



# New Hampshire Housing

*Bringing You Home*

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## **REQUISITION FORMAT PRIOR TO RELEASE OF FUNDS**

The following items must be completed before monthly payment requisitions are approved:

### From Owner:

1. Cover letter stating request for payment.
2. Title update.
3. Notice of Anticipated Funding Date (RSA 447:12-b, III)
4. Identification of Construction Lender (RSA 447:12b, I) (one time posting)
5. Original notarized Owner's Affidavit regarding mechanic's liens.
6. Schedule A to Owner's Affidavit.

### From General Contractor:

1. Original notarized Contractor's Affidavit.
2. Schedule A to Contractor's Affidavit.
3. Notarized lien waivers from all subcontractors and material suppliers as listed on Contractor's Schedule A.
4. Davis-Bacon certified payrolls for all subcontractors as listed on Contractor's Schedule A (if applicable).
5. Summary Report – Compliance with Section 3 and MBE/WBE Outreach.
  - a. General Contractors/Construction Managers
  - b. Sub Contractors Summary Report for Contracts over \$100,000.00
6. N.H. Dept. of Labor Independent Contractor Posting (one time posting).
7. U.S. Dept. of Labor Employee Rights Posting (one time posting).

# EMPLOYEE RIGHTS UNDER THE DAVIS-BACON ACT

## FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

### PREVAILING WAGES

You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

### OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

### ENFORCEMENT

Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

### APPRENTICES

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

### PROPER PAY

If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

**NEW HAMPSHIRE HOUSING**  
**Shaun Malone 603-310-9212**  
**HUD**  
**Cedric White 617-994-8217**

or contact the U.S. Department of Labor's Wage and Hour Division.



For additional information:

**1-866-4-USWAGE**

(1-866-487-9243) TTY: 1-877-889-5627



**WWW.WAGEHOUR.DOL.GOV**

# **New Hampshire Housing Finance Authority**

## **=== NOTICE === TO ALL SUB-CONTRACTORS AND MATERIAL SUPPLYMEN**

Pursuant to the requirements of RSA 447:12b  
you are hereby notified that construction  
financing for this job is being provided by:

New Hampshire Housing Finance Authority  
C/O Shaun Malone  
32 Constitution Drive  
Bedford, NH 03110  
603-310-9212

**NOTICE TO ALL**  
**SUBCONTRACTORS AND**  
**MATERIAL SUPPLIERS**

Pursuant to the requirements of  
RSA 447:12b you are hereby notified that  
the construction financing for this job is  
being provided by:

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Name of Construction Lender

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Address

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City, State, Zip Code

# **TITLE XXIII LABOR**

## **CHAPTER 277 SAFETY AND HEALTH OF EMPLOYEES**

### **Building Construction and Repair Work**

#### **Section 277:5-a**

##### **277:5-a Occupational Safety and Health Administration Certification. –**

I. Any person signing a contract to work on a construction, reconstruction, alteration, remodeling, installation, demolition, maintenance, or repair of any public work or building by a state agency, municipality, or instrumentality thereof, and with a total project cost of \$100,000 or more, shall have an Occupational Safety and Health Administration (OSHA) 10-hour construction safety program for their on-site employees. All employees are required to complete the program prior to beginning work. The training program shall utilize an OSHA-approved curriculum. Graduates shall receive a card from OSHA certifying the successful completion of the training program. This section shall apply to the construction, reconstruction, alteration, remodeling, installation, demolition, maintenance, or repair of any public work or building paid for in whole or in part with state funds.

II. Any employee required to complete the OSHA 10-hour construction safety program under this section who has not completed the program shall be subject to removal from the worksite if the employee does not provide documentation of having completed such program by the fifteenth day after the date the employee is found to be in noncompliance. Proof of such documentation provided by the employer shall constitute compliance with this section. The labor commissioner or commissioner's designee shall enforce this section.

III. The labor commissioner shall adopt rules under RSA 541-A relative to implementation and enforcement of this section. The commissioner may also assess a civil penalty of up to \$2,500; in addition, such an employer shall be assessed a civil penalty of \$100 per employee for each day of noncompliance. All funds collected under this section shall be deposited into the general fund. The labor commissioner shall appoint as many individuals as necessary to carry out the department's responsibilities under this section.

IV. The following individuals are exempt from the requirements of the OSHA 10-hour construction safety program:

- (a) Law enforcement officers involved with traffic control or jobsite security.
- (b) Flagging personnel who have completed the training required by the department of transportation.
- (c) All relevant federal, state, and municipal government employees and inspectors.
- (d) All individuals who are not considered to be on the site of work under the federal Davis-Bacon Act, including, but not limited to, construction and non-construction delivery personnel and non-trade personnel.

**Source.** 2007, 326:1, eff. Sept. 14, 2007. 2012, 144:3, eff. Jan. 1, 2013.

# NEW HAMPSHIRE STATUTE

## TITLE XLI LIENS

### CHAPTER 447 LIENS FOR LABOR AND MATERIALS

#### Section 447:12-b

##### **447:12-b Additional Responsibilities; Construction Mortgages. –**

I. Within 10 business days of the execution of a construction mortgage, including any refinancing thereof, the mortgagor or his agent shall post in a conspicuous place on the jobsite for which the construction funds were secured, the name, address and telephone number of the institution providing the construction funds.

II. Any person entitled to a lien pursuant to RSA 447:2-7 shall, within 15 business days of the posting required in paragraph I or of commencing to furnish services, materials, supplies or other things, whichever is later, provide written notice to the institution providing the construction funds that such person is furnishing services, materials, supplies or other things. The written notice provided under this paragraph shall include the name and address of the jobsite. Failure to provide the notice required by this paragraph shall not alone invalidate the lien created by RSA 447:2-7.

III. At least 48 hours prior to requesting any construction mortgage requisition, the mortgagor or his agent shall post in a conspicuous place on the jobsite for which the construction funds were secured, the anticipated funding date for said requisition. The mortgagee shall require a copy of said notice, which shall be certified as to its posting by the mortgagor or his agent prior to disbursing any funds.

IV. In the event that a written contract between the mortgagor or his agent and any person furnishing services, materials, supplies or other things shall provide that the disbursement of construction funds, a portion of which is intended to pay such person, shall be by a 2-party check, the mortgagor or his agent shall transmit a copy of such agreement to the mortgagee. Upon receipt of a copy of such written agreement, the mortgagee shall subsequently disburse funds intended in part to pay any such person only by a check made payable to the mortgagor or his agent and such person. Unless otherwise agreed by the mortgagor and mortgagee, disbursements shall be made only for actual work completed and materials consumed on the jobsite for which the construction funds were secured.

**Source.** 1991, 270:3, eff. Jan. 1, 1992.

## NEW HAMPSHIRE'S MECHANICS' LIEN LAW SUMMARY

NH Law provides that anyone who provides either materials, labor, or supplies has a right under certain circumstances to place a lien on the property that they provided material, labor or supplies. This excerpt summarizes portions of RSA 447; however any questions should be referred to your attorney.

### 1. CREATION OF LIEN - RSA 447:2

If any person shall perform labor or furnish materials for erecting or repairing a house or other building, under contract, he shall have a lien on any material so furnished and on said structure, and on any right of the owner to the lot of land on which it stands.

### 2. SUBCONTRACTORS – RSA 447:5

If a person shall by himself or others perform labor or furnish materials for the erecting or repairing a house or other building, under contract with an agent, contractor or subcontractor of the owner, he shall have the same lien, provided, that he gives notice in writing to the owner or to the person having charge of the property that he shall claim such lien before performing the labor or furnishing the material for which it is claimed.

### 3. DURATION OF LIEN - RSA 447:9

The duration of the lien created by RSA 447:2-7, inclusive, will continue for 120 days after the services are performed, or the materials, supplies or other things are furnished, unless payment therefor is previously made, and shall take precedence of all prior claims except liens on account of taxes.

### 4. ATTACHMENT PRIORITY - RSA 447:12-a

A mechanics' lien secured by an attachment takes priority over a construction mortgage unless:

- The construction mortgagee (lender) shows that the proceeds of the loan were disbursed toward payment of invoices from or claims due subcontractors and suppliers of materials or labor for the work on the project; or
- The mortgagee receives an affidavit from the mortgagor (borrower) or his agent, that the work for which such disbursement is to be made has been completed and that the subcontractors and suppliers of materials or labor have been paid for their share of such work, or will be paid out of such disbursement.
- A mortgagee must not knowingly accept a fraudulent affidavit.
- A mortgagee must encourage and promote the provisions of the law.

### 5. ADDITIONAL RESPONSIBILITIES: CONSTRUCTION MORTGAGES -RSA 447:12-b,I

- The mortgagor or agent must post the name, address, and telephone number of the institution providing the construction funds within 10 business days of the execution of a construction mortgage, including any refinancing.
- The name, address and telephone number of the institution providing construction funds must be posted in a conspicuous place on the job site for which the construction funds were secured.

6. NOTICE TO LENDER - RSA 447:12-b, II

- General contractors, subcontractors, suppliers and others entitled to a lien under RSA 447 must provide written notice to the institution providing the construction funds that such person is furnishing services, materials, supplies or other things.
- The “written notice to lender” must be provided within 15 business days of the construction lender’s identification posting (paragraph 4 above) or of commencing to furnish services, materials, supplies or other things, whichever is later.
- The written notice must include the name and address of the job site.
- Failure to provide this notice will not alone invalidate a lien.

7. POSTING OF ANTICIPATED FUNDING DATE - RSA 447:12-b, III

- At least 48 hours prior to requesting any construction mortgage disbursement (requisition), the mortgagor or his agent must post the anticipated funding date for said disbursement (requisition).
- The anticipated funding date must be posted in a conspicuous place on the job site for which the construction funds were secured.
- The lender must require a copy of the notice which must be “certified” as to its posting by the mortgagor or his agent prior to disbursing any funds.

8. TWO-PARTY CHECKS: DISBURSEMENT FOR COMPLETED WORK - RSA 447:12-b, IV

- If there is a written contract between the mortgagor or his agent and any person furnishing services, materials, supplies or other things, which provides that the disbursement of construction funds must be by a two-party check, the mortgagor or his agent, must give a copy of such agreement to the mortgagee.
- Upon receipt of the agreement, the mortgagee shall subsequently disburse funds intended in part to pay such person, only by a check made payable to the mortgagor or his agent and such person.
- Unless otherwise agreed by the mortgagor and mortgagee, the disbursements must be made only for actual work completed and materials consumed on the job site for which the construction funds were secured.





# State of New Hampshire Department of Labor

## Criteria to Establish an Employee or Independent Contractor

"Employee" means and includes every person who may be permitted, required, or directed by any employer, in consideration of direct or indirect gain or profit, to engage in any employment, but shall not include any person exempted from the definition of employee as stated in RSA 281-A:2, VI(b)(2), (3), or (4), or RSA 281-A:2, VII(b), or a person providing services as part of a residential placement for individuals with developmental, acquired, or emotional disabilities, or any person who meets all of the following criteria:

- (a) The person possesses or has applied for a federal employer identification number or social security number, or in the alternative, has agreed in writing to carry out the responsibilities imposed on employers under this chapter.
- (b) The person has control and discretion over the means and manner of performance of the work, in that the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the employer.
- (c) The person has control over the time when the work is performed, and the time of performance is not dictated by the employer. However, this shall not prohibit the employer from reaching an agreement with the person as to completion schedule, range of work hours, and maximum number of work hours to be provided by the person, and in the case of entertainment, the time such entertainment is to be presented.
- (d) The person hires and pays the person's assistants, if any, and to the extent such assistants are employees, supervises the details of the assistants' work.
- (e) The person holds himself or herself out to be in business for himself or herself.
- (f) The person has continuing or recurring business liabilities or obligations.
- (g) The success or failure of the person's business depends on the relationship of business receipts to expenditures.
- (h) The person receives compensation for work or services performed and remuneration is not determined unilaterally by the hiring party.
- (i) The person is responsible in the first instance for the main expenses related to the service or work performed. However, this shall not prohibit the employer or person offering work from providing the supplies or materials necessary to perform the work.
- (j) The person is responsible for satisfactory completion of work and may be held contractually responsible for failure to complete the work.
- (k) The person supplies the principal tools and instrumentalities used in the work, except that the employer may furnish tools or instrumentalities that are unique to the employer's special requirements or are located on the employer's premises.
- (l) The person is not required to work exclusively for the employer.

Inspection Division  
PO Box 2076  
Concord NH 03302-2076  
(603) 271-1492 & 271-3176

David Wihby  
Deputy Labor Commissioner

George Copadis  
Labor Commissioner

THIS NOTICE MUST BE POSTED IN A CONSPICUOUS PLACE

**OWNER'S AFFIDAVIT REGARDING  
MECHANICS' LIENS PURSUANT TO RSA 447:12-A & B**

Date:

To:

From:

RE (Project):

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The undersigned, being duly sworn under oath, hereby deposes and says as follows:

1. My name is \_\_\_\_\_ and I am \_\_\_\_\_ of \_\_\_\_\_, General Partner of \_\_\_\_\_ and as such am duly authorized to make this statement on behalf of the Owner.
2. Schedule A, attached hereto and made a part hereof, contains an itemization of all parties who have a direct contract with the Owner and have performed work on the Project/Job in an amount in excess of \$1,000.00 since the requisition preceding the Current Requisition. (Schedule A is intended to list any subcontractor or materialmen who have contracts with the Owner but not the General Contractor).
3. Based upon (i) Owner's personal knowledge and inspection of the status and progress of work on the Project/Job; (ii) Owner's review of General Contractor's affidavit of approximately even date, and (iii) the payment of prior requisitions, if any, for the Project/Job, Owner hereby certifies:
  - (i) That all work on the Project/Job and material supplied covered by the Current Requisition and prior disbursements has been completed or supplied as the case may be;
  - (ii) That upon payment of the Current Requisition all subcontractors/materialmen covered by the Current Requisition will have been paid.
4. That the Initial Notice of Construction Mortgage (copy attached) was posted at the Job site (pursuant to NH RSA 447:12-bI) at the date and hour set forth therein and said Notice has remained posted and will continue to be posted there until the Project/Job has been completed.
5. That the Notice of Construction Mortgage Requisition (copy attached) was posted at the Job site (pursuant to NH RSA 447:12-bIII) at the date and hour set forth therein and said Notice will remain posted until the requisition has in fact been funded.
6. Owner agrees to defend, indemnify and hold you harmless from and against any and all liability arising in any way out of the falsity of the statements made above.

Dated as of the day and date first above written.

\_\_\_\_\_ Limited Partnership

By: \_\_\_\_\_ General Partner

By: \_\_\_\_\_

\_\_\_\_\_  
Witness

Its duly authorized \_\_\_\_\_

STATE OF NEW HAMPSHIRE  
COUNTY OF

Subscribed and sworn to before me by \_\_\_\_\_ this \_\_\_\_\_ day of

\_\_\_\_\_, 2010. In testimony whereof, witness my hand and official seal.

\_\_\_\_\_  
Notary Public

(Seal, if any)

My Commission Expires: \_\_\_\_\_

## SCHEDULE A TO OWNER'S AFIDAVIT

Requisition #: \_\_\_\_\_

HARD COSTS		
Name of Subcontractor/Materialmen	Amount Owed (not including retainage)	Retainage
Total Hard Costs	\$	\$

SOFT COSTS	
Name of Subcontractor/Materialmen	Amount Owed
<b>Total Soft Costs</b>	<b>\$</b>

**Total Hard Costs and Soft Costs** \$

## Notice to Construction Lender

Pursuant to New Hampshire RSA 447:12-b, II, any person entitled to a lien under RSA 447 shall, within 15 business days of the posting of the notice identifying the construction lender or of commencing to furnish services, materials, supplies or other things, whichever is later, provide written notice to the institution providing the construction funds that such person is furnishing services, materials, supplies or other things. The written notice shall include the name and address of the job site.

Notice is hereby given to \_\_\_\_\_ that  
Construction Lender

\_\_\_\_\_ is furnishing services,  
General or Subcontractor, Supplier or any other person entitled to a lien pursuant to RSA 447:2-7

materials, supplies or other things \_\_\_\_\_  
Specify service, material or supplies

commencing \_\_\_\_\_ to the following jobsite:  
Date

\_\_\_\_\_  
Name of Jobsite

\_\_\_\_\_  
Address of Jobsite

\_\_\_\_\_  
Company Name

By: \_\_\_\_\_

Date of Notice: \_\_\_\_\_

Date of construction lender notification posting: \_\_\_\_\_

Acknowledged and received: \_\_\_\_\_  
Construction Lender

By: \_\_\_\_\_

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

**CONTRACTOR'S AFFIDAVIT REGARDING  
MECHANICS' LIENS PURSUANT TO RSA 447:12-A & B**

Date:

To:

From:

RE (Project):

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The undersigned, being duly sworn under oath, hereby deposes and says as follows:

1. My name is \_\_\_\_\_ and I am of \_\_\_\_\_  
and as such am duly authorized to make this statement on behalf of the General Contractor.  
as such am duly authorized to make this statement on behalf of the Owner.
2. Schedule A, attached hereto and made a part hereof, contains an itemization of all parties who have a direct contract with the General Contractor and have performed work on the Project/Job since the requisition preceding the Current Requisition. (Schedule A is intended to list any subcontractor or materialmen who have contracts with the General Contractor).
3. Based upon General Contractor's (i) personal knowledge and inspection of the status and progress of work on the Project/Job and (ii) upon the payment of prior requisitions, if any, for the Project/Job, General Contractor hereby certifies:
  - (i) That all work on the Project/Job and material supplied covered by the Current Requisition and prior disbursements has been completed or supplied as the case may be;
  - (ii) That upon payment of the Current Requisition all subcontractors/materialmen covered by the Current Requisition will have been paid.
4. General Contractor agrees to defend, indemnify and hold you harmless from and against any and all liability arising in any way out of the falsity of the statements made above.
5. That the Notice of Construction Mortgage Requisition (copy attached) was posted at the Job site (pursuant to NH RSA 447:12-bIII) at the date and hour set forth therein and said Notice will remain posted until the requisition has in fact been funded.

Dated as of the day and date first above written.

By: \_\_\_\_\_

\_\_\_\_\_  
Witness

Its duly authorized: \_\_\_\_\_

Contractor's Affidavit Regarding  
Mechanics' Liens Pursuant to RSA 447:12-a & b  
Page 2

STATE OF NEW HAMPSHIRE  
COUNTY OF

Subscribed and sworn to before me by \_\_\_\_\_ this \_\_\_\_\_ day of

\_\_\_\_\_, 2010. In testimony whereof, witness my hand and official seal.

\_\_\_\_\_  
Notary Public

(Seal, if any)

My Commission Expires: \_\_\_\_\_

## SCHEDULE A TO CONTRACTOR'S AFFIDAVIT

**PROJECT:**

**REQUISITION #:**

<b><u>Nature of Work By Division</u></b>		<b><u>Name of Subcontractor/ Materialmen</u></b>	<b><u>Amount Owed</u></b> (including retainage if being paid from Current Requisition)	<b><u>Retainage</u></b> (owed but not yet due and not being paid from Current Requisition)
Div 2	Site Work			
Div 3	Concrete			
Div 4	Masonry			
Div 5	Metals			
Div 6	Wood/Plastic			
Div 7	Therm/Moist			
Div 8	Doors/Wind			
Div 9	Finishes			



Div 10	Specialties			
Div 11	Equipment			
Div 12	Furnishings			
Div 13	Spec Const			
Div 14	Convey Sys			
Div 15	Mechanical			
Div 16	Electrical			

Non-Construction Portion of Current Requisition:      \$ \_\_\_\_\_

Total Current Requisition:                              \$ \_\_\_\_\_

## SUBCONTRACTOR/SUPPLIER LIEN AFFIDAVIT

State of New Hampshire

County of: \_\_\_\_\_

I, \_\_\_\_\_ (name and title) , a member of the firm of

\_\_\_\_\_ (name of company) of \_\_\_\_\_ ,  
(list city/town) New Hampshire, being first duly sworn on oath depose and say:

1. That to my personal knowledge all accounts for labor, material, supplies, rental of equipment and all other obligations in connection with or arising out of, and all claims, counterclaims or disputes in connection with contract for:
2. That the total amount of said contract/supplies is: \$ \_\_\_\_\_  
Add/deduct change in work: \$ \_\_\_\_\_  
Revised amount of said contract/supplies is: \$ \_\_\_\_\_  
The amount received to date is: \$ \_\_\_\_\_  
The amount due on final/current requisition is: \$ \_\_\_\_\_
3. That the funds received on said final/current requisition will be used insofar as is necessary in satisfying the above listed claims.
4. This affidavit is given by the Affiant for the purpose of waiving and releasing any and all liens, claims or right to lien in, on or to the above described buildings, improvements and premises pursuant to NH Revised Statutes Annotated Chapter 447.12-A-12-B.

\_\_\_\_\_  
Signature of Affiant

Subscribed and sworn to before me by \_\_\_\_\_ this

\_\_\_\_\_ day of \_\_\_\_\_ , 20 \_\_\_\_ . In testimony whereof, witness my hand  
and official seal.

\_\_\_\_\_  
Notary Public

(Seal, if any)

My Commission Expires: \_\_\_\_\_

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REPORT OF ADDITIONAL CLASSIFICATION AND RATE**

**HUD FORM 4230A**

OMB Approval Number 2501-0011  
(Exp. 01/31/2010)

1. FROM (name and address of requesting agency)

2. PROJECT NAME AND NUMBER

3. LOCATION OF PROJECT (City, County and State)

4. BRIEF DESCRIPTION OF PROJECT

5. CHARACTER OF CONSTRUCTION

- ☐ Building ☐ Residential  
☐ Heavy ☐ Other (specify)  
☐ Highway

6. WAGE DECISION NO. (include modification number, if any)

7. WAGE DECISION EFFECTIVE DATE

☐ COPY ATTACHED

8. WORK CLASSIFICATION(S)

HOURLY WAGE RATES

BASIC WAGE

FRINGE BENEFIT(S) (if any)

9. PRIME CONTRACTOR (name, address)

10. SUBCONTRACTOR/EMPLOYER, IF APPLICABLE (name, address)

**Check All That Apply:**

- ☐ The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision.
- ☐ The proposed classification is utilized in the area by the construction industry.
- ☐ The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision.
- ☐ The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s).
- ☐ Supporting documentation attached, including applicable wage decision.

**Check One:**

- ☐ Approved, meets all criteria. DOL confirmation requested.
- ☐ One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.

\_\_\_\_\_  
**Agency Representative**  
(Typed name and signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Phone Number

**FOR HUD USE ONLY**  
**LR2000:**

**Log in:**

**Log out:**

<b>Report of Additional Classification and Wage Rate</b>	<b>U.S. Department of Housing and Urban Development Office of Labor Relations</b>	OMB Approval No. 2501-0011 (Exp. 01/31/2010)
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Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. The information is considered non-sensitive and does not require special protection. This information is required to obtain benefits. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Employers engaged on HUD-assisted construction projects subject to Davis-Bacon wage requirements must pay no less than the wages determined to be prevailing by the Secretary of Labor to all laborers and mechanics engaged on the construction work. On occasion, the applicable Davis-Bacon wage decision does not contain all of the work classifications and wage rates needed to complete the construction work. This information collection facilitates the addition of needed work classifications and wage rates for the construction work involved. This form is used by HUD and local agencies administering HUD programs to report employer request(s) for additional classification and wage rates so that an appropriate wage rate can be approved by the Department of Labor for the construction work. This information collection is required by Department of Labor regulations at 29 CFR 5.5. While no assurances of confidentiality are pledged to respondents, HUD generally discloses these data only in response to a Freedom of Information request.

## Instructions

### General:

**Contractors/Employers:** Do not need to complete this form. Submit a written, signed request to the responsible contracting agency naming the work classifications and the wage rates, including any fringe benefits, that are proposed.

**Local Agency Staff:** Complete items 2 through 10. Submit one copy of this form to the responsible HUD Labor Relations Office with a copy of the applicable Davis-Bacon wage decision and the written request from the employer naming the work classifications and wage rates that are proposed. (The employer's request must be made in writing and must be signed.)

1. For HUD or State CDBG Office use. Enter the name and address of HUD Office (or State CDBG office) submitting the report and to which the DOL reply should be sent.
2. Enter the name and number of the project or contract involved.
3. Enter the location of the project involved: city, county and state.
4. Describe the construction involved, e.g., new construction or rehabilitation, number and type of buildings, number of stories, number of units (as applicable). For example, New construction: 3 – 4-story buildings; 120 units.
5. Enter the character of construction as defined by DOL for Davis-Bacon prevailing wage rate purposes.
6. Enter the number of the Davis-Bacon wage decision applicable to the construction work. Include the number of wage decision modifications (if any) applicable to the work.
7. Enter the effective date of the wage decision for the project. (See DOL regulations at 29 CFR 1.6.)
8. Enter the work classifications and corresponding hourly basic wage rates and fringe benefit rates (if any) requested.
9. Self-explanatory.
10. If the requesting employer is not the prime contractor, enter the name and address of the subcontractor/employer making the request.

### Remainder of Form: HUD Labor Relations/State CDBG use.

HUD Labor Relations/State CDBG Staff: Evaluate the employer's request against the criteria for approval (see DOL Regulations, 29 CFR Part 5, and related contract labor standards provisions). The criteria are reflected in "checklist" form to ensure that each factor is considered and to ensure that supporting documentation, including a copy of the applicable wage decision, is attached. Check the box next to each criterion that is met; do not check the box next to any criterion that is not met.

If the request meets all criteria, check the appropriate box, enter the name and telephone number of the HUD/State CDBG agency representative, and sign and date the form. Submit one copy of the completed form to the DOL with a copy of the applicable Davis-Bacon wage decision and the written request from the employer involved.

If the request fails to pass all criteria, check the appropriate box, enter agency contact information, and sign and date the form. Submit one copy of the completed form to the DOL with a copy of the applicable Davis-Bacon wage decision, the written request from the employer involved, *and* a cover letter explaining how the employer's request failed to meet one or more of the criteria.

### Submission of Report

Completed forms shall be sent to: Branch of Construction Wage Determinations, U.S. Department of Labor, 200 Constitution Avenue, NW, Room S-3014, Washington, DC 20210.

**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY  
INTERIM THRESHOLD REQUIREMENTS TO COMPLY WITH SECTION 3**

**EFFECTIVE FOR PROJECTS RECEIVING COMMITMENTS  
ON OR AFTER AUGUST 1, 1994  
VERSION: 10/25/1994**

**SUMMARY OF SECTION 3**

Section 3 imposes goals for the hiring of low-income persons by recipients, their contractors and subcontractors and imposes goals for contract and subcontract awards to business concerns that are owned, controlled by or that employ low-income persons. The objective is to secure the participation of low-income persons and Section 3 business concerns in activities that arise in connection with the assisted project. Section 3 applies where \$200,000.00 or more of HOME funds are awarded to a project, which includes construction or rehabilitation activity. Requirements are passed down to contractors and subcontractors who engage in contracts of at least \$100,000.00. Section 3 regulations also encourage the provision of other economic opportunities to low-income persons and businesses. Examples of other economic opportunities include: trainee positions, management and maintenance positions within other housing developments, part-time positions, efforts to establish or expand Section 3 business concerns, supply and material purchasing, and facilitation of joint ventures of business concerns. Section 3 also applies to other federal housing and community development programs, recipients of public or Indian housing programs and community development assistance and their contractors shall be required to meet numerical goals higher than 10% for training and employment of Section 3 residents beginning in federal fiscal year 1996.

New Hampshire Housing Finance Authority (the "Authority") will need to demonstrate how and whether Section 3 goals are met. Therefore documentation of Section 3 resident and Section 3 business concern participation is required.

Outreach, Employment and Section 3 Residents

The objective is to secure jobs for low-income persons that are generated by Section 3 covered project. Section 3 residents must be encouraged to apply for all project-related, full-time positions including: construction related, technical services, administrative, coordination, maintenance, management and other positions. Jobs must be given to Section 3 residents to the greatest extent possible. Compliance with Section 3 is achieved if 10% of the aggregate new hires for each year over the duration of the Section 3 project are provided to Section 3 residents. However, if managing general partner or management agent is affiliated with 500 or more units of Section 3 covered housing assistance within the metropolitan area, higher goals are imposed beginning in federal fiscal year 1996.

Section 3 residents are defined as following in the order of priority. (Highest priority shall be provided to homeless persons residing in the metropolitan area or non-metropolitan area when McKinney funds assist the project.)

1. A member of a very low-income (at or below 50% median area family income as determined by HUD) or low-income (at or below 80% median area family income as determined by HUD) household which resides in the jurisdiction or neighborhood in which the project is located these include:
  - a. residents of the Section 3 covered project
  - b. residents of public housing or other federally assisted housing
  - c. beneficiaries of Section 8 certificate or voucher assistance
  - d. other individuals including the unemployed
2. Participants in HUD Youthbuild programs
3. Members of a very low-income or low-income household which residents in the metropolitan area or county in which the project is located.

An individual seeking preference for training and employment under Section 3 shall certify or submit evidence to the recipient, contractor or subcontractor (as requested) that the person is a Section 3 resident.

#### Contracting with Section 3 Business Concerns

HUD's objective is to maximize participation in the project by firms which are owned or controlled by low-income individuals or which employ low-income persons. Recipients and contractors issuing subcontracts of \$100,000.00 or more are required to make efforts to meet HUD established goals for participation. The following goals have been set: ten percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work and at least three percent (3%) of the total dollar amount of all other Section 3 covered contracts.

A Section 3 business concern:

- a. is 51 percent (51%) or more owned by Section 3 residents, or
- b. has permanent, full-time employees including persons at least 30 percent (30%) 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. provides evidence of commitments to subcontract in excess of 25 percent (25%) of the dollar away of all subcontracts awarded to business concerns that meet the qualifications set forth in "a" or "b".

Highest preference must be provided to Section 3 business concerns in the jurisdiction of the project. Second tier concerns are applicants selected to carry out HUD Youthbuild programs. Third tier includes all other Section 3 business concerns.

There is no registration process to establish qualification; rather the business concern shall certify that it meets the regulatory definition to the HOME recipient or contractor. Business concerns shall also submit evidence to the recipient, contractor or subcontractor as requested to demonstrate that the business is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract.

### **SUMMARY OF SECTION 3 GOALS**

Employment of Section 3 Residents by Recipients of HOME Funds:

At least ten percent (10%) of the aggregate new hires (full-time and permanent, temporary or seasonal) for each year through project completion.

Contraction with Section 3 Business Concerns:

At least ten percent (10%) of the total dollar amount of all Section 3 covered contracts (contracts and subcontracts of \$100,000.00 or more) for building trades work arising in connection with housing rehabilitation and housing construction.

and

At least three percent (3%) of the total dollar amount of all other Section 3 covered contracts (contracts and subcontracts of \$100,000.00 or more) arising in connection with the project.

### **§ 135.38 Section 3 clause.**

All section 3 contracts shall include the following clause (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 12 U.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 135, 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 135 regulations.

C. 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 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.

D. 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 the 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.

E. 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 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. 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.

G. 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 to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (1) 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).



## § 135.1

### APPENDIX TO PART 135

AUTHORITY: 12 U.S.C. 1701u; 42 U.S.C. 3535(d).

SOURCE: 59 FR 33880, June 30, 1994, unless otherwise noted.

EFFECTIVE DATE NOTE: At 59 FR 33880, June 30, 1994, part 135 was revised effective August 1, 1994 through June 30, 1995. At 60 FR 28325, May 31, 1995, the effective period was extended until the final rule implementing changes made to section 3 of the Housing and Urban Development Act of 1968 by the Housing and Community Development Act of 1992 is published and becomes effective.

## Subpart A—General Provisions

### § 135.1 Purpose.

(a) *Section 3.* The purpose of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (section 3) is to 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) *Part 135.* The purpose of this part is to establish the standards and procedures to be followed to ensure that the objectives of section 3 are met.

### § 135.2 Effective date of regulation.

The regulations of this part will remain in effect until the date the final rule adopting the regulations of this part with or without changes is published and becomes effective, at which point the final rule will remain in effect.

[60 FR 28326, May 31, 1995]

### § 135.3 Applicability.

(a) *Section 3 covered assistance.* Section 3 applies to the following HUD assistance (section 3 covered assistance):

(1) *Public and Indian housing assistance.* Section 3 applies to training, employment, contracting and other economic opportunities arising from the

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expenditure of the following public and Indian housing assistance:

(i) Development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);

(ii) Operating assistance provided pursuant to section 9 of the 1937 Act; and

(iii) Modernization assistance provided pursuant to section 14 of the 1937 Act;

(2) *Housing and community development assistance.* Section 3 applies to training, employment, contracting and other economic opportunities arising in connection with the expenditure of housing assistance (including section 8 assistance, and including other housing assistance not administered by the Assistant Secretary of Housing) and community development assistance that is used for the following projects:

(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

(ii) Housing construction; and

(iii) Other public construction.

(3) *Thresholds*—(i) *No thresholds for section 3 covered public and Indian housing assistance.* The requirements of this part apply to section 3 covered assistance provided to recipients, notwithstanding the amount of the assistance provided to the recipient. The requirements of this part apply to all contractors and subcontractors performing work in connection with projects and activities funded by public and Indian housing assistance covered by section 3, regardless of the amount of the contract or subcontract.

(ii) *Thresholds for section 3 covered housing and community development assistance*—(A) *Recipient thresholds.* The requirements of this part apply to recipients of other housing and community development program assistance for a section 3 covered project(s) for which the amount of the assistance exceeds \$200,000.

(B) *Contractor and subcontractor thresholds.* The requirements of this part apply to contractors and subcontractors performing work on section 3 covered project(s) for which the amount of the assistance exceeds \$200,000; and the contract or subcontract exceeds \$100,000.

(C) *Threshold met for recipients, but not contractors or subcontractors.* If a recipient receives section 3 covered housing or community development assistance in excess of \$200,000, but no contract exceeds \$100,000, the section 3 preference requirements only apply to the recipient.

(b) *Applicability of section 3 to entire project or activity funded with section 3 assistance.* The requirements of this part apply to the entire project or activity that is funded with section 3 covered assistance, regardless of whether the section 3 activity is fully or partially funded with section 3 covered assistance.

(c) *Applicability to Indian housing authorities and Indian tribes.* Indian housing authorities and tribes that receive HUD assistance described in paragraph (a) of this section shall comply with the procedures and requirements of this part to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)). (See 24 CFR part 905.)

(d) *Other HUD assistance and other Federal assistance.* Recipients, contractors and subcontractors that receive HUD assistance, not listed in paragraph (a) of this section, or other Federal assistance, are encouraged to provide, to the greatest extent feasible, training, employment, and contracting opportunities generated by the expenditure of this assistance to low- and very low-income persons, and business concerns owned by low- and very low-income persons, or which employ low- and very low-income persons.

#### § 135.5 Definitions.

The terms *Department*, *HUD*, *Indian housing authority (IHA)*, *Public housing agency (PHA)*, and *Secretary* are defined in 24 CFR part 5.

*Annual Contributions Contract (ACC)* means the contract under the U.S. Housing Act of 1937 (1937 Act) between HUD and the PHA, or between HUD and the IHA, that contains the terms and conditions under which HUD assists the PHA or the IHA in providing decent, safe, and sanitary housing for low income families. The ACC must be in a form prescribed by HUD under

which HUD agrees to provide assistance in the development, modernization and/or operation of a low income housing project under the 1937 Act, and the PHA or IHA agrees to develop, modernize and operate the project in compliance with all provisions of the ACC and the 1937 Act, and all HUD regulations and implementing requirements and procedures. (The ACC is not a form of procurement contract.)

*Applicant* means any entity which makes an application for section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident management corporation, resident council, or cooperative association.

*Assistant Secretary* means the Assistant Secretary for Fair Housing and Equal Opportunity.

*Business concern* means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

*Business concern that provides economic opportunities for low- and very low-income persons.* See definition of "section 3 business concern" in this section.

*Contract.* See the definition of "section 3 covered contract" in this section.

*Contractor* means any entity which contracts to perform work generated by the expenditure of section 3 covered assistance, or for work in connection with a section 3 covered project.

*Employment opportunities generated by section 3 covered assistance* means all employment opportunities generated by the expenditure of section 3 covered public and Indian housing assistance (i.e., operating assistance, development assistance and modernization assistance, as described in §135.3(a)(1)). With respect to section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection

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with section 3 covered projects (as described in §135.3(a)(2)), including management and administrative jobs connected with the section 3 covered project. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

*Housing authority (HA)* means, collectively, public housing agency and Indian housing authority.

*Housing and community development assistance* means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

*Housing development* means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

*HUD Youthbuild programs* mean 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.

*Indian tribes* shall have the meaning given this term in 24 CFR part 571.

*JTPA* means the Job Training Partnership Act (29 U.S.C. 1579(a)).

*Low-income person.* See the definition of "section 3 resident" in this section.

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

*Neighborhood area* means:

(1) For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village, or similar geographical designation.

(2) For HUD community development programs, see the definition, if provided, in the regulations for the applicable community development program, or the definition for this term in 24 CFR 570.204(c)(1).

*New hires* mean full-time employees for permanent, temporary or seasonal employment opportunities.

*Nonmetropolitan county* means any county outside of a metropolitan area.

*Other HUD programs* means HUD programs, other than HUD public and Indian housing programs, that provide housing and community development assistance for "section 3 covered projects," as defined in this section.

*Public housing resident* has the meaning given this term in 24 CFR part 963.

*Recipient* means any entity which receives section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which section 3 applies and does not include contractors.

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

*Section 3 business concern* means a business concern, as defined in this section—

(1) That is 51 percent or more owned by section 3 residents; or

(2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or

(3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."

*Section 3 clause* means the contract provisions set forth in § 135.38.

*Section 3 covered activity* means any activity which is funded by section 3 covered assistance public and Indian housing assistance.

*Section 3 covered assistance* means: (1) Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;

(2) Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;

(3) Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act;

(4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:

(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

(ii) Housing construction; or

(iii) Other public construction project (which includes other buildings or improvements, regardless of ownership).

*Section 3 covered contract* means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of section 3 covered assistance, or for work arising in connection with a section 3 covered project. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation 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. For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by section 3.

*Section 3 covered project* means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

*Section 3 joint venture.* See § 135.40. *Section 3 resident means:* (1) A public housing resident; or

(2) An individual who resides in the metropolitan area or nonmetropolitan county in which the section 3 covered assistance is expended, and who is:

(i) A *low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or

(ii) A *very low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that

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such variations are necessary because of unusually high or low family incomes.

(3) A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

*Section 8 assistance* means assistance provided under section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

*Service area* means the geographical area in which the persons benefitting from the section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the section 3 covered assistance is expended. In HUD's Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe's sovereign power, is limited to the area of tribal jurisdiction.

*Subcontractor* means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of section 3 covered assistance, or arising in connection with a section 3 covered project.

*Very low-income person.* See the definition of "section 3 resident" in this section.

*Youthbuild programs.* See the definition of "HUD Youthbuild programs" in this section.

[59 FR 33880, June 30, 1994, as amended at 61 FR 5206, Feb. 9, 1996]

## § 135.7 Delegation of authority.

Except as may be otherwise provided in this part, the functions and responsibilities of the Secretary under section 3, and described in this part, are delegated to the Assistant Secretary for Fair Housing and Equal Opportunity. The Assistant Secretary is further authorized to redelegate functions and responsibilities to other employees of HUD; *provided however*, that the authority to issue rules and regulations under this part, which authority is delegated to the Assistant Secretary, may

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not be redelegated by the Assistant Secretary.

## § 135.9 Requirements applicable to HUD NOFAs for section 3 covered programs.

(a) *Certification of compliance with part 135.* All notices of funding availability (NOFAs) issued by HUD that announce the availability of funding covered by section 3 shall include a provision in the NOFA that notifies applicants that section 3 and the regulations in part 135 are applicable to funding awards made under the NOFA. Additionally the NOFA shall require as an application submission requirement (which may be specified in the NOFA or application kit) a certification by the applicant that the applicant will comply with the regulations in part 135. (For PHAs, this requirement will be met where a PHA Resolution in Support of the Application is submitted.) With respect to application evaluation, HUD will accept an applicant's certification unless there is evidence substantially challenging the certification.

(b) *Statement of purpose in NOFAs.* (1) For competitively awarded assistance in which the grants are for activities administered by an HA, and those activities are anticipated to generate significant training, employment or contracting opportunities, the NOFA must include a statement that one of the purposes of the assistance is to give to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(2) For competitively awarded assistance involving housing rehabilitation, construction or other public construction, where the amount awarded to the applicant may exceed \$200,000, the NOFA must include a statement that one of the purposes of the assistance is to give, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(c) *Section 3 as NOFA evaluation criteria.* Where not otherwise precluded by statute, in the evaluation of applications for the award of assistance, consideration shall be given to the extent to which an applicant has demonstrated that it will train and employ section 3 residents and contract with section 3 business concerns for economic opportunities generated in connection with the assisted project or activity. The evaluation criteria to be utilized, and the rating points to be assigned, will be specified in the NOFA.

**§ 135.11 Other laws governing training, employment, and contracting.**

Other laws and requirements that are applicable or may be applicable to the economic opportunities generated from the expenditure of section 3 covered assistance include, but are not necessarily limited to those listed in this section.

(a) *Procurement standards for States and local governments (24 CFR 85.36)*—(1) *General.* Nothing in this part 135 prescribes specific methods of procurement. However, neither section 3 nor the requirements of this part 135 supersede the general requirement of 24 CFR 85.36(c) that all procurement transactions be conducted in a competitive manner. Consistent with 24 CFR 85.36(c)(2), section 3 is a Federal statute that expressly encourages, to the maximum extent feasible, a geographic preference in the evaluation of bids or proposals.

(2) *Flexible Subsidy Program.* Multifamily project mortgagors in the Flexible Subsidy Program are not required to utilize the methods of procurement in 24 CFR 85.36(d), and are not permitted to utilize methods of procurement that would result in their award of a contract to a business concern that submits a bid higher than the lowest responsive bid. A multifamily project mortgagor, however, must ensure that, to the greatest extent feasible, the procurement practices it selects provide preference to section 3 business concerns.

(b) *Procurement standards for other recipients (OMB Circular No. A-110).* Nothing in this part prescribes specific methods of procurement for grants and other agreements with institutions of

higher education, hospitals, and other nonprofit organizations. Consistent with the requirements set forth in OMB Circular No. A-110, section 3 is a Federal statute that expressly encourages a geographic preference in the evaluation of bids or proposals.

(c) *Federal labor standards provisions.* Certain construction contracts are subject to compliance with the requirement to pay prevailing wages determined under Davis-Bacon Act (40 U.S.C. 276a—276a-7) and implementing U.S. Department of Labor regulations in 29 CFR part 5. Additionally, certain HUD-assisted rehabilitation and maintenance activities on public and Indian housing developments are subject to compliance with the requirement to pay prevailing wage rates, as determined or adopted by HUD, to laborers and mechanics employed in this work. Apprentices and trainees may be utilized on this work only to the extent permitted under either Department of Labor regulations at 29 CFR part 5 or for work subject to HUD-determined prevailing wage rates, HUD policies and guidelines. These requirements include adherence to the wage rates and ratios of apprentices or trainees to journeymen set out in “approved apprenticeship and training programs,” as described in paragraph (d) of this section.

(d) *Approved apprenticeship and trainee programs.* Certain apprenticeship and trainee programs have been approved by various Federal agencies. Approved apprenticeship and trainee programs include: an apprenticeship program approved by the Bureau of Apprenticeship and Training of the Department of Labor, or a State Apprenticeship Agency, or an on-the-job training program approved by the Bureau of Apprenticeship and Training, in accordance with the regulations at 29 CFR part 5; or a training program approved by HUD in accordance with HUD policies and guidelines, as applicable. Participation in an approved apprenticeship program does not, in and of itself, demonstrate compliance with the regulations of this part.

(e) *Compliance with Executive Order 11246.* Certain contractors covered by this part are subject to compliance with Executive Order 11246, as amended

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by Executive Order 12086, and the Department of Labor regulations issued pursuant thereto (41 CFR chapter 60) which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts.

### **Subpart B—Economic Opportunities for Section 3 Residents and Section 3 Business Concerns**

#### **§ 135.30 Numerical goals for meeting the greatest extent feasible requirement.**

(a) *General.* (1) Recipients and covered contractors may demonstrate compliance with the “greatest extent feasible” requirement of section 3 by meeting the numerical goals set forth in this section for providing training, employment, and contracting opportunities to section 3 residents and section 3 business concerns.

(2) The goals established in this section apply to the entire amount of section 3 covered assistance awarded to a recipient in any Federal Fiscal Year (FY), commencing with the first FY following the effective date of this rule.

(3) For recipients that do not engage in training, or hiring, but award contracts to contractors that will engage in training, hiring, and subcontracting, recipients must ensure that, to the greatest extent feasible, contractors will provide training, employment, and contracting opportunities to section 3 residents and section 3 business concerns.

(4) The numerical goals established in this section represent minimum numerical targets.

(b) *Training and employment.* The numerical goals set forth in paragraph (b) of this section apply to new hires. The numerical goals reflect the aggregate hires. Efforts to employ section 3 residents, to the greatest extent feasible, should be made at all job levels.

(1) *Numerical goals for section 3 covered public and Indian housing programs.* Recipients of section 3 covered public and Indian housing assistance (as described in § 135.5) and their contractors and

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subcontractors may demonstrate compliance with this part by committing to employ section 3 residents as:

(i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(ii) 20 percent of the aggregate number of new hires for the one period beginning in FY 1996;

(iii) 30 percent of the aggregate number of new hires for one year period beginning in FY 1997 and continuing thereafter.

(2) *Numerical goals for other HUD programs covered by section 3.* (i) Recipients of section 3 covered housing assistance provided under other HUD programs, and their contractors and subcontractors (unless the contract or subcontract awards do not meet the threshold specified in § 135.3(a)(3)) may demonstrate compliance with this part by committing to employ section 3 residents as 10 percent of the aggregate number of new hires for each year over the duration of the section 3 project;

(ii) Where a managing general partner or management agent is affiliated, in a given metropolitan area, with recipients of section 3 covered housing assistance, for an aggregate of 500 or more units in any fiscal year, the managing partner or management agent may demonstrate compliance with this part by committing to employ section 3 residents as:

(A) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(B) 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996;

(C) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997, and continuing thereafter.

(3) Recipients of section 3 covered community development assistance, and their contractors and subcontractors (unless the contract or subcontract awards do not meet the threshold specified in § 135.3(a)(3)) may demonstrate compliance with the requirements of this part by committing to employ section 3 residents as:

(i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(ii) 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996; and

(iii) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997 and continuing thereafter.

(c) *Contracts.* Numerical goals set forth in paragraph (c) of this section apply to contracts awarded in connection with all section 3 covered projects and section 3 covered activities. Each recipient and contractor and subcontractor (unless the contract or subcontract awards do not meet the threshold specified in §135.3(a)(3)) may demonstrate compliance with the requirements of this part by committing to award to section 3 business concerns:

(1) At least 10 percent of the total dollar amount of all section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and

(2) At least three (3) percent of the total dollar amount of all other section 3 covered contracts.

(d) *Safe harbor and compliance determinations.* (1) In the absence of evidence to the contrary, a recipient that meets the minimum numerical goals set forth in this section will be considered to have complied with the section 3 preference requirements.

(2) In evaluating compliance under subpart D of this part, a recipient that has not met the numerical goals set forth in this section has the burden of demonstrating why it was not feasible to meet the numerical goals set forth in this section. Such justification may include impediments encountered despite actions taken. A recipient or contractor also can indicate other economic opportunities, such as those listed in §135.40, which were provided in its efforts to comply with section 3 and the requirements of this part.

#### **§ 135.32 Responsibilities of the recipient.**

Each recipient has the responsibility to comply with section 3 in its own operations, and ensure compliance in the

operations of its contractors and subcontractors. This responsibility includes but may not be necessarily limited to:

(a) Implementing procedures designed to notify section 3 residents about training and employment opportunities generated by section 3 covered assistance and section 3 business concerns about contracting opportunities generated by section 3 covered assistance;

(b) Notifying potential contractors for section 3 covered projects of the requirements of this part, and incorporating the section 3 clause set forth in §135.38 in all solicitations and contracts.

(c) Facilitating the training and employment of section 3 residents and the award of contracts to section 3 business concerns by undertaking activities such as described in the Appendix to this part, as appropriate, to reach the goals set forth in §135.30. Recipients, at their own discretion, may establish reasonable numerical goals for the training and employment of section 3 residents and contract award to section 3 business concerns that exceed those specified in §135.30;

(d) Assisting and actively cooperating with the Assistant Secretary in obtaining the compliance of contractors and subcontractors with the requirements of this part, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR part 135.

(e) Documenting actions taken to comply with the requirements of this part, the results of actions taken and impediments, if any.

(f) A State or county which distributes funds for section 3 covered assistance to units of local governments, to the greatest extent feasible, must attempt to reach the numerical goals set forth in §135.30 regardless of the number of local governments receiving funds from the section 3 covered assistance which meet the thresholds for applicability set forth at §135.3. The State or county must inform units of local government to whom funds are distributed of the requirements of this part; assist



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local governments and their contractors in meeting the requirements and objectives of this part; and monitor the performance of local governments with respect to the objectives and requirements of this part.

#### **§ 135.34 Preference for section 3 residents in training and employment opportunities.**

(a) *Order of providing preference.* Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of section 3 covered assistance to section 3 residents in the order of priority provided in paragraph (a) of this section.

(1) *Public and Indian housing programs.* In public and Indian housing programs, efforts shall be directed to provide training and employment opportunities to section 3 residents in the following order of priority:

(i) Residents of the housing development or developments for which the section 3 covered assistance is expended (category 1 residents);

(ii) Residents of other housing developments managed by the HA that is expending the section 3 covered housing assistance (category 2 residents);

(iii) Participants in HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 residents);

(iv) Other section 3 residents.

(2) *Housing and community development programs.* In housing and community development programs, priority consideration shall be given, where feasible, to:

(i) Section 3 residents residing in the service area or neighborhood in which the section 3 covered project is located (collectively, referred to as category 1 residents); and

(ii) Participants in HUD Youthbuild programs (category 2 residents).

(iii) Where the section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the section 3 covered project is

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located shall be given the highest priority;

(iv) Other section 3 residents.

(3) Recipients of housing assistance programs administered by the Assistant Secretary for Housing may, at their own discretion, provide preference to residents of the housing development receiving the section 3 covered assistance within the service area or neighborhood where the section 3 covered project is located.

(4) Recipients of community development programs may, at their own discretion, provide priority to recipients of government assistance for housing, including recipients of certificates or vouchers under the Section 8 housing assistance program, within the service area or neighborhood where the section 3 covered project is located.

(b) *Eligibility for preference.* A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a section 3 resident, as defined in § 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

(c) *Eligibility for employment.* Nothing in this part shall be construed to require the employment of a section 3 resident who does not meet the qualifications of the position to be filled.

#### **§ 135.36 Preference for section 3 business concerns in contracting opportunities.**

(a) *Order of providing preference.* Recipients, contractors and subcontractors shall direct their efforts to award section 3 covered contracts, to the greatest extent feasible, to section 3 business concerns in the order of priority provided in paragraph (a) of this section.

(1) *Public and Indian housing programs.* In public and Indian housing programs, efforts shall be directed to award contracts to section 3 business concerns in the following order of priority:

(i) Business concerns that are 51 percent or more owned by residents of the housing development or developments

for which the section 3 covered assistance is expended, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 1 businesses);

(ii) Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the HA that is expending the section 3 covered assistance, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 2 businesses); or

(iii) HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 businesses).

(iv) Business concerns that are 51 percent or more owned by section 3 residents, or whose permanent, full-time workforce includes no less than 30 percent section 3 residents (category 4 businesses), or that subcontract in excess of 25 percent of the total amount of subcontracts to business concerns identified in paragraphs (a)(1)(i) and (a)(1)(ii) of this section.

(2) *Housing and community development programs.* In housing and community development programs, priority consideration shall be given, where feasible, to:

(i) Section 3 business concerns that provide economic opportunities for section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses); and

(ii) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);

(iii) Other section 3 business concerns.

(b) *Eligibility for preference.* A business concern seeking to qualify for a section 3 contracting preference shall certify or submit evidence, if requested, that the business concern is a section 3 business concern as defined in § 135.5.

(c) *Ability to complete contract.* A section 3 business concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding

the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36(b)(8)).) This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

#### § 135.38 Section 3 clause.

All section 3 covered contracts shall include the following clause (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, 12 U.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 135, 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 135 regulations.

C. 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 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.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR

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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 the 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.

E. 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 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. 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.

G. 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 to be performed under this contract. Section 7(b) requires that to 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).

### § 135.40 Providing other economic opportunities.

(a) *General.* In accordance with the findings of the Congress, as stated in section 3, that other economic opportunities offer an effective means of empowering low-income persons, a recipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards, in connection with section 3 covered assistance.

(b) *Other training and employment related opportunities.* Other economic opportunities to train and employ section 3 residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; hiring section 3 residents in

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management and maintenance positions within other housing developments; and hiring section 3 residents in part-time positions.

(c) *Other business related economic opportunities.* (1) A recipient or contractor may provide economic opportunities to establish, stabilize or expand section 3 business concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from PHA resident-owned businesses and use of procedures under 24 CFR part 963 regarding HA contracts to HA resident-owned businesses. A recipient or contractor may employ these methods directly or may provide incentives to non-section 3 businesses to utilize such methods to provide other economic opportunities to low-income persons.

(2) A *section 3 joint venture* means an association of business concerns, one of which qualifies as a section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the section 3 business concern:

(i) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and

(ii) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

### Subpart C [Reserved]

### Subpart D—Complaint and Compliance Review

#### § 135.70 General.

(a) *Purpose.* The purpose of this subpart is to establish the procedures for handling complaints alleging non-compliance with the regulations of this

part, and the procedures governing the Assistant Secretary's review of a recipient's or contractor's compliance with the regulations in this part.

(b) *Definitions.* For purposes of this subpart:

(1) *Complaint* means an allegation of noncompliance with regulations of this part made in the form described in § 135.76(d).

(2) *Complainant* means the party which files a complaint with the Assistant Secretary alleging that a recipient or contractor has failed or refused to comply with the regulations in this part.

(3) *Noncompliance with section 3* means failure by a recipient or contractor to comply with the requirements of this part.

(4) *Respondent* means the recipient or contractor against which a complaint of noncompliance has been filed. The term "recipient" shall have the meaning set forth in § 135.7, which includes PHA and IHA.

**§ 135.72 Cooperation in achieving compliance.**

(a) The Assistant Secretary recognizes that the success of ensuring that section 3 residents and section 3 business concerns have the opportunity to apply for jobs and to bid for contracts generated by covered HUD financial assistance depends upon the cooperation and assistance of HUD recipients and their contractors and subcontractors. All recipients shall cooperate fully and promptly with the Assistant Secretary in section 3 compliance reviews, in investigations of allegations of noncompliance made under § 135.76, and with the distribution and collection of data and information that the Assistant Secretary may require in connection with achieving the economic objectives of section 3.

(b) The recipient shall refrain from entering into a contract with any contractor after notification to the recipient by HUD that the contractor has been found in violation of the regulations in this part. The provisions of 24 CFR part 24 apply to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of

debarment, suspension or otherwise ineligible status.

**§ 135.74 Section 3 compliance review procedures.**

(a) *Compliance reviews by Assistant Secretary.* The Assistant Secretary shall periodically conduct section 3 compliance reviews of selected recipients and contractors to determine whether these recipients are in compliance with the regulations in this part.

(b) *Form of compliance review.* A section 3 compliance review shall consist of a comprehensive analysis and evaluation of the recipient's or contractor's compliance with the requirements and obligations imposed by the regulations of this part, including an analysis of the extent to which section 3 residents have been hired and section 3 business concerns have been awarded contracts as a result of the methods undertaken by the recipient to achieve the employment, contracting and other economic objectives of section 3.

(c) *Where compliance review reveals noncompliance with section 3 by recipient or contractor.* Where the section 3 compliance review reveals that a recipient or contractor has not complied with section 3, the Assistant Secretary shall notify the recipient or contractor of its specific deficiencies in compliance with the regulations of this part, and shall advise the recipient or contractor of the means by which these deficiencies may be corrected. HUD shall conduct a follow-up review with the recipient or contractor to ensure that action is being taken to correct the deficiencies.

(d) *Continuing noncompliance by recipient or contractor.* A continuing failure or refusal by the recipient or contractor to comply with the regulations in this part may result in the application of sanctions specified in the contract through which HUD assistance is provided, or the application of sanctions specified in the regulations governing the HUD program under which HUD financial assistance is provided. HUD will notify the recipient of any continuing failure or refusal by the contractor to comply with the regulations in this part for possible action under any procurement contract between the recipient and the contractor.

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Debarment, suspension and limited denial of participation pursuant to HUD's regulations in 24 CFR part 24, where appropriate, may be applied to the recipient or the contractor.

(e) *Conducting compliance review before the award of assistance.* Section 3 compliance reviews may be conducted before the award of contracts, and especially where the Assistant Secretary has reasonable grounds to believe that the recipient or contractor will be unable or unwilling to comply with the regulations in this part.

(f) *Consideration of complaints during compliance review.* Complaints alleging noncompliance with section 3, as provided in § 135.76, may also be considered during any compliance review conducted to determine the recipient's conformance with regulations in this part.

### § 135.76 Filing and processing complaints.

(a) *Who may file a complaint.* The following individuals and business concerns may, personally or through an authorized representative, file with the Assistant Secretary a complaint alleging noncompliance with section 3:

(1) Any section 3 resident on behalf of himself or herself, or as a representative of persons similarly situated, seeking employment, training or other economic opportunities generated from the expenditure of section 3 covered assistance with a recipient or contractor, or by a representative who is not a section 3 resident but who represents one or more section 3 residents;

(2) Any section 3 business concern on behalf of itself, or as a representative of other section 3 business concerns similarly situated, seeking contract opportunities generated from the expenditure of section 3 covered assistance from a recipient or contractor, or by an individual representative of section 3 business concerns.

(b) *Where to file a complaint.* A complaint must be filed with the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, DC, 20410.

(c) *Time of filing.* (1) A complaint must be received not later than 180 days from the date of the action or

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omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

(2) Where a complaint alleges noncompliance with section 3 and the regulations of this part that is continuing, as manifested in a number of incidents of noncompliance, the complaint will be timely if filed within 180 days of the last alleged occurrence of noncompliance.

(3) Where a complaint contains incomplete information, the Assistant Secretary shall request the needed information from the complainant. In the event this information is not furnished to the Assistant Secretary within sixty (60) days of the date of the request, the complaint may be closed.

(d) *Contents of complaint*—(1) *Written complaints.* Each complaint must be in writing, signed by the complainant, and include:

(i) The complainant's name and address;

(ii) The name and address of the respondent;

(iii) A description of the acts or omissions by the respondent that is sufficient to inform the Assistant Secretary of the nature and date of the alleged noncompliance.

(iv) A complainant may provide information to be contained in a complaint by telephone to HUD or any HUD Field Office, and HUD will reduce the information provided by telephone to writing on the prescribed complaint form and send the form to the complainant for signature.

(2) *Amendment of complaint.* Complaints may be reasonably and fairly amended at any time. Such amendments may include, but are not limited to, amendments to cure, technical defects or omissions, including failure to sign or affirm a complaint, to clarify or amplify the allegations in a complaint, or to join additional or substitute respondents. Except for the purposes of notifying respondents, amended complaints will be considered as having been made as of the original filing date.

(e) *Resolution of complaint by recipient.* (1) Within ten (10) days of timely filing of a complaint that contains complete

information (in accordance with paragraphs (c) and (d) of this section), the Assistant Secretary shall determine whether the complainant alleges an action or omission by a recipient or the recipient's contractor that if proven qualifies as noncompliance with section 3. If a determination is made that there is an allegation of noncompliance with section 3, the complaint shall be sent to the recipient for resolution.

(2) If the recipient believes that the complaint lacks merit, the recipient must notify the Assistant Secretary in writing of this recommendation with supporting reasons, within 30 days of the date of receipt of the complaint. The determination that a complaint lacks merit is reserved to the Assistant Secretary.

(3) If the recipient determines that there is merit to the complaint, the recipient 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 60-day period, the recipient 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 the recipient and the complainant, and must summarize the terms of the resolution reached between the two parties.

(4) Any request for an extension of the 60-day period by the recipient must be submitted in writing to the Assistant Secretary, and must include a statement explaining the need for the extension.

(5) If the recipient is unable to resolve the complaint within the 60-day period (or more if extended by the Assistant Secretary), the complaint shall be referred to the Assistant Secretary for handling.

(f) *Informal resolution of complaint by Assistant Secretary*—(1) *Dismissal of complaint*. Upon receipt of the recipient's written recommendation that there is no merit to the complaint, or upon failure of the recipient and complainant to reach resolution, the Assistant Secretary shall review the complaint to determine whether it presents a valid allegation of noncompliance with section 3. The Assistant Secretary may conduct further investigation if deemed necessary. Where the com-

plaint fails to present a valid allegation of noncompliance with section 3, the Assistant Secretary will dismiss the complaint without further action. The Assistant Secretary shall notify the complainant of the dismissal of the complaint and the reasons for the dismissal.

(2) *Informal resolution*. Where the allegations in a complaint on their face, or as amplified by the statements of the complainant, present a valid allegation of noncompliance with section 3, the Assistant Secretary will attempt, through informal methods, to obtain a voluntary and just resolution of the complaint. Where attempts to resolve the complaint informally fail, the Assistant Secretary will impose a resolution on the recipient and complainant. Any resolution imposed by the Assistant Secretary will be in accordance with requirements and procedures concerning the imposition of sanctions or resolutions as set forth in the regulations governing the HUD program under which the section 3 covered assistance was provided.

(3) *Effective date of informal resolution*. The imposed resolution will become effective and binding at the expiration of 15 days following notification to recipient and complainant by certified mail of the imposed resolution, unless either party appeals the resolution before the expiration of the 15 days. Any appeal shall be in writing to the Secretary and shall include the basis for the appeal.

(g) *Sanctions*. Sanctions that may be imposed on recipients that fail to comply with the regulations of this part include debarment, suspension and limited denial of participation in HUD programs.

(h) *Investigation of complaint*. The Assistant Secretary reserves the right to investigate a complaint directly when, in the Assistant Secretary's discretion, the investigation would further the purposes of section 3 and this part.

(i) *Intimidatory or retaliatory acts prohibited*. No recipient or other person shall 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 in an investigation, proceeding, or hearing under this part. The identity of

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complainants shall be kept confidential except to the extent necessary to carry out the purposes of this part, including the conduct of any investigation, hearing or judicial proceeding arising thereunder.

(j) *Judicial relief.* Nothing in this subpart D precludes a section 3 resident or section 3 business concerning from exercising the right, which may otherwise be available, to seek redress directly through judicial procedures.

(Approved by the Office of Management and Budget under control number 2529-0043)

### Subpart E—Reporting and Recordkeeping

#### § 135.90 Reporting.

Each recipient which receives directly from HUD financial assistance that is subject to the requirements of this part shall submit to the Assistant Secretary an annual report in such form and with such information as the Assistant Secretary may request, for the purpose of determining the effectiveness of section 3. Where the program providing the section 3 covered assistance requires submission of an annual performance report, the section 3 report will be submitted with that annual performance report. If the program providing the section 3 covered assistance does not require an annual performance report, the section 3 report is to be submitted by January 10 of each year or within 10 days of project completion, whichever is earlier. All reports submitted to HUD in accordance with the requirements of this part will be made available to the public.

(Approved by the Office of Management and Budget under control number 2529-0043)

#### § 135.92 Recordkeeping and access to records.

HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program under which section 3 covered assistance is provided or otherwise

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made available to the recipient or contractor.

### APPENDIX TO PART 135

#### *I. Examples of Efforts To Offer Training and Employment Opportunities to Section 3 Residents*

(1) Entering into “first source” hiring agreements with organizations representing Section 3 residents.

(2) Sponsoring a HUD-certified “Step-Up” employment and training program for section 3 residents.

(3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other section 3 residents in the building trades.

(4) 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 every occupied dwelling unit in the housing development or developments where category 1 or category 2 persons (as these terms are defined in § 135.34) reside.

(5) Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAs, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other recipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the section 3 covered project.

(6) Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

(7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the section 3 covered project.

(8) Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments where category 1 or category 2

persons reside and in the neighborhood or service area in which a section 3 project is located.

(9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a recipient or contractor representative or representatives.

(10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the section 3 covered project.

(11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.

(12) Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the HA's or contractor's training and employment positions.

(13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the section 3 business concerns identified in part 135), that will undertake, on behalf of the HA, other recipient or contractor, the efforts to match eligible and qualified section 3 residents with the training and employment positions that the HA or contractor intends to fill.

(15) For an HA, employing section 3 residents directly on either a permanent or a temporary basis to perform work generated by section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and §905.201(a)(6).)

(16) 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.

(17) Undertaking job counseling, education and related programs in association with local educational institutions.

(18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of section 3 residents previously hired for employment opportunities.

(19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a spe-

cific number of public housing or other section 3 residents to be trained or employed on the section 3 covered assistance.

(20) Coordinating plans and implementation of economic development (e.g., job training and preparation, business development assistance for residents) with the planning for housing and community development.

## *II. Examples of Efforts To Award Contracts to Section 3 Business Concerns*

(1) Utilizing procurement procedures for section 3 business concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans (see section III of this Appendix).

(2) In determining the responsibility of potential contractors, consider their record of section 3 compliance as evidenced by past actions and their current plans for the pending contract.

(3) Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying section 3 businesses which may solicit bids or proposals for contracts for work in connection with section 3 covered assistance.

(4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.

(5) For HAs, contacting resident councils, resident management corporations, or other resident organizations, where they exist, and requesting their assistance in identifying category 1 and category 2 business concerns.

(6) Providing written notice to all known section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the section 3 business concerns to respond to the bid invitations or request for proposals.

(7) Following up with section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.

(8) Coordinating pre-bid meetings at which section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.

(9) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.



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(10) Advising section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.

(11) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of section 3 business concerns.

(12) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by section 3 business concerns.

(13) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.

(14) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(15) Developing a list of eligible section 3 business concerns.

(16) For HAs, participating in the "Contracting with Resident-Owned Businesses" program provided under 24 CFR part 963.

(17) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.

(18) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to section 3 business concerns.

(19) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.

(20) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.

(21) Actively supporting joint ventures with section 3 business concerns.

(22) Actively supporting the development or maintenance of business incubators which assist Section 3 business concerns.

**III. Examples of Procurement Procedures That Provide for Preference for Section 3 Business Concerns**

This Section III provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

(1) *Small Purchase Procedures.* For section 3 covered contracts aggregating no more than

**24 CFR Subtitle B, Ch. I (4-1-03 Edition)**

\$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth in paragraphs (2) and (3) of this Section III may be utilized.

(i) *Solicitation.* (A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of:

- the section 3 covered contract to be awarded with sufficient specificity;
- the time within which quotations must be submitted; and
- the information that must be submitted with each quotation.

(B) If the method described in paragraph (i)(A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.

(ii) *Award.* (A) Where the section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

(B) Where the section 3 covered contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

(2) *Procurement by sealed bids (Invitations for Bids).* Preference in the award of section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

(i) Bids shall be solicited from all businesses (section 3 business concerns, and non-section 3 business concerns). An award shall be made to the qualified section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid—

(A) is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and

(B) is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

	x=lesser of:
When the lowest responsive bid is less than \$100,000 .....	10% of that bid or \$9,000.
When the lowest responsive bid is:	
At least \$100,000, but less than \$200,000 .....	9% of that bid, or \$16,000.
At least \$200,000, but less than \$300,000 .....	8% of that bid, or \$21,000.
At least \$300,000, but less than \$400,000 .....	7% of that bid, or \$24,000.
At least \$400,000, but less than \$500,000 .....	6% of that bid, or \$25,000.
At least \$500,000, but less than \$1 million .....	5% of that bid, or \$40,000.
At least \$1 million, but less than \$2 million .....	4% of that bid, or \$60,000.
At least \$2 million, but less than \$4 million .....	3% of that bid, or \$80,000.
At least \$4 million, but less than \$7 million .....	2% of that bid, or \$105,000.
\$7 million or more .....	1½% of the lowest responsive bid, with no dollar limit.

(ii) If no responsive bid by a section 3 business concern meets the requirements of paragraph (2)(i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

(3) *Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)).* (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.

(ii) One of the evaluation factors shall address both the preference for section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (section 3 strategy), as disclosed in proposals submitted by all business concerns (section 3 and non-section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.

(iii) 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 described in 24 CFR 135.36.

(iv) With respect to the second component (the acceptability of the section 3 strategy), the RFP shall require the disclosure of the contractor's section 3 strategy to comply with the section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility will include the submission of an acceptable section 3 strategy. The contract award shall be made to the responsible firm (either section 3 or non-section 3 business concern) whose proposal is determined most advantageous, considering

price and all other factors specified in the RFP.

## **PART 146—NONDISCRIMINATION ON THE BASIS OF AGE IN HUD PROGRAMS OR ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE**

### **Subpart A—General**

Sec.

146.1 Purpose of the Age Discrimination Act of 1975.

146.3 Purpose of HUD's age discrimination regulation.

146.5 Applicability of part.

146.7 Definitions.

### **Subpart B—Standards for Determining Age Discrimination**

146.11 Scope of subpart.

146.13 Rules against age discrimination.

### **Subpart C—Duties of HUD Recipients**

146.21 General responsibilities.

146.23 Notice of subrecipients.

146.25 Assurance of compliance and recipient assessment of age distinctions.

146.27 Information requirements.

### **Subpart D—Investigation, Settlement, and Enforcement Procedures**

146.31 Compliance reviews.

146.33 Complaints.

146.35 Mediation.

146.37 Investigation.

146.39 Enforcement procedures.

146.41 Prohibition against intimidation or retaliation.

## Section 3 Summary Report

### Economic Opportunities for Low- and Very Low-Income Persons

<b>Part 1: Employment and Training (Columns B, C and F are mandatory fields, include New Hires in E and F**</b>					
A  Job Category	B  Number of New Hires	C  Number of New Hires that are Section 3 Residents	D  % of Aggregate Number of Staff Hours of New Hires that are Section 3 Residents	E**  % of Total Staff Hours for Section 3 Employees and Trainees	F**  Number of Section 3 Trainees
Professionals			%	%	
Technicians			%	%	
Office/Clerical			%	%	
Construction by Trade (List)					
Trade			%	%	
Trade			%	%	
Trade			%	%	
Trade			%	%	
Trade			%	%	
Other (List)			%	%	
			%	%	
			%	%	
			%	%	
			%	%	
			%	%	
			%	%	
			%	%	
			%	%	
<b>Total</b>			%	%	

<b>Part 2: Contracts Awarded</b>	
1. Construction Contracts:	
A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 business receiving contracts	
2. Non-Construction Contracts:	
A. Total dollar amount of all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

## **Section 3 Summary Report Instructions**

### **Part 1 - Employment and Training Opportunities:**

Column A:	Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners and computer programmers). For construction positions, list each trade and provide data in column B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.
Column B (Mandatory Field):	Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.
Column C (Mandatory Field):	Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.
Column D:	Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.
Column E:	Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hour for part-time and full-time positions.
Column F (Mandatory Field):	Enter the number of Section 3 residents that were trained in connection with this award.

### **Part II - Contracts Awarded:**

#### **Block 1 - Construction Contracts:**

- Item A: Enter the total dollar amount of all contracts awarded on the project/program.
- Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.
- Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.
- Item D: Enter the number of Section 3 businesses receiving awards.

#### **Block 2: Non-Construction Contracts:**

- Item A: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.
- Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.
- Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.
- Item D: Enter the number of Section 3 businesses receiving awards.

# **MINORITY BUSINESS ENTERPRISES (MBE) AND WOMEN BUSINESS ENTERPRISES (WBE) SUMMARY REPORT**

Contractors and subcontractors must submit to project developer/sponsor (Recipient) within 30 days of completion of the reporting period indicated below. Recipients of HOME funds must aggregate information to provide a summary of the project impact. This aggregate report must be submitted to New Hampshire Housing Finance Authority, Attn: M&D, PO Box 5087, Manchester, NH 03108 within 45 days of the completion of the reporting period indicated below.

Name and Address of  
Recipient, Contractor or  
Subcontractor completing the  
form (please print):

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Name and Location of Project  
(please print):

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Date of Completion:

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Period covered in this report: _____, 20__ through project completion _____, 20__						
<b>Minority Business Enterprises (MBE) and Women Business Enterprises (WBE):</b> In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.						
	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
A. Contracts						
1. Number						
2. Dollar Amount						
B. Subcontracts						
1. Number						
2. Dollar Amount						
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number						
2. Dollar Amount						
D. Subcontracts						
1. Number						
2. Dollar Amounts						

### SECTION 3 BUSINESS CONCERN CERTIFICATION OF ELIGIBILITY

Name and Location of Section 3 Project:

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Name of Project Sponsor/Developer or Contractor Requesting Certification:

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The undersigned certifies that he/she is and authorized representative of a business entity formed in accordance with state law, which meets the requirements for eligibility as a Section 3 Business Concern according to federal "Section 3" regulations (Economic Opportunities for Low- and Very Low-Income Persons) at 24 CFR Part 135. Furthermore, the business entity meets the category for qualification indicated:

- \_\_\_ 1. Is 51 percent (51%) or more owned by Section 3 residents.
- \_\_\_ 2. Has permanent, full-time employees include persons, at least 30 percent (30%) 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.
- \_\_\_ 3. Has provided evidence of a commitment to subcontract in excess of 25 percent (25%) of the dollar award of all subcontracts to be awarded to business concerns that meet qualifications #1 or #2.

This business concern \_\_\_ is \_\_\_ is not a Women Business Enterprise (WBE)  
This business concern \_\_\_ is \_\_\_ is not a Minority Business Enterprise (MBE)

Date of Section 3 Covered Contract: \_\_\_\_\_

Value of Contract: \$ \_\_\_\_\_

Name of Authorized Representative  
and Name and Address of  
Section 3 Business Concern  
(please print): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Representative  
of Section 3 Business Concern: \_\_\_\_\_

Signature of Witness: \_\_\_\_\_

Date of Certification: \_\_\_\_\_

### SECTION 3 RESIDENT CERTIFICATION OF ELIGIBILITY

Name and Location of Section 3 Project:

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Name of Project Sponsor/Developer or Contractor Requesting Certification:

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The undersigned certifies that he/she meets the requirements for eligibility as a Section 3 Resident according to federal "Section 3" regulations (Economic Opportunities for Low- and Very Low-Income Persons) at 24 CFR Part 135. Furthermore, the individual meets the category for qualification indicated:

- A resident of a public housing project.
- A participant in a Youthbuild Program.
- 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 member of a low-income household and is a low income individual.
- 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 member of a very low-income household or is a very low-income individual.

The following evidence has been submitted to support this certification:

Date of Hire:

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Name and Address of Section 3  
Resident (please print):

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Signature of Section 3 Resident:

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Signature of Witness:

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Date of Certification:

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**NOTE: The New Hampshire Housing Finance Authority Development Office will place this legal notice for the project.**

**LEGAL NOTICE**

\_\_\_\_\_ (name of sponsor/developer) anticipates a federally funded affordable housing project located in \_\_\_\_\_ (name of town), New Hampshire. Section 3 of the Housing and Urban Development Act of 1968 as amended, 12 U.S.C. 1701U, mandates that opportunity for employment and other economic opportunities generated by its housing and community development assistance programs be directed toward low and very low income persons, particularly those who are recipients of government assisted housing. The regulations are found at 24 CFR Part 135. \_\_\_\_\_ (name of sponsor/developer) will comply with Section 3 requirements referenced in this public notification Project information and development timeline may be obtained from \_\_\_\_\_ (name of contact person) of \_\_\_\_\_ (name of sponsor/developer) at \_\_\_\_\_ (mailing address) or by telephone at \_\_\_\_\_ (telephone number).