job Bank Job Description Form and return to [section3@pha.phila.gov](mailto:section3@pha.phila.gov). Vendors using the services of sub-contractors are responsible for ensuring subcontractors participate in the Section 3 Job Bank.

**PLEASE NOTE: Failure to participate in the Section 3 Job Bank may result in a notation in your Section 3 compliance record.**

### SECTION 3 JOB BANK JOB DESCRIPTION FORM (FORM – 5)

**INSTRUCTIONS:** Complete all applicable fields in this form. Any attachments/web links submitted in lieu of this form must include the information requested from this form in its entirety.

|                              |   |                                       |   |
|------------------------------|---|---------------------------------------|---|
| <b>Company Name:</b>         | Click here to enter text  | <b>Contract No(s).</b>                | Click here to enter text                  |
| <b>Date Posted:</b>          | Click here to enter a date.   | <b>Willing to Train:</b>              | Enter – Yes or No                         |
| <b>Position Start Date:</b>  | Click here to enter a date.   | <b>Position End Date:</b>             | Click here to enter a date.               |
| <b>Job Title:</b>            | Click here to enter text.   |                                       |   |
| <b>Contract #:</b>           | Click here to enter text.   | <b>Job Category/Field:</b>            | <b>[i.e.: plumbing, legal, marketing]</b> |
| <b>Location:</b>             | Click here to enter text.   | <b>Travel Required:</b>               | Click here to enter text.                 |
| <b>Neighborhood(s):</b>      | Click here to enter text.   | <b>Number of Positions Available:</b> | Click here to enter text.                 |
| <b>Position Type:</b>        | [i.e.: full-time, part-time, seasonal, job share, contract, intern] | <b>Fringe Benefits:</b>               | Click here to enter text.                 |
| <b>Compensation:</b>         | [i.e.: salary, wage/hourly ]  |                                       | Click here to enter text.                 |
| <b>External posting URL:</b> | Click here to enter text.   |                                       |   |

#### Job Description

##### ROLE AND RESPONSIBILITIES

[Type a description of the essential roles, responsibilities and activities a candidate can expect to assume in this position, using the Details style. For bullets, use the Bulleted List style.]

[Bulleted list item]

[Bulleted list item]

[For a numbered list, use the Numbered List style.]

[Numbered List item]

[Numbered List item]

##### QUALIFICATIONS AND EDUCATION REQUIREMENTS

[Type a description of the work experience and educational background that a candidate should have when applying for position. Use the Details, Bulleted List, and/or Numbered List styles as needed.]

##### PREFERRED SKILLS

[Type a description of any additional skills or experience that would be considered favorable for a candidate who is applying for this position. Use the Details, Bulleted List, and/or Numbered List styles as needed.]

##### ADDITIONAL NOTES

[Type any additional notes if needed.]

#### FOR PHA OFFICE USE ONLY

|                               |                           |              |                             |
|-------------------------------|---------------------------|--------------|-----------------------------|
| <b>Reviewed By Section 3:</b> | Click here to enter text. | <b>Date:</b> | Click here to enter a date. |
| <b>Reviewed By HR:</b>        | Click here to enter text. | <b>Date:</b> | Click here to enter a date. |
| <b>Approved By OAC:</b>       | Click here to enter text. | <b>Date:</b> | Click here to enter a date. |
| <b>Last Updated By:</b>       | Click here to enter text. | <b>Date:</b> | Click here to enter text.   |

**PHILADELPHIA HOUSING AUTHORITY**

**Section 3 Worker and Targeted Section 3 Worker Self-Certification Form (Form 6)**

**To be completed by Employee**

---

The purpose of HUD’s Section 3 program is to provide employment, training and contracting opportunities to individuals whose income is below certain thresholds, particularly those who are recipients of government assistance for housing or other public assistance programs. Your response is confidential, and has no effect on your employment.

**Eligibility for Section 3 Worker or Targeted Section 3 Worker Status**

The below must be completed by an employee on a Section 3 project or Section 3 covered contract if they believe that they meet the below definition of a Section 3 Worker or a Targeted Section 3 Worker as defined in 24 CFR Part 75.

Instructions: Enter/select the appropriate information to determine your Section 3 Worker or Targeted Section 3 Worker status and return it to your employer.

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

- 1. Are you a resident of the City of Philadelphia  YES  NO
  
- 2. Are you a resident of Philadelphia Housing Authority Public Housing or a Housing Choice Voucher Holder (Section 8)?  YES  NO

If Yes, Please print Client ID# \_\_\_\_\_

- 3. I certify that my individual income earned on an annual basis is:
  - \$59,050 or less
  - Above \$59,050

**Employee Affirmation**

**I certify that all of the information given above and below is true and correct to the best of my information and belief. If found to be inaccurate, I understand that I may be disqualified as an applicant and/or a certified Section 3 individual which may be grounds for termination of training, employment, or contracts that resulted from this certification. I attest under penalty of perjury that my total individual income annually is within the range as listed above. I understand that proof of this statement may be requested in the future.**

Employee Address: \_\_\_\_\_

(Must be a street address and not a P.O. Box#) (Apt #), (City, State, Zip)

PHA Site Name (if applicable): \_\_\_\_\_ Phone # \_\_\_\_\_

Last four digits of social security number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Print Name: \_\_\_\_\_ Date Hired: \_\_\_\_\_

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

---

**NOTE: EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS. ALL EMPLOYERS MUST SUBMIT THIS FORM FOR EVERY EMPLOYEE FOR WHOM SECTION 3 STATUS IS APPLICABLE ALONG WITH A COPY OF THE EMPLOYEE'S PHOTO IDENTIFICATION TO PHA'S LABOR STANDARDS OFFICER.**



**PHILADELPHIA HOUSING AUTHORITY**

**Section 3 Worker and Targeted Section 3 Worker Employer-Certification (Form 7)**

**To be completed by Employer**

---

The purpose of HUD's Section 3 program is to provide employment, training and contracting opportunities to individuals whose income is below certain thresholds, particularly those who are recipients of government assistance for housing or other public assistance programs. Your response is confidential.

**Employer Certification Requirements**

All employers must either: 1) submit this form, along with the complete information in the attached table for every full-time employee who will perform work on the Section 3 covered project or Section 3 covered contract with the Philadelphia Housing Authority; or, 2) provide a completed Form 6 for each employee working on the Section 3 covered project or Section 3 covered contract for whom they believe meets the definition of a Section 3 Worker and/or a Targeted Section 3 Worker.

**Employer Affirmation**

**I acknowledge and understand the definition of Section 3 and Targeted Section 3 Workers and hereby certify that all employees listed in the attached table are believed to be Section 3 or Targeted Section 3 Workers.**

**I certify that all of the information given below is true and correct to the best of my information and belief. If found to contain intentional misrepresentations, I understand that I may be disqualified as an employer and/or a certified Section 3 Business Concern which may be grounds for termination of training, employment, or contracts that resulted from this certification. I attest under penalty of perjury that the below is the income paid to employee by employer on an annual basis and is at or below the income amount as shown in the attached table at the time of this document is being signed. I understand that proof of this statement may be requested in the future.**

Name of Business (the "Company") \_\_\_\_\_

Name of Business Owner: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**LIST OF ALL EXISTING FULL TIME EMPLOYEES –FORM 7(CONTD.)**

Instructions: Please provide the following information for **full** time employees for whom Section 3 and Targeted Section 3 Worker status is sought. The below employees must be performing, or be anticipated to perform work on your PHA contract. (**Add additional sheets if necessary**)

Developer/Contractor: \_\_\_\_\_ Proposal/Contract #: \_\_\_\_\_

Project Name & Location: \_\_\_\_\_ Today's Date: \_\_\_\_\_

| Employee Name & Address | Last 4 of SSN | Date of Hire | Job Position/Category/Trade | Employee Salary as of 4/18/2022 | Section 3 Worker? (Y/N) | Targeted Section 3 Worker? (Y/N) |
|-------------------------|---------------|--------------|-----------------------------|---------------------------------|-------------------------|----------------------------------|
|                         |               |              |                             |                                 |                         |                                  |
|                         |               |              |                             |                                 |                         |                                  |
|                         |               |              |                             |                                 |                         |                                  |
|                         |               |              |                             |                                 |                         |                                  |
|                         |               |              |                             |                                 |                         |                                  |
|                         |               |              |                             |                                 |                         |                                  |

**APPENDIX B:**

**SECTION 3 COMPLIANCE REPORTING  
REQUIREMENTS**

## **VENDOR MONTHLY ONLINE COMPLIANCE REPORT**

All vendors are required to file and submit monthly compliance reports online in PHA's Section 3 Vendor Portal, or another equivalent method as designated by PHA, throughout the calendar year. If a contract expires or is terminated, the contractor is expected to submit all outstanding Section 3 compliance reports and may have final payment withheld until reports are completed. Filing deadlines and the link to submit the online report can be found at [www.pha.phila.gov](http://www.pha.phila.gov).

## **VENDOR ANNUAL ONLINE COMPLIANCE REPORT**

In addition to filing monthly status update reports, upon completion of all work on the contract or upon the expiration of the contract, whichever occurs first, all vendors are required to file a final Section 3 cumulative report on PHA's Section 3 Vendor Portal.

### **INFORMATION REQUIRED FOR HIRING AND SUBCONTRACTING REPORTS**

#### **HIRING REPORT**

- Total Labor hours on project, Section 3 Worker and Target Section 3 Worker hours
- Contractor/Sub Contractor Name(s) (if applicable)
- Whether the Contractor/Subcontractor is a Section 3 Business
- Whether other efforts were made to achieve employment generated by HUD financial assistance for housing and community development programs (See Appendix C)

#### **SUBCONTRACTOR REPORT**

- All Subcontractors Names
- Whether the Contractor/Subcontractor is a Section 3 Business
- Contract amount expended for each subcontractor
- Which attempts were used to recruit Section 3 Businesses, for example, local advertising media, signs displayed prominently at the work site, contact community organizations or public and private agencies in Philadelphia (See Appendix C)

#### **IF THE VENDOR IS UNABLE TO FULFILL SAFE HARBOR BENCHMARKS AND PHA'S QUALITATIVE EFFORTS AT THE TIME OF THE MONTHLY COMPLIANCE REPORT**

- Contact the Section 3 Program Representative at [section3@pha.phila.gov](mailto:section3@pha.phila.gov)
- Document the attempts used, for example, local advertising media, signs displayed prominently at the work site, contact community organizations or public and private agencies in Philadelphia and describe why such efforts failed. (See Appendix C)

## PHA'S QUALITATIVE EFFORTS AND OTHER ECONOMIC OPPORTUNITIES

### INFORMATION REQUIRED FOR SECTION 3 FUND CONTRIBUTION REPORT

- Proof of Section 3 Fund payment(s)
- Payment Information: Payments can be made *via* check or ACH (direct deposit). All payment forms must include "Section 3" and the contract number in the memo, cover letter or payment statement receipt. For direct deposit account information, please contact Eric Schneiderreit at [eric.schneiderreit@pha.phila.gov](mailto:eric.schneiderreit@pha.phila.gov) or the Section 3 Program. All checks should be made payable to "PhillySEEDS." Payment mailing address:

PhillySEEDS  
Treasurer  
2013 Ridge Avenue  
Philadelphia, PA 19121

### INFORMATION REQUIRED FOR OTHER ECONOMIC OPPORTUNITIES PROVIDED TO SECTION 3 RESIDENTS AND BUSINESSES

- Contract dollar amount paid by PHA for the quarter
- Amount expended for the quarter on providing economic opportunities toward Section 3 Residents or Businesses (must also provide supporting documentation)
- Type of opportunity being provided
- Location where the opportunity is being provided
- Start/End Dates
- Names of Participating Section 3 Residents and Businesses
- Completed Form 6 (to be signed by Section 3 resident) and/or proof Section 3 Residents attended and were recruited
- Type of Certificate/License Awarded (If applicable)
- PHA Section 3 Business Certification forms from each business (see "Pre-Bid Section 3 Forms List" for forms to be completed)
- Sign-in Sheet/Attendance Record(s) names of all attendees, PHA Client Numbers, trainer name, training location, date, and course name and description
- What attempts were used to recruit Section 3 Residents and businesses, such as local advertising media, signs displayed prominently at the work site, contact community organizations or public and private agencies in Philadelphia (See Appendix C)
- Whether the contractor participated in a HUD program or other program which promotes the training or employment of Section 3 Residents or Section 3 Businesses.

## **VENDOR JOB BANK REPORTING**

All vendors with commitments to meet safe harbor benchmark must report on its participation with the Section 3 Job Bank. The PHA Job Bank Coordinator will provide either Job Bank Surveys or Monthly Job Bank Referral Reports to vendors based on contract category.

1. **Non-Construction Contracts or Construction Contracts with a total contract award of \$1,000,000 or less** must complete Job Bank Surveys for every job candidate referral. These surveys are to be completed within 30 days of the date of referral, unless otherwise agreed by the PHA Job Bank Coordinator.
2. **Construction Contracts with a total contract award of \$1,000,000 or more** must complete a monthly Job Bank Referral Report. The information in these reports must include:
  - a. Candidate names referred by PHA's Job Bank
  - b. Acknowledgment of review of resumes received from the Job Bank
  - c. Information on interviews scheduled and conducted with Section 3 persons
  - d. Reasons for non-hiring of referred Section 3 persons

**APPENDIX C:**

**EXAMPLES OF EFFORTS TO DEMONSTRATE SECTION 3  
COMPLIANCE**

## **SUGGESTED EXAMPLES OF HIRING EFFORTS FOR SECTION 3 COMPLIANCE**

The following are acceptable methods that, when documented, assist in demonstrating compliance with Section 3:

1. Consulting with State and local agencies administering training programs, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 Residents for a contractor's or subcontractor's training and employment positions.
2. Advertising the jobs to be filled through the local media.
3. Employing a job coordinator, or contracting with a business that is licensed in the field of job placement (preferably a Section 3 Business) that will undertake efforts to match eligible and qualified Section 3 Residents with the training and employment positions that the contractor intends to fill.
4. Establishing training programs, which are consistent with the requirements of the Department of Labor, for public housing residents and other Section 3 Residents in the building trades.
5. Advertising 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 housing developments where PHA residents reside, particularly in the development where the Section 3 covered activity is taking place.
6. Entering into "first source" hiring agreements with organizations representing Section 3 Residents.
7. Contacting resident council, resident management corporations, or other resident organizations, where they exist, in the housing developments where low income persons reside, to request the assistance of those organizations in notifying residents of the training and employment positions to be filled.
8. Sponsoring a job information meeting to be conducted at a location in the housing developments where low income persons reside or in the neighborhood or service area of the Section 3 covered project.
9. Arranging assistance in conducting job interviews and completing job applications for residents of the housing developments where low income persons reside and in the neighborhood or service area in which a Section 3 project is located.
10. Arranging for a location in the housing developments where low income persons reside, or the neighborhood or service area of the project, where job applications may be delivered and collected or where job interview can be conducted.
11. Where there are more qualified Section 3 Residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 Residents for future employment positions.
12. Undertaking continued job training efforts as may be necessary to ensure the continued employment of Section 3 Residents previously hired for employment opportunities.



## **SUGGESTED EXAMPLES OF EFFORTS TO CONTRACT WITH SECTION 3 BUSINESSES FOR SECTION 3 COMPLIANCE**

The following are acceptable methods that, when documented, assist in demonstrating compliance with Section 3:

1. In determining the responsibility of potential subcontractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending subcontract.
2. Contacting business assistance agencies, minority contractors' associations and community organizations to inform them of contracting opportunities and request their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
3. Providing written notice to all known Section 3 Businesses of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 Businesses to respond to the bid invitation or request for proposals.
4. Following up with Section 3 Businesses that have expressed interest in contracting opportunities by contacting them to provide additional information on the contracting opportunities.
5. Coordinating pre-bid meetings at which Section 3 Businesses could be informed of upcoming contracting and subcontracting opportunities.
6. Advising Section 3 Businesses as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
7. Arranging solicitations, times for presentations of subcontract bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 Businesses.
8. Where appropriate, breaking out subcontract work items into economically feasible units to facilitate participation by Section 3 Businesses.
9. Advertising subcontracting opportunities through trade association papers and newsletters, and through other local media, such as newspapers of general circulation.
10. Developing a list of eligible Section 3 Businesses.