

**HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA
SECTION 3 OF THE HOUSING AND URBAN
DEVELOPMENT ACT OF 1968**

1. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance or HUD-assisted project covered by Section 3, shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulation, be directed to low- and very low-income persons (particularly persons who are recipients of HUD assistance for housing) and to business concerns which provide economic opportunities to low- and very low-income persons.

2. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify and agree that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

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

4. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

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5. The contractor and all subcontractors will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

OVERVIEW OF SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968:

A. **BACKGROUND:**

1. Section 3 is a statutory provisions which requires that the Department of Housing and Urban Development (HUD) administer it's programs providing direct financial assistance so that, to the greatest extent feasible, opportunities for job training, employment, and contracting are given to lower-income persons and firms in the area in which a HUD-assisted project is located.

2. Section 3 applies to all contractors and subcontractors performing work in connection with projects and activities receiving HUD assistance.

B. **KEY TERMS:**

1. **Section 3 Area:**
 - a. For purposes of job training and employment the Section 3 Area is the same unit of local government or metropolitan area in which the project is located.

 - b. For the purpose of contracts, the Section 3 Area is the same metropolitan area as the project.

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2. Section 3 Area Residents:
(Table indicating median household/family incomes is attached)
 - a. A public housing resident who resides; or
 - b. An individual who resides in the metropolitan area or non-metropolitan county in which the section 3 covered assistance is expended, and who is a low-income person which is defined to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area.

3. Section 3 Business Concern:

A Section 3 Business Concern means a business concern, as defined as follows:
 - a. That is 51 percent or more owned by Section 3 residents; or
 - b. 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
 - c. That provides evidence of commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set fourth in paragraphs (1) or (2) in this definition of "Section 3 Business Concern".

**GOOD FAITH EFFORT AND OBLIGATIONS FOR THE UTILIZATION OF SECTION 3
AREA RESIDENTS AS EMPLOYEES BY CONTRACTOR AND SUBCONTRACTORS**

1. Contractor/Subcontractor must advise the Housing Authority of the County of Santa Barbara in writing prior to issuance of the Notice to Proceed, of the steps taken or to be taken to comply with Section 3. Information submitted shall include the following (**submit Form B**):
 - a. Identify the number of positions, by skill level required to plan and implement the work to be done under the Section 3 Area project.
 - b. Determine how many of these positions are currently filled and which are not filled by regular, permanent employees.
 - c. Establish a target date within each occupational category for the number of positions to be filled by Section 3 Area residents.
 - d. **First priority for new hires should be given to qualified Public Housing Authority residents.**
 - e. Complete certification form (**submit Form A**) indicating that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
2. Section 3 Report:

Contractor/Subcontractors will submit Section 3 report with final invoice upon completion of job (**submit Form C**).
3. Contractor/Subcontractors will submit Section 3 Business Certification Form.
4. Contractor/Subcontractors will submit Section 3 Employee Information Form

FORM A

SECTION 3 CERTIFICATION

Job Name: _____

Development Number: _____

Address: _____

I certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

(Signature - Contractor/Contractor Representative)

(Printed Name)

(Company Name)

(Company Address)

(Company Address)

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FORM B

SECTION 3 PLAN
(Contractor/Subcontractor to submit prior
to issuance of the Notice to Proceed)

Contractor/
Subcontractor Name: _____

Address: _____

Telephone Number: _____

1. Are you a Section 3 Business Concern for the above-captioned job? yes () no ()

2. Please complete table listed on page 2.

3. If your firm will be hiring new employees to perform work on this project, please indicate the steps to be taken to comply with Section 3:

() Advertise in local newspapers/television.

() Post notice of employment opportunity at the Employment Development Department.

() Post notice of employment opportunity in local Public Housing Authority offices.

() Post notice of employment at local colleges.

() Other _____

() Other _____

(PRINT NAME OF PERSON COMPLETING FORM)

(DATE)

(SIGNATURE OF PERSON COMPLETING FORM)

FORM C

SECTION 3 REPORT

(Contractor/Subcontractor to submit with Final Certified Payroll Report)

Contractor/
Subcontractor Name: _____

Address: _____

Telephone Number: _____

Job Name/Development
Number/Address _____

1. Are you a Section 3 Business Concern for the above-captioned job?
yes () no ()

2. Please complete the following table:

EMPLOYEE NAME AND ADDRESS	WORK CLASSIFICATION	TOTAL HOURS WORK	ETHNICITY*	SECTION 3 RESIDENT	DATE OF HIRE	NEW HIRE FOR JOB?

*See Page 2 for Racial/Ethic Codes

FORM C
SECTION 3 REPORT
PAGE 2

*Racial/Ethnic Codes:

- | | | | |
|-----|-----------------|-----|------------------------|
| 1 = | White American | 4 = | Hispanic American |
| 2 = | Black American | 5 = | Asian Pacific American |
| 3 = | Native American | 6 = | Hasidic Jews |

Please indicate race/ethnicity of owner(s) of company _____.

(PRINT NAME OF PERSON COMPLETING FORM)

(DATE)

(SIGNATURE OF PERSON COMPLETING FORM)



Section 3 Employee Information Form

Contractor: _____

(Voluntary)

Return to Contractor

Housing Authority of the County of Santa Barbara is asking current and newly hired employees to complete this form in order to comply with Section 3 reporting requirements of the Housing and Urban Development Act of 1968 and other federal regulations. Data collected will be used for statistical purposes and to measure the effectiveness of recruitment efforts. The voluntary information provided will be kept confidential.

I. Employee Information

Name:	Position/Title:	Date of Hire:	New Hire for Project: Yes <input type="checkbox"/> No <input type="checkbox"/>
Address:	Do you live in Public Housing? <input type="checkbox"/> Yes <input type="checkbox"/> No Do you receive a Voucher for rental assistance? <input type="checkbox"/> Yes <input type="checkbox"/> No Are you an apprentice? <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes" what type:		

II. Income Information

Find the box that corresponds to the number of people in your household. If your income is within the range shown for the number of people in your household, check the box in the last column.

Number of People in your Household	Annual Household Income	Check if within Range
1	\$41,450 or less	<input type="checkbox"/>
2	\$47,400 or less	<input type="checkbox"/>
3	\$53,300 or less	<input type="checkbox"/>
4	\$59,200 or less	<input type="checkbox"/>
5	\$63,950 or less	<input type="checkbox"/>
6	\$68,700 or less	<input type="checkbox"/>
7	\$73,450 or less	<input type="checkbox"/>
8	\$78,150 or less	<input type="checkbox"/>

If not applicable, please check here:

Signature:	Date:
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Submit copies of completed forms to Construction Contract Coordinator

AFFORDABLE HOUSING PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
30% LIMITS	\$15,550	\$17,800	\$20,000	\$22,200	\$24,000	\$25,800	\$27,550	\$29,350
VERY LOW INCOME	\$25,900	\$29,600	\$33,300	\$37,000	\$40,000	\$42,950	\$45,900	\$48,850
60% LIMITS	\$31,080	\$35,520	\$39,960	\$44,400	\$48,000	\$51,540	\$55,080	\$58,620
LOW INCOME	\$41,450	\$47,400	\$53,300	\$59,200	\$63,950	\$68,700	\$73,450	\$78,150

Information obtained for SANTA BARBARA COUNTY from U.S. Department of HUD, State of California 2010 Adjusted Home Income Limits