

# SECTION 3 ACTION PLAN

## City of Sunbury

The Section 3 Action Plan is a guide on planning for recipients of the following housing and community development financial assistance programs:

- Community Development Block Grant (CDBG)
  - HOME Investment Partnerships
  - Housing Trust Fund (HTF)
- Neighborhood Stabilization Program Grants (NSP 1, 2, & 3)
  - Housing Opportunities for Persons with AIDS (HOPWA)
  - Emergency Solutions Grants (ESG)
- University Partnership Grants • Economic Stimulus Funds
  - 202/811 Grants • Lead Hazard Control Grants
  - Healthy Homes Production Grants
  - Rental Assistance Demonstration

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



# 1. Overview of Section 3 Requirements

## A. WHAT IS SECTION 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u, U.S.C. 3535 (d)), that is regulated by the provisions of 24 CFR Part 75. Section 3 regulations ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

## B. PURPOSE OF THIS DOCUMENT

This plan outlines how the City of Sunbury and its subrecipients, contractors, and subcontractors will comply with HUD's Section 3 requirements in implementing the City of Sunbury's CDBG/HOME/ESG program. The City of Sunbury will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and requires the same of its contractors.

The City of Sunbury may amend its Section 3 Action Plan as necessary to ensure continued compliance with HUD's requirements and/or to reflect updated Section 3 guidance and outreach strategies.

## C. APPLICABILITY

For housing and community development financial assistance, this plan applies to housing rehabilitation, housing construction, and other public construction projects that exceeds \$200,000 of housing and community development financial assistance from one or more HUD programs. Applicability is determined at the project level.

On and after November 30, 2020, Section 3 regulations codified at 24 CFR Part 135 (the old rule) have not applied and will not apply to new grants, commitments, contracts, or projects. Projects for which assistance or funds were committed by approval of the governing body, or have a DCED contract date prior to November 30, 2020, are still required to adhere to the requirements of the old rule. Recipients of such assistance or funds will still be expected to maintain records of Section 3 statutory, regulatory, and contractual compliance but will no longer be required to report Section 3 compliance.

Projects for which assistance or funds were committed by approval of the governing body, or have a DCED contract date between November 30, 2020, and July 1, 2021, are subject to the new Section 3 regulations found in 24 CFR Part 75, and it is expected that funding recipients will begin following this final rule's requirements for new grants, commitments, and contracts. Recipients will be expected to maintain records of statutory, regulatory, and contractual compliance with Section 3 for these projects but will not be required to report to HUD on the requirements found in 24 CFR Part 75.

This plan also applies to projects that include multiple funding sources. Multiple funding source projects include projects that include public housing financial assistance, housing, and community



development financial assistance for single or multiple recipients, and the Lead Hazard Control and Healthy Homes Program. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq) and/or the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). Please be aware that activities focused only on mitigating lead paint hazards only does not constitute housing rehabilitation.

Thresholds shall be updated not less than once every 5 years based on a national construction cost inflation factor as published through notification through the federal register, subject to public comment.

Section 3 requirements **do not** apply to: 1) Material Supply Contracts - § 75.3 (b), 2) Indian and Tribal Preferences - § 75.3 (c), and 3) Other HUD assistance and other Federal assistance not subject to Section 3 §75.3 (d). However, for financial assistance that is not subject to Section 3, recipients are encouraged to consider ways to support the purpose of Section 3.

## 2. Section 3 Coordinator

The City of Sunbury's Section 3 Coordinator serves as the central point of contact for Section 3 compliance for the City of Sunbury and its subrecipients, contractors, and subcontractors supporting the program. Subrecipients, contractors, subcontractors, and others are encouraged to reach out to the City of Sunbury's Section 3 Coordinator with questions regarding Section 3 compliance:

Shannon Rudy, Project Coordinator, SEDA-COG, shannonrudy@seda-cog.org  
Ph: 570-524-4491 or 1-800-332-6701, TTY: 1-800-654-5984, TDD: 1-800-654-5988

The City of Sunbury may designate a new Section 3 Coordinator at its discretion and will update the plan accordingly.

## 3. Employment, Training, and Contracting Goals

### A. SAFE HARBOR COMPLIANCE

The City of Sunbury will be considered to have complied with the Section 3 requirements and met safe harbor, if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence of the contrary, (i.e., evidence or findings obtained from a Section 3 compliance review).

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 C](#). After completion of the project, 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 an Implementation Action plan as evidence that they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities.



## B. SAFE HARBOR BENCHMARKS

The City of Sunbury has established employment and training goals that subrecipients, contractors, and subcontractors should meet in order to comply with Section 3 requirements outlined in

24 CFR Part 75.19. The safe harbor benchmark goals are as follows:

- 1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers.  
Section 3 Labor Hours/Total Labor Hours = 25%; and
- 2) Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at 24 CFR Part 75.21.

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

HUD establishes and updates Section 3 benchmarks for Section 3 workers and/or Targeted Section 3 workers through a document published in the Federal Register, not less frequently than once every 3 years. Given that the Section 3 benchmarks are subject to change every three years or sooner, the City of Sunbury will review and update the Section 3 Plan every 3 years, as needed.

It is the responsibility of contractors to implement efforts to achieve Section 3 compliance. Any contractor or subcontractor that does not meet the Section 3 benchmarks must demonstrate why meeting the benchmarks were not feasible. All contractors submitting bids or proposals to the City of Sunbury are required to certify that they will comply with the requirements of Section 3, as indicated in 24 CFR Part 75.15(b).

## C. CERTIFICATION OF PRIORITIZATION OF EFFORT FOR EMPLOYMENT, TRAINING, AND CONTRACTING

### EMPLOYMENT AND TRAINING

Under the City of Sunbury'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:

Provide employment and training opportunities to Section 3 workers within the nonmetropolitan county in which the project is located in the priority order listed below:

- 1) Section 3 workers residing within the service area or the neighborhood of the project; and
- 2) Participants in YouthBuild programs.

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.



## CONTRACTING

Under the City of Sunbury's Section 3 Program, contractors and subcontractors must, to the greatest extent feasible, award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers in the following order or priority:

- 1) Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area, or metropolitan county in which assistance is located in the following order of priority (*where feasible*):
  - a) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project; and
  - b) YouthBuild programs.

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.

## 4. Section 3 Eligibility and Certifications

Individuals and businesses that meet Section 3 criteria may seek Section 3 preference from the City of Sunbury or its contractors/subcontractors for training, employment, or contracting opportunities generated by HUD, housing, and community development assistance. To qualify as a Section 3 worker, Targeted Section 3 worker, or a Section 3 business concern, each must self-certify that they meet the applicable criteria.

Businesses who misrepresent themselves as Section 3 business concerns and report false information to the City of Sunbury may have their contracts terminated as default and be debarred from ongoing and future considerations for contracting opportunities.

### A. SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION

A Section 3 worker seeking certification shall submit self-certification documentation to the City of Sunbury that the person is a Section 3 worker or Targeted Section 3 worker as defined in 24 CFR Part 75. For the purposes of Section 3 worker eligibility, the City of Sunbury will use individual income rather than family/household income to determine eligibility. The income limits will be determined annually using the guidelines published at <https://www.huduser.org/portal/datasets/il.html>.

Persons seeking the Section 3 worker preference shall demonstrate that they meet one or more of the following criteria currently or when hired within the past five years, as documented:

- 1) A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- 2) Employed by a Section 3 business concern; or
- 3) YouthBuild participant.



Persons seeking the Targeted Section 3 worker preference shall demonstrate that they meet one or more of the following criteria:

- 1) Employed by a Section 3 business concern; or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:
  - a) Living within the service area or the neighborhood of the project, as defined in 24 CFR Part 75.5. *Service area or the neighborhood of the project* means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census; or
  - b) YouthBuild participant.

Section 3 workers and Targeted Section 3 workers who are seeking preference in training and employment must submit the Section 3 Worker and Targeted Section 3 Worker Certification Form.

## **B. SECTION 3 BUSINESS CONCERN CERTIFICATION**

The City of Sunbury, should encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns.

Businesses that believe they meet the Section 3 Business requirements may self-register in the HUD Business registry, located online at: <http://www.hud.gov/Sec3Biz>. Businesses may seek Section 3 Business Concern preference by demonstrating that it meets one or more of the following criteria:

- At least 51% (fifty-one percent) of the business is owned and controlled by low- or very low-income persons; or
- At least 51% (fifty-one percent) of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing; or
- Over 75% (seventy-five percent) of the labor hours performed for the business over the prior three (3) month period are performed by Section 3 workers.

Businesses that seek Section 3 preference shall certify, or demonstrate to the City of Sunbury, contractors and/or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Section 3 Business Concern Certification Form.

Section 3 Business Concern Certification Forms must be submitted at the time of bid/proposal. If the City of Sunbury previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid, as long as the form is submitted within the prescribed expiration date. The Section 3 Business Concern Certification Form will expire after 12 months.

Establishing a 12-month certification of eligibility period allows the City of Sunbury the ability to assess contractor performance to ensure the business is striving to meet the required goals.



## 5. Assisting Contractors with Achieving Section 3 Goals

In an effort to assist contractors with meeting or exceeding the Section 3 goals, the City of Sunbury will do the following:

- 1) Share Section 3 Plan with contractors and subcontractors and explain policies and procedures at a pre-construction conference.
- 2) Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort outlined in Section #3 above), before any other person, when hiring additional employees is needed to complete proposed work to be performed with CDBG/HOME/ESG funds.
- 3) At the time of bid, require the contractor to present a list of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions, to include job descriptions and wage rates.
- 4) Maintain a local Section 3 worker/Targeted Section 3 worker database and provide the contractor with a list of interested and qualified Section 3 workers and Targeted Section 3 workers and contact information.
- 5) Inform contractors about the HUD Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>.
- 6) Require contractors to notify Section 3 Coordinator of their interests regarding employment of Section 3 workers prior to hiring.
- 7) Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>.
- 8) Leverage the City of Sunbury's communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise.

## 6. Section 3 Outreach

### A. OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING

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

- (1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- (2) Provided training or apprenticeship opportunities.
- (3) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).



- (4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- (5) Held one or more job fairs.
- (6) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare).
- (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- (8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- (9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- (10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- (11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- (13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- (14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

## B. OUTREACH EFFORTS FOR CONTRACTING

When contracting opportunities arise in connection with the CDBG/HOME program, the City of Sunbury will employ the following strategies to notify Section 3 Business Concerns of Section 3 contracting opportunities, including but not limited to:

- 1) Adding Section 3 language to all RFPs, procurement documents, bid offerings and contracts.
- 2) Coordinating optional pre-bid meetings to inform Section 3 Business Concerns of upcoming contracting opportunities. The Section 3 Coordinator will participate in these meetings to explain and answer questions related to Section 3 policy.
- 3) Advertising contracting opportunities that provide general information about the work to be contracted and where to obtain additional information.
- 4) Providing written notice of contracting opportunities to all known Section 3 Business Concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to bid invitations.
- 5) Coordinating with the prime contractor to publicize contracting opportunities for small businesses.
- 6) Contractors will also be encouraged to collaborate with the City of Sunbury as subcontract opportunities arise in an effort to notify eligible Section 3 business concerns about the contracting opportunities.

## 7. Section 3 Provisions/Contract Language

The City of Sunbury will include standard Section 3 language in all of its contracts to ensure compliance with regulations in 24 CFR Part 75. The City of Sunbury will take appropriate actions upon finding that a contractor is in violation of 24 CFR Part 75 and does not knowingly contract with any contractor that has been found in violation of the Section 3 regulations.





In addition, contractors and subrecipients are required to include language in all Section 3 covered contracts or agreements for subcontractors to meet the requirements of 24 CFR Part 75.19.

For businesses, 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.

## 8. Reporting Requirements

### A. ANNUAL REPORTING

- 1) Once a project is completed, contractors must submit a final Section 3 cumulative report for the program year.
- 2) Upon the completion of a project, the City of Sunbury's Section 3 Coordinator will conduct a final review of the project's overall performance and compliance.
- 3) The City of Sunbury's Section 3 Coordinator will submit the Section 3 data into IDIS to HUD annually, on the third Tuesday of January.

### B. REPORTING ON PROJECTS WITH MULTIPLE FUNDING SOURCES

- 1) For projects assisted with funding from multiple sources of housing and community development assistance that exceed the threshold of \$200,000, the City of Sunbury will follow subpart C of Part 75 and will report to the applicable HUD program office, as prescribed by HUD.

## 9. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, encourages submittal of such complaints to its Section 3 Coordinator as follows:

- 1) Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR Part 75.
- 2) Complaints must be filed within 180 calendar days after the complainant becomes aware of the alleged violation.

Complainants may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about complainant rights, please contact EEOC at: [www.EEOC.gov](http://www.EEOC.gov).

The Department of Labor Office of Federal Contract Compliance Programs (OFCCP) enforces, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal government. More information about the services they provide can be obtained at: <http://www.dol.gov/ofccp/>.



- 3) An investigation will be conducted if complaint is found to be valid. The City of Sunbury will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- 4) The City of Sunbury will provide written documentation detailing the findings of the investigation. The City of Sunbury will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than 180 days after the filing of complaint. If complainants wish to have their concerns considered outside of the City of Sunbury a complaint may be filed with:

The Department of Labor Office of Federal Contract Compliance Programs (OFCCP). The OFCCP enforces, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal government. More information about the services they provide can be obtained at: <http://www.dol.gov/ofccp/>.

ATTEST:

**CITY OF SUNBURY**

\_\_\_\_\_  
Kurt Karlovich, Mayor



## APPENDIX A: DEFINITIONS

The terms *HUD*, *Public housing*, and *Public Housing Agency (PHA)* are defined in 24 CFR Part 5.

The following definitions also apply to 24 CFR Part 75 HUD's Economic Opportunities for Low-and Very Low-Income Persons:

*1937 Act* means the United States Housing Act of 1937, 42 U.S.C. 1437 *et seq. activities related to Public Housing*

*Contractor* means any entity entering into a contract with:

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

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

*Low-income person* means a person as defined in Section 3(b)(2) of the 1937 Act, at or below 80% AMI. Note that Section 3 worker eligibility uses individual income rather than family/household income.

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

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

*Public housing financial assistance* means assistance as defined in 24 CFR Part 75.3(a)(1).

*Public housing project* is defined in 24 CFR 905.108.

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

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

*Section 3 business concern* means:

- (1) A business concern meeting at least one of the following criteria, documented within the last six-month period:
  - (i) It is at least 51 percent owned and controlled by low- or very low-income persons.
  - (ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
  - (iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- (2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.



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

*Section 3 Coordinator* is person tasked with overseeing all Section 3 responsibilities for the PHA/CD office.

*Section 3 project* means a project defined in 24 CFR Part 75.3(a)(2).

*Section 3 worker* means:

- (1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
  - (i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
  - (ii) The worker is employed by a Section 3 business concern.
  - (iii) The worker is a YouthBuild participant.
- (2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.
- (3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

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

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

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

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

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

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

- (1) A worker employed by a Section 3 business concern; or
- (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
  - (i) Living within the [service area or the neighborhood of the project](#), as defined in [§ 75.5](#); or
  - (ii) YouthBuild participant.

*Very low-income person* is defined in section 3(b)(2) of the 1937 Act (at or below 50% AMI).

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



## APPENDIX B INCOME GUIDELINES

\*The income limits change on an annual basis and may be requested from SEDA-Council of Governments or retrieved on the internet via URL <https://www.hudexchange.info/programs/home/home-income-limits/>

At the time of plan adoption the City of Sunbury's income limits were as follows:

### 2021 Section 8 Income Limits Effective June 1, 2021

Median Income  
\$65,700

INCOME CLASSIFICATION	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
VERY LOW (50% AMI)	23,000	26,300	29,600	<b>32,850</b>	35,500	38,150	40,750	43,400
EXTREMELY LOW	13,800	17,420	21,960	<b>26,500</b>	31,040	35,580	40,120	43,400
<b>LOW-MODERATE (80% AMI)</b>	<b>36,800</b>	<b>42,050</b>	<b>47,300</b>	<b>52,550</b>	<b>56,800</b>	<b>61,000</b>	<b>65,200</b>	<b>69,400</b>

## **Attachments**

Attachment A

**CONTRACTOR CERTIFICATE OF  
COMPLIANCE  
SECTION 3**

Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

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 USC §1701u) ("**Section 3**"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, including persons who are recipients of HUD assistance for housing, with a preference for both targeted workers living in the service area or neighborhood of the Development and YouthBuild participants, as defined at 24 CFR Part 75 ("**Section 3 Regulations**").

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.

The Award Recipient, Contractor, or Development Owner agrees to send to each labor organization or representative of workers with which the Award Recipient, Contractor, or Development Owner has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Award Recipient, Contractor, or Development Owner's commitments under this section of the Contract and will post copies of the notice in conspicuous places at the worksite where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and shall set forth the following: (i) minimum number and job titles subject to hire, (ii) availability of apprenticeship and training positions, (iii) qualifications for each, (iv) name and location of the person(s) taking applications for each of the positions, and (v) the anticipated date the work shall begin.

The Award Recipient, Contractor, or Development Owner agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in Section 3 Regulations and agrees to take appropriate action, as provided in an applicable provision of the subcontract in this Section 3 clause, upon a finding that the subcontractor violates the regulations in Section 3 Regulations. The Award Recipient, Contractor, or Development Owner will not subcontract with any subcontractor where the Award Recipient, Contractor, or Development Owner has notice or knowledge that the subcontractor has been found in violation of the regulations in Section 3 Regulations.

The Award Recipient, Contractor, or Development Owner will certify that any vacant employment positions, including training positions, that are filled (i) after a contractor is selected but before the Contract is executed, and (ii) with persons other than those to whom the regulations of Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the Award Recipient, Contractor, or Development Owner's obligations under Section 3 Regulations.

Noncompliance with HUD's regulations in Section 3 Regulations may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD- assisted contracts.

The CONTRACTOR has been informed by the OWNER, that the Project area boundaries for the Small Communities Program are the municipal limits.

To complete the Project, it is also estimated that the CONTRACTOR may use lower tier subcontracts for services for which certain business concerns eligible under Section 3 could provide. In order to comply with the regulations for utilization of businesses under Section 3, the CONTRACTOR shall comply with the OWNER'S Section 3 Action Plan.

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Signature/CONTRACTOR

Attachment B

**SUBCONTRACTOR CERTIFICATE OF  
COMPLIANCE  
SECTION 3**

Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

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 USC §1701u) ("**Section 3**"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, including persons who are recipients of HUD assistance for housing, with a preference for both targeted workers living in the service area or neighborhood of the Development and YouthBuild participants, as defined at 24 CFR Part 75 ("**Section 3 Regulations**").

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.

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

SUBCONTRACTOR agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in Section 3 Regulations and agrees to take appropriate action, as provided in an applicable provision of the subcontract in this Section 3 clause, upon a finding that the subcontractor violates the regulations in Section 3 Regulations. SUBCONTRACTOR will not subcontract with any subcontractor where the Award Recipient, Contractor, or Development Owner has notice or knowledge that the subcontractor has been found in violation of the regulations in Section 3 Regulations.

SUBCONTRACTOR will certify that any vacant employment positions, including training positions, that are filled (i) after a subcontractor is selected but before the Contract is executed, and (ii) with persons other than those to whom the regulations of Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the SUBCONTRACTOR'S obligations under Section 3 Regulations.

Noncompliance with HUD's regulations in Section 3 Regulations may result in sanctions, termination of this Subcontract for default, and debarment or suspension from future HUD- assisted contracts.

The SUBCONTRACTOR has been informed by the OWNER/CONTRACTOR, that the Project area boundaries for the Small Communities Program are the municipal limits.

To complete the Project, it is also estimated that the SUBCONTRACTOR may use lower tier subcontracts for services for which certain business concerns eligible under Section 3 could provide. In order to comply with the regulations for utilization of businesses under Section 3, the SUBCONTRACTOR shall comply with the OWNER'S Section 3 Action Plan.

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Signature/SUBCONTRACTOR



**IMPLEMENTATION ACTION PLAN IF BENCHMARKS ARE NOT MET (24 CFR Part 75.15)**

*Check the boxes that apply to demonstrate your good faith efforts to satisfy your section 3 obligations.*

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- Provided training or apprenticeship opportunities.
- Provided technical assistance to help Section 3 workers compete for jobs (**e.g.**, resume assistance, coaching).
- Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- Held one or more job fairs.
- Provided or referred Section 3 workers to services supporting work readiness and retention (**e.g.**, work readiness activities, interview clothing, test fees, transportation, childcare).
- Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

**NOTES AND COMMENTS TO SUPPORT EFFORTS (If needed, attach additional sheets)**

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By signing below, I hereby certify and declare under penalty of perjury under the laws of the United States and the State of Pennsylvania that the information provided on this form, as well as all documentation provided in support thereof, are true and correct, and that I am authorized on behalf of the Company to make this certification. Furthermore, I certify that I will maintain this documentation for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200. I will make these records available upon request.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Date

## Section 3 Business Concern Certification

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

**Select from ONE of the following three options below that applies:**

- At least 51 percent of the business is owned and controlled by low- or very low-income persons (Refer to income guidelines, attached).
- 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.
- Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers

**Section 3 Worker Definition:**

- A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- Employed by a Section 3 business concern; or
- A YouthBuild participant.

**Targeted Section 3 Worker Definition:**

- Employed by a Section 3 business concern or
- Currently meets or when hired met at least one of the following categories as documented within the past five years:
  - A resident of public housing; or
  - A resident of other public housing projects or Section 8-assisted housing; or
  - A YouthBuild participant.

### Business Concern Affirmation

I affirm that the above statements 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 the 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.

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

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

\*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

Is the business a Section 3 business concern based upon their certification?  
 YES       NO

**EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.**



## ADDITIONAL GUIDANCE FOR CONTRACTORS AND VENDORS

### 24 CFR Part 75.31

Contractors, subcontractors and other recipients or sub-recipients must maintain documentation to ensure that workers meet the definition of a Section 3 Worker or Targeted Section 3 Worker as follows:

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

1. A worker's self-certification that their income is below the income limit from the prior calendar year;
2. A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
3. Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
4. An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
5. An employer's certification that the worker is employed by a Section 3 business concern.

**For a worker to qualify as a Targeted Section 3 worker under Housing and Community Development Programs, one of the following must be maintained:**

1. An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;
2. An employer's certification that the worker is employed by a Section 3 business concern; or
3. A worker's self-certification that the worker is a YouthBuild participant.

### OTHER

- A contractor/vendor may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.
- Income limits are individual and not household.
- The Section 3 Worker Certification Form can be used to establish eligibility as a Section 3 Worker and Targeted Section 3 Worker.
- SEDA-COG can assist contractors/vendors in outreach and recruitment efforts.
- To calculate the labor hour benchmarks, see the graphics below:



## Attachment F

### SECTION 3 CONTRACT SOLICITATION AND COMMITMENT STATEMENT

Minimum Participation Levels (MPL): Section 3 – 25% or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers.

5% or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers

Name of Bidder:	Project Name:
Address:	Bid Opening Date:
E-Mail Address:	
Telephone Number:	Contact Person:

List those Section 3 business concerns from which you solicited quotes, or which contacted you and gave you quotes in regard to this invitation for bid.

Company Name & Telephone Number	Type of Construction and/or Services, to be provided to the Project	Total Dollar Amount of Quote Received <small>(Please mark NR if no response was received)</small>	Total Dollar Amount Awarded <small>(If not awarded indicate the reason)</small>	IF NO COMMITMENT WAS MADE TO A SECTION 3 BUSINESS- EXPLAIN
Preparers Signature:			Title	

- (1) Indicate whether Section 3 Business Concerns were solicited for each type of work the bidder expects to subcontract for and for all materials which the bidder expects to procure and, if not, the reason(s) why no such solicitation was made;
- (2) Indicate the reason why a Section 3 Business Concern has not been committed to for a type of subcontract work or materials in any area where a quote was received from a Section 3 Business Concern, and;
- (3) In any case where no quotations are received or commitments made to a Section 3 Business Concern, indicate that no quotes were received, and if there is another reason for no commitments being made, the reason for the lack of commitments.



